

Totnes Community Development Society

Strategic Plan 2020

Atmos Hub
Station Yard Approach
Totnes
Devon
TQ9 5JR

Registered with the FCA: 31671 R

www.totnescommunity.org.uk

December 2019 update
Updated Addendum June 2020

Mission Statement

Totnes Community Development Society works for public benefit in Totnes and surrounding environs. The Society does not have any political affiliation or represent any specific interest group. In practical terms the Society takes its brief from the community of Totnes and responds to that need including the need for affordable housing, employment and community facilities.

The Vision

Totnes Community Development Society recognises the potential that multiple asset development and management within a not for profit community organisation offers for long term viability and sustainability of both the assets and the services/activities offered within the assets.

The Society believes that there is a greater opportunity for the assets themselves to be better sustained as a consequence of being able to cross subsidise across the multiple asset base. Practically using surpluses generated through the management of one asset to subsidise work in another.

In this way the Society also believes that multiple asset development and management within a not for profit community organisation can collectively sustain and support critical service provision that meets local need. Practically by being able to hold rent or hire charges or by providing free space (where appropriate to do so) to support services under threat of closure due to lack of finances.

The Society recognises that its role is not one of activity and service delivery but supporting others to deliver services and activities from within the space it manages; buildings and spaces which are collectively owned by the local community.

It has always been the intention of the Society to develop a multiple asset base, but in the current political and economic circumstances, it is felt more important to fully focus the effort of the Society on this aim.

Our Principles

In undertaking its work Totnes Community Development Society follows principles of:

- democratic control (one member, one vote with membership free and open to everyone over the age of 16);
- community participation (members and younger volunteers) in identifying community needs, consultative design processes and project delivery;
- process driven (TCDS facilitates the process to allow individuals and service providers to generate solutions);
- viability (TCDS projects and activities must be financially viable and compliant).

The Society's Business Model

Multiple asset development, with the assets held and managed by the community for the community, is the business model that has been consolidated over a number of years and is now at the heart of the work being pursued by the Society.

The Society believes that through the pursuit of this business model there are a number of benefits and outcomes that will result. These are described as follows:

As the mix of assets is held within the community its established returns (social, environmental and financial) will be locked into the community and in so doing help to improve viability and financial sustainability.

It is also highly likely that the level of surpluses generated will be higher than those achieved through single asset development. Practically this will mean that there is greater recirculating of funds into the community, so as to either support services and activities that are under threat or develop new activity that cannot be otherwise funded.

The activities and services delivered through the space provided by these assets are delivered by many other organisations under a model of common and collective ownership at the community level. This is likely to enable greater community cohesion and support cross subsidy on unsupported work on a different scale.

Through the development of common and collective ownership of a range of assets at the community level the community may fully engage in discussions about what they can deliver for themselves and what they cannot. It could even lead to engaged discussions about devolution at the local level.

Contents

	Page
The Vision	2
Our Principles	2
The Society's Business Model	2
1. Introduction	4
2. Our Context	4
3. Our History	5
3.1 The Catalyst	5
3.2 The Incorporation of Totnes Community Development Society	5
3.3 The Mansion and King Edward College VI Site Foundation	5
3.4 The Elmhirst Building	5
3.5 Golden Iris	5
3.6 Continued Organisational Development	6
3.7 Systems Development	6
3.8 Rule Changes, Membership and Community Share development	6
3.9 Our Projects	6
4. Legal Status	7
4.1 Rules and Objects	7
4.2 Our Directors	7
4.3 Recruitment of Directors	7
4.4 Membership	7
4.5 Professional advisors	8
4.6 Delivering the Society's Charitable Objects	8
4.7 TCDS Programme structure	8
5.0 Organisational Development	9
5.1 Organisational Mapping	9
5.2 Current Organisational Capacity	10
5.3 Developing Organisational Capacity	11
5.4 Employees	12
5.5 Directors	13
5.6 Commissioned Experts	13
5.8 Systems Development	13
5.9 Developing the Membership Base and Volunteering Opportunities	13
5.10 The Facilitative Work Environment	13
5.11 Organisational Development	13
6. Financial Processes and Procedures	14
6.1 Introduction	14
6.2 Financial Procedures and Reporting	14
6.3 Financial History	14
6.4 Loan Finance	14
6.5 Planning for the period 2019 to 2022	14
6.6 Totnes Community Development Society Consolidated Financial Plan	15
6.7 Organisational Development and VAT position	15
6.8 Reserves	15
6.9 Securing Project Funding	15
7. Risk Assessment	16
Addendum	17
Addendum June 2020	17
Elmhirst Building	17
The King Edward VI College Site Foundation and the Mansion	17
Atmos Totnes	17
Additional Risks June 2020	18

Note to Reader

In preparing this document information is drawn from a number of other documents. The key documents are:

- TCDS Rules
- TCSD Group Accounts 2019
- Devonshires Vires opinion on Atmos Totnes
- Francis Clarke letter on structure and VAT

It is suggested that the reader also reads the reference documents as well as this document.

1. Introduction

- 1.1. The multiple asset base approach that Totnes Community Development Society has been developing since its inception in 2012 now appears more critical than ever in providing a practical response to this increasing diversity of need. As the public sector asset base is reduced the number of service providers, organisations and groups seeking space continues to grow.
- 1.2. Over the course of 2018 the Society focused on a sustained approach to community development and management of multiple assets. By connecting up multiple spaces and places the Society is seeking to provide a stable base to ensure these buildings continue to work within and for the community into the future. Multiple asset development by the Society with the assets held and managed by the community for the community is the business model that has been consolidated over a number of years and is now at the heart of the work being pursued by the Society.
- 1.3. The strategic and practical response of the Society over the course of 2018 in relation to its business model was to move forward with post planning pre-development work on Atmos Totnes, commence operation of the Mansion as a fully constituted organisation and start preparations to open the Elmhurst Building (working with and developing the capacity of young people in the community). In addition, the working processes of the Society, based on TCDS's collaborative and democratic model of development and management of community buildings, developed significantly.
- 1.4. Recognising the scale of development and activities that the Society is working on it was felt that a full strategic and governance review, supported by the Society's legal and financial advisors would be beneficial and would allow the Society to set out the strategic direction to be followed over the next few years.
- 1.5. Over the past year, 2018 into 2019, the Society have undertaken this strategic and governance review. This Strategic Plan is borne out of this review. In format this plan:
 - i. sets out the key elements of the context under which the Society is developing and delivering its work
 - ii. details elements of this review work, and
 - iii. considers the organisational development required by the Society to deliver the work required under each of its areas of work.

2. Our Context

- 2.1. Totnes is a market town, dating back to 907AD. Located in South Devon, it is about 22 miles (35 km) south of the city of Exeter and is situated at the head of the estuary of the River Dart in South Devon within the South Devon Area of Outstanding Natural Beauty.
- 2.2. As of the 2011 census the population of Totnes was 7,456 with just over 3,866 households, spread across two wards (Totnes Town and Bridgetown). The community of Totnes consists of a mix of retirees, wealthy down-sizers and people born in the district, with a significantly higher proportion of retirees than the national or regional average. In 2011 around 22% of the population were over 65 and 19% under 17. There was also a high proportion of younger working age (25-44) and a low proportion of the older working age (45-64) compared to England and Wales. The level of single person households was also quite high at just under 40%, with 20% of these occupied by lone older people aged over 65.
- 2.3. The level of unemployment in the Totnes ward in 2011 was 6.7% and that in the Bridgetown ward was 6.1% compared to 7.6% for England and Wales, with significantly higher levels of part-time employment 40.4% and 40.4% respectively compared to 29.3% in England and Wales.
- 2.4. As of June 2019 the numbers claiming Universal Credit were 2.5% in the Totnes ward and 2.1% in the Bridgetown ward compared to 1.3% across the whole of the South Hams and 2.7% across England and Wales.
- 2.5. There are about 900 mostly micro/small businesses. 80% of them have less than 10 employees. In the wider market town area, the business landscape is as follows; wholesale & retail trade (20%), services/real estate (16%), manufacturing (12%) and agriculture (11%).
- 2.6. Whilst the reputation of Totnes is as an affluent market town the reality is that it is clearly facing several acute challenges:
 - Social issues include a serious lack of affordable housing (there are low numbers of owner occupiers and higher numbers of housing association renting and private landlord renting);
 - There is insufficient well-paid work and provision for young people, resulting in their migration to larger towns and cities to find work;
 - Crime in the Totnes parish is higher than the county and district averages in all crime categories and drug offences are higher than the national average;
 - There are threats to economic prosperity due to increasing traffic congestion, environmental degradation, poor skills development and a higher than average dependence on public sector jobs;
 - Increasingly local businesses and their employees are under severe threat and this demographic information highlights the depressed nature of the local economy, its impact on our social infrastructure and ultimately, the quality of life of our community.In addition, austerity has added another layer of challenge as the public sector struggles to meet local need with reducing personnel and public buildings in which to offer services.

3. Our History

3.1 The Catalyst

3.1.1. In June 2007 Dairy Crest Group plc announced the closure of their milk processing plant in Totnes with the subsequent loss of 161 jobs. The impact of this closure on an already fragile local economy raised concerns across the local community. With a growing understanding of the need to re-localise the economy, the Dairy Crest Group plc announcement was the catalyst for a group of community members to initiate The Atmos Project.

3.1.2. By July 2007 a broad-based community Steering Group comprising Totnes Town Council, Totnes and District Community Strategy Group, Totnes Development Trust, Totnes Chamber of Commerce, and Transition Town Totnes had been formed.

3.1.3. From July 2007 to July 2012 Atmos Totnes was led by Totnes Community Development Society (TCDS) in partnership with Transition Town Totnes. This period was one which can ultimately be described as a period of building the relationship with Dairy Crest Group Plc and gathering information and understanding about the site. During this period the first funds for the project were raised; £500 from the Mitchell Trust.

3.2 The Incorporation of Totnes Community Development Society

3.2.1 In 2012 the relationship with Dairy Crest Group Plc has reached the stage where it was felt that it was possible to put in place contractual agreements for the disposal of the site. As there was a need for a legal entity to take forward the contractual relationship with Dairy Crest Group Plc, Totnes Community Development Society was incorporated as an Industrial and Provident Society for the benefit of the community (IPS Ben Com) in July 2012 using Co-operatives UK model rules.

3.2.2 Throughout the period 2012 to 2014 there was a great deal of negotiation between Totnes Community Development Society and Dairy Crest Group Plc. This led in August 2014 to the signing of legal agreements relating to the sale of the former Totnes Creameries site to Totnes Community Development Society.

3.2.3 In October 2014 the Atmos Hub was opened and an extensive period of consultation and engagement with the community of Totnes and statutory agencies followed till January 2016 when the Society submitted a Community Right to Build Order to South Hams District Council.

3.2.4 In late 2014/early 2015, at the request of Totnes Town Council, Totnes Community Development Society undertook initial business modelling for the Mansion in Totnes.

3.3 The Mansion and King Edward College VI Site Foundation

3.3.1 The Mansion is a complex site encompassing an original Grade 2* Listed Building at the front of the site (facing onto Fore Street, Totnes), two extensions and the Pulse Building. It is the asset of the King Edward VI College Site Foundation.

3.3.2 In 2013 Devon County Council (the Sole Trustee of the King Edward College VI Site Foundation) asked Totnes Town Council to explore how the Mansion could be run locally within Totnes. In late 2014 Totnes Town Council ask the Society to undertake business modelling to determine if the Mansion could be viable held within community ownership.

3.3.3 The business modelling completed by the Society indicated that the Mansion required considerable investment and that it was unlikely to be able to balance revenue expenditure against revenue income easily.

3.3.4 Open engagement and consultation events were held in relation to the Mansion and the initial business modelling completed by the Society and further discussion through the Town Council resulted in an open invitation for organisations interested in running the Mansion to come forward at the Annual Town Meeting in May 2015. At this meeting no organisation or interested groups came forward.

3.3.5 Although clearly a challenge the Directors of Totnes Community Development Society recognised the importance of maintaining the Mansion as an essential community space within the centre of Totnes and when no other organisation came forward, Totnes Community Development Society, offered to take on management of the Mansion in Totnes.

3.3.6 On the 1st of January 2017 Devon County Council resigned its role as sole Trustee of the Foundation and Totnes Community Development Society took over sole Trusteeship and the management of the Mansion.

3.4 The Elmhirst Building

3.4.1 The Society entered into conversations with the senior team and Governors of King Edward VI Community College (KEVICC) in 2015 about the use of the Elmhirst Building. This was a direct result of the Atmos Totnes engagement and consultation which showed the need for space for young people and community-led activities. The Society proposed plans to take over spaces within the Elmhirst Building for community-led activities, in tandem with continued use of the site by the College.

3.4.2 In July 2016 the Governing body voted in favour of Totnes Community Development Society commissioning its lawyers to establish a full repairing lease for the Elmhirst Building drafted on the basis of an agreed heads of terms. The Society was to take on full management and responsibility for the building whilst enabling the College continued access to some of the key assets of the building, primarily the gym and lab spaces.

3.4.3 The lease agreement was drawn up however following a period of reflection by the College, in July 2017 KEVICC proposed that the lease not be taken forward but that the Society be offered a Licence to Occupy the Elmhirst building. This licence to occupy, and the sub-contract for use by other permitted organisations under the Society was signed in February 2018.

3.5 Golden Iris

3.5.1 In 2016 the Society held a design session for Atmos Totnes project with young people working alongside the project team and architect at KEVICC. Whilst many of the students had participated in consultation around the project and work of the Society independently this session represented the first formal meeting of students in the work of the Society through the school itself. This session provided students with the opportunity to provide detailed design of spaces on the site for use by young people. This session was followed by three art, photography and design sessions on the site.

3.5.2 An incident in early 2017 involving a student falling through the roof of a derelict building whilst trespassing on the Atmos Totnes site after school hours, led to a series of assemblies held jointly between the Society, the local police and KEVICC. In these assemblies the Society actively sought participation by students in a number of activities, including the bringing forward of the Elmhirst building into community use led by young people. 35 young people expressed an interest in practically helping with this work. Many of these individuals went on to participate in the Golden Iris Festival.

3.5.3 In July 2017 KEVICC asked TCDS to take on a number of year 10 students who they were not able to place in work experience during activities week July 2017. Six students joined TCDS to form Golden Iris with four of the students committing to an extended period of work experience beyond the set year 10 programme, completing over three months of work across the summer which led to the Golden Iris Festival in October 2017.

3.5.4 The work in planning the Golden Iris Festival started during Activities Week 2017 (17th to 21st July). The festival was therefore conceived and completed in 12 weeks. Concerned by the death of two of their peers and friends in recent years and the increasing challenges they see and experience around mental health, and which as they say “remain invisible to most”, the students involved wanted the run up to the event and the festival itself to raise the profile of young people and the urgent need for voice and activity within Totnes.

3.5.5 The festival was therefore designed by young people to provide a space for the local talent to flourish and challenge perceptions about young people in Totnes, particularly around mental health and inclusion. The festival was intended to be a positive and practical response to issues facing young people, and a way of providing a space for the voice and talents of their colleagues within the community. Over 1,500 people were involved in the production of the [Golden Iris Festival 2017](#).

3.5.6 In July 2018 a further group of young people undertook work experience with TCDS and picked up the themes and activities of the original group to grow and cement the plans for repair and development of the Elmhirst Building as a home of Golden Iris activities.

3.6 Continued Organisational Development

- 3.6.1 Through its work in facilitating Atmos Totnes and the work in relation to the King Edward College VI Site Foundation, the Elmhirst Building and Golden Iris it was clear that being solely reliant upon volunteer input to take the work the Society forward was not going to lead to sustainability.
- 3.6.2 Directors were, and still are, of the view that Totnes Community Development Society needs only to be a very lean organisation with enough organisational capacity to manage its work. It is felt that it does not need to employ a large staff team or those with direct responsibility for specific building management.
- 3.6.3 Whilst not a traditional model, Directors are of the view that the buildings and space developed by the Society can be successfully managed by putting in place the right combination of staff team and processes and systems that allow and require users of the space to take their part in the collective responsibilities of the space. In this way the space is truly community owned and managed.
- 3.6.4 Having spent time mapping the needs of the Society in terms of processes and systems and employees, the Society's first employee was recruited in May 2017. The Systems Administrator was brought in to support the development of systems that would facilitate community led management of projects.
- 3.6.5 The second employee, a part-time post supporting facilities management, was recruited in 2018.

3.7 Systems Development

- 3.7.1 In 2017 the Society moved to XERO (accounting software system). Until this point the Society's finances had been managed using spreadsheets.
- 3.7.2 On 5th June 2017 the Society established new rules with the Financial Conduct Authority. The changes provide more appropriate details around the objectives of the Society and provided an enhanced asset lock for the activities of the organisation. The Society is a Registered Society with the Financial Conduct Authority under the Co-operative and Community Benefit Societies Act 2014 (reg Number: 31671 R). These rules were subsequently accepted by HMRC who confirmed that TCDS should be treated as a charity for tax purposes from 5th June 2017.
- 3.7.3 In order to better manage its work the Society invested in Salesforce as a database system with a bespoke set-up to support the management of membership, volunteering, share offers and building management. Through the Salesforce database by the end of 2018 48% of new members registered an interest in volunteering time in the organisation. Over 50% of new members registered an interest in investing financially in TCDS. The bespoke set-up of the database will allow on-going evolution as membership, volunteering and building management change as needs change.
- 3.7.4 In 2018 the Directors felt that the time was right to develop the Society's membership base. It was always the intention to develop the membership of the Society once the Directors felt that the Society had reached a point of consolidation. It was felt that this point was reached in 2018 as all the Society's projects were clear and the Society had systems and processes in place to support the development of the membership.

3.8 Rule Changes, Membership and Community Share development

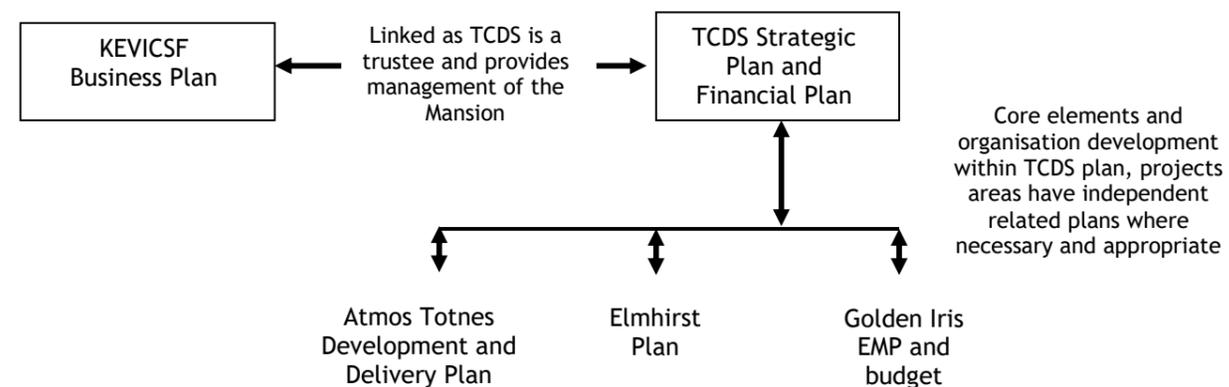
- 3.8.1 The principle behind the development of the membership of the Society is that every person in Totnes, over the age of 16, should have an equal right and ability to become a member of the Society, each with equal say in the governance through voting rights, such that:
 - All members must support the objects of the society;
 - The value of membership is separate from the ability to invest;
 - The membership is as broad and inclusive as possible;
 - The membership body is always weighted in favour of local people.
- 3.8.2 As it has, and remains, the intention of Totnes Community Development Society to offer the opportunity for individual and organisational investment in the Society through a Community Share Issue. It was recognised that in order for the membership of the Society to be as open and inclusive to every person in Totnes, the Society needed to be able to offer two different classes of share within TCDS. A single, £1 non-withdrawable Membership Share for each person joining, with investors purchasing withdrawable Community Shares.

3.8.3 To facilitate effective investment within Totnes Community Development Society a community share offer project started in 2018. Alongside the detailed financial planning for TCDS and Atmos Totnes this work was focused on enabling all members to obtain community shares in Totnes Community Development Society. The aim is to support and enable the local community to invest financial in the ownership of local assets within the community. Work to develop the membership and community share offers were supported by the Architectural Heritage Fund and the Community Shares Unit. The first share offer is due for launch during 2020 - see the relevant Share Offer Document for more information.

3.8.4 In order to allow for two forms of share issue and as part of processes to ensure ongoing compliance with financial and charitable regulations, as activities of the Society develop, the Rules of TCDS were reviewed by the Society's lawyers and financial advisors. Amendments to the Society's rules, which further tightened the Society's asset lock, and which ensure limitations in terms of interest return for shareholders were submitted to the FCA and registered on 25 January 2019.

3.9 Our Projects

- 3.9.1 At the current time the work of Totnes Community Development Society includes projects that the Society is developing or leading and projects where the Society is facilitating or working in partnership with others.
 - i. The Society is currently leading and developing:
 - Atmos Totnes
 - The Elmhirst Building
 - ii. Totnes Community Development Society is the trustee of The King Edward College VI Site Foundation and facilitates the management of the Mansion.
 - iii. The Society is working in partnership with Golden Iris (formed of young community members) to facilitate and support the development and management of the Golden Iris Festival and the users of the Elmhirst Building.
 - iv. The Society is also developing a Community Labour Initiative which has developed out of the need to support training and development opportunities through Atmos Totnes but is of relevant to all of the Society's work.
- 3.9.2 Full details of the Society's projects are set out in their respective strategic, business or operational plans.
- 3.9.3 The relationship between these plans is shown below.



3.9.4 In essence, the core and organisational development activity of the Society is within the TCDS business plan whereas the project delivery, including any capacity developed specifically in relation to the project area, is dealt with in independent yet related business plans.

4. Legal Status

4.1 Rules and Objects

4.1.1 The Society is a registered Charitable Community Benefit Society with the Financial Conduct Authority under the Co-operative and Community Benefit Societies Act 2014 (reg Number: 31671 R).

4.1.2 The rules of the Society set out the following objects:

- (a) Maintain or improve the physical, social and economic infrastructure provided that such maintenance or improvement shall not extend to relieving local authorities or other bodies of a statutory duty to maintain or improve;
- (b) Advance education, training or retraining, particularly among unemployed people and providing unemployed people with work experience;
- (c) Provide financial assistance, technical assistance or business advice or consultancy in order to provide training and employment opportunities for unemployed people in cases of financial or other charitable need through help:
 - i. in setting up their own businesses; or
 - ii. to existing businesses;
- (d) Create training and employment opportunities by the provision of workspace buildings, and/or land for use on favourable terms;
- (e) Provide housing, including social housing, for those who are in conditions of need and the improvement of housing in the public sector or in charitable ownership provided that such provision shall not extend to relieving local authorities or other bodies of a statutory duty to provide or improve housing;
- (f) Maintain, improve and provide public amenities;
- (g) Provide recreational facilities for the public at large or those who by reason of their youth, age, infirmity or disablement, poverty or social and economic circumstances have need of such facilities;
- (h) Protection or conservation of the environment;
- (i) Facilitate community ownership of renewable energy production;
- (j) Promote and support the arts locally;
- (k) Function in accordance with the legal definition of a Community Land Trust;
- (l) Promote and protect local heritage;
- (m) Provide public health facilities and childcare;
- (n) Promote public safety and prevention of crime;

4.1.3 The Society is a not for personal profit organisation, any trading profits will be kept within the Society, for further social and economic regeneration activity, once operational costs have been covered. The Society's rules have been accepted by HMRC who confirmed that the Society should be treated as a charity for tax purposes.

4.2 Our Directors

4.2.1 The Society is managed by a voluntary board of Directors elected from the membership of the Society.

4.2.2 At the current time the Society has a board of 4 Directors: Anna Lodge, Francis Northrop, Rob Hopkins and Dave Chapman.

4.2.3 The Honorary Officers are as follows:

Chairperson	Anna Lodge
Secretary	Francis Northrop
Treasurer	Dave Chapman

4.2.4 Role descriptions and person specification for Directors are in place and set out the responsibility of the Board of Directors to:

- Ensure that Totnes Community Development Society complies with its rules, company law, charity law and any other relevant legislation or regulations.
- Ensure that the Society pursues its objects as defined in its rules.
- Ensure the Society uses its resources exclusively in pursuance of its objects: it must not spend money on activities which are not included in its own objects, no matter how worthwhile or charitable such activities are.

- Contribute actively to the Board of Directors role in giving firm strategic direction to the Society, setting overall policy, defining goals and setting targets and evaluating performance against agreed targets.
- Safeguard the good name and values of the Society.
- Ensure the effective and efficient administration of the Society
- Ensure the financial stability of the Society.
- Protect and manage the property of the Society and to ensure the proper investment of its funds.
- Employ staff, appoint staff and monitor their performance.

4.2.5 From incorporation the Board adopted a protocol for Directors meetings alongside a standard agenda for all meetings of the Directors.

4.2.6 The Directors have formally adopted a series of policy documentation as follows:

- Health and Safety Policy
- Equal Opportunities Policy
- Data Protection Policy
- Data Protection for Volunteers
- Finance Policy
- Expenses Policy
- Violence and Aggression Policy
- Lone Working Policy
- Procurement Policy
- Child Protection Policy and Vulnerable Users Protection Statement
- Volunteer Policy
- Development and Training Policy

All policies are reviewed on a regular basis and updated as law or recognised best practice changes. New policy is adopted as required, as the work of the Society necessitates.

4.3 Recruitment of Directors

4.3.1 Directors are elected by the members of the Society at the Society's Annual General Meeting (AGM). Prior to the AGM the Board of Directors seek interest from members and provide support to those interested in becoming a Director.

4.3.2 Prior to, and in compliance with the Society's rules, members of the Society are advised of the retiring Directors and nominations are sought from the membership for election to the Board at the AGM.

4.3.3 At the AGM members elect Directors. One-third of the elected Directors, or if their number is not a multiple of three then the number nearest to one-third, retire from office. The Directors to retire are the Directors who have been longest in office since their last election.

4.3.4 Members seeking election to the Board of Directors are required to provide a brief biography which is made available to the membership ahead of the AGM.

4.4 Membership

4.4.1 Membership is open to both individuals and organisations. Membership of the Society, and therefore the common and collective community ownership of the Society's assets, is critical if the Society is to be truly democratic and inclusive.

4.4.2 Members have a formal legal status and as such must sign and agree to abide by the Rules of Totnes Community Development Society. Members benefits include:

- Opportunity to stand for election as a Director of the Society
- Vote at AGM
- Determine policy
- Receive annual report
- Receive a newsletter (quarterly)
- Information on Society activities
- Invite to Society events

4.5 Professional advisors

5.5.1 To support the work of the Society the current professional advisors are as follows:

- Accountant: MAP Accountants (<http://mapaccountants.co.uk>)
- Auditors: PFK Francis Clarke (<http://pkf-francisclark.co.uk>)
- Solicitors: Devonshires (<http://devonshires.com>)

5.5.2 As required and necessary the Directors of the Society commission other professional advisors to support the work of the Society.

4.6 Delivering the Society's Charitable Objects

4.6.1 The delivery of the Society's objects is through the projects it develops, manages or facilities with others. The Society does not exist for its own ends but rather to drive and co-ordinate the development of management of multiple assets in Totnes. To this end the Society is, and should remain, a small organisation with a small staff team.

4.6.2 In 2018 the Society sought legal advice in relation to discharging its charitable objects. Whilst this advice was sought in relation to the development and delivery of Atmos Totnes the general advice is that Totnes Community Development Society is a bona fide regeneration charity provided that its Directors can demonstrate that:

- a. The Directors have a set of effective criteria to use for assessing whether or not each area the Society seeks to benefit is in need of regeneration;
- b. The Directors have considered and are satisfied that the public benefit from its activities outweigh any private benefit which might be conferred on individuals and companies.

4.6.3 In seeking to discharge its charitable objectives in accordance with the legal advice provided Directors of the Society carefully review:

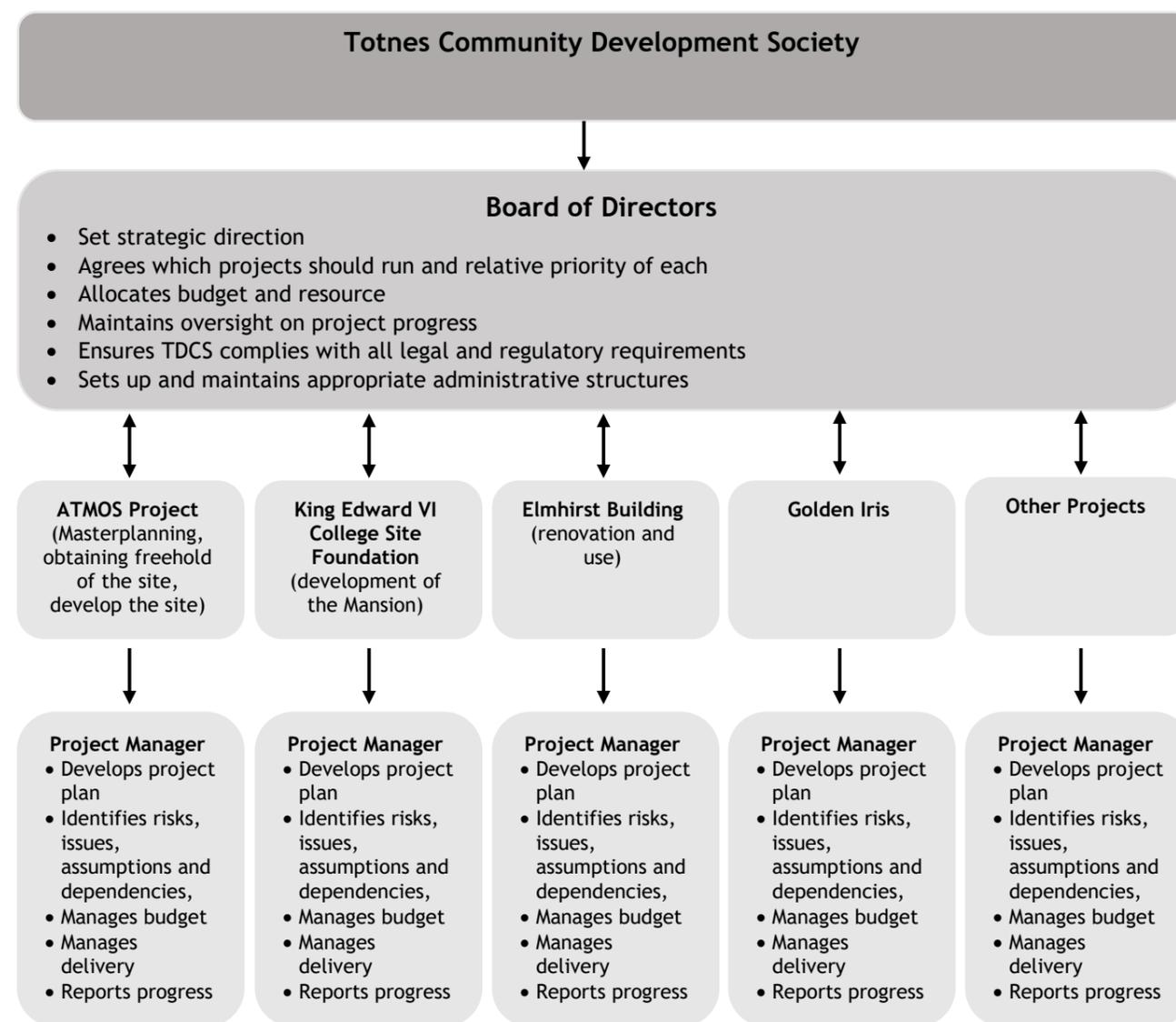
- i. any request to develop or take on a project to ensure that in so doing the Society's charitable objectives will be met,
- ii. the aims and objectives of those organisations and individuals using the spaces or buildings being developed or managed by the Society to ensure that also support the objects of the Society,
- iii. the contribution an organisation or individual using the spaces or buildings being developed or managed by the Society can make.

4.7 TCDS Programme structure

4.7.1 TCDS is governed using a programme structure allowing a separation between strategic and operational decision making. In this model:

- i. TCDS is the Programme, managed by the Directors with accountability for setting the strategic direction, allocating resource and budget.
- ii. Underneath the Programme, there are Projects, managed independently, with freedom to make operational decisions, subject to regular oversight by the Programme.
- iii. There are TCDS Board Meetings to provide governance and oversight.

4.7.2 A key advantage of this structure is that it allows the Project Manager the freedom to get on with 'doing' within an agreed framework without having to constantly go back and ask for direction and/or approval. Practically this means that Directors can lead projects, and in the early stages of a project would be expected to do so assuming that they have the necessary skills. Pictorially the Governance proposal is as below.



4.7.3 Full details of each of the projects being developed or managed by the Society are set out in their respective strategic, business or operational plans.

5.0 Organisational Development

Elmhirst Building	
Position as at December 2019	Final position is sought by December 2020
<ul style="list-style-type: none"> • A licence with The Dart Valley Learning Trust is in place till February 2020, this has a one-year renewable rolling clause. • TCDS can grant licences to occupy space at the Elmhirst building under the licence with the Dart Valley Learning Trust. • Space at the Elmhirst building is available for use from (July 2019 onwards). • There are now over 55 groups either using space or developing their programme at Elmhirst . • Up to 78 young people have been involved in building and programme development at any one time at the Elmhirst Building with approximately 10 being regularly involved throughout the period of development. 	<ul style="list-style-type: none"> • Managed space youth involvement, engagement and enterprise, with some uses occupying space via the Community Occupier Licence. • 25 young people regularly involved in the management of the space and programme review. • Sessional space for community involvement and engagement. • Full programme of events and activities in place. • Training café space in place. • Training and development opportunities in place. • Volunteer and pro-bono contribution provided to support the on-going renovation and refurbishment work and the general day to day maintenance and upkeep of the site.

5.1 Organisational Mapping

- 5.1.1 Totnes Community Development Society has been established to develop and manage assets in Totnes for the benefit of the community of Totnes, therefore prioritising the sustainability of the organisation over its delivery is something the Directors seek to guard against. The balance the Directors of the Society are seeking to achieve is one where there is just sufficient resource within the Society to deliver its projects. Directors are therefore seeking to ensure that:
- There is sufficient capacity within the Society to ensure successful delivery of the Society's projects
 - There is sufficient funding to deliver out Atmos Totnes, complete the development and refurbishment project at the Mansion, undertake further work on the Elmhirst building and support the continued development of Golden Iris.
- 5.1.2 In order to identify the further organisational development work that will be required, Directors have mapped the needs of the Society, in relation to the proposed final positions of the projects that the Society is currently developing and managing, and then considered the functions required to support the Society to achieve these positions.
- 5.1.3 The tables below show the current position and final position and the dates by which they will be reached for the projects being managed and developed by the Society as of June 2019.

The Mansion	
Position as at December 2019	Final position is sought by December 2020
<ul style="list-style-type: none"> • KEVICSF does not employ staff: administration and facilities management of the Foundation and the Mansion provided by TCDS. • Annual income and expenditure do not balance given the severe backlog of maintenance issues. • As of end of June 2019, there are 11 tenants/licence holders, 100 active hirers and over 2,000 users of services weekly. • Free space policy in place for those organisations and individuals testing ideas and not yet able to pay hire charges. • Workspace leased to tenants on 5-year leases • Venue hire and sessional space for community health, education and social well-being. • Mansion open Monday to Friday 7:30am to 10pm and Saturday 8am to 5:30pm. • Full proposals being produced for development and refurbishment of the Mansion, including heating and electrical systems, toilets and lifts. Pre-application advice and opinion being sought from Historic England and South Hams District Council. 	<ul style="list-style-type: none"> • KEVICSF does not employ staff: administration and facilities management of the Foundation and the Mansion provided by TCDS. • Mansion re-development project completed, fully integrated heating system in place, refurbishment of rooms completed. • Annual income and expenditure in balance with small surpluses being generated so as to establish a sinking fund for unexpected maintenance needs. • As of December 2020, there will 11 tenants, 170 active hirers and 4000 users of services weekly. • Workspace leased to tenants on 5-year leases. • Operating agreement for community café, providing training and volunteering opportunities and servicing the whole of the building including events. • Venue hire and sessional space for community health, education and social well-being. • Free space policy in place for those organisations and individuals testing ideas and not yet able to pay hire charges. • Full community education programme in place. • Space and café open 6.30am to 11pm Monday to Friday, and Saturday and Sunday 7.30am to 5pm. • Full training and development programme in place for volunteers and others running services through the Mansion.

Atmos Totnes	
Position as at December 2019	Final position is sought by December 2028
<ul style="list-style-type: none"> • Made Community Right to Build Order in place for 62 affordable houses, 37 flats for those aged 55 and over, 7,000 m² workspace, 58 bed hotel and refurbished Brunel Building. • European Protected Species Licence (EPSL 2018-35740-EPS-MIT) in place. • Application for Listed Building Consent approved in June 2019. • Whole site valuation completed. • Saputo (Dairy) UK (On 15 April 2019 Saputo (Dairy) UK completed its acquisition of Dairy Crest Group Plc.) board confirm that they are happy to sell the site to Totnes Community Development Society for the opportunity value of £460,000 with an overage on the land area set aside for the retirement housing. • The Overage Agreement was agreed by both Saputo (Dairy) UK and Totnes Community Development Society on 23 December 2019. 	<ul style="list-style-type: none"> • Whole site in TCDS freehold ownership and construction complete. • All Community Right to Build Order Conditions discharged. • 62 houses for rent at affordable rents. • 37 flats for rent for older people at affordable rents. • Managed workspace in place with 85% occupancy • Hotel in operation. • Venue hire and sessional space for community education. • Full construction training and development programme completed. • Training and development programme developed for on-going occupancy.

Golden Iris	
Position as at December 2019	Work to support Golden Iris will be on-going
<ul style="list-style-type: none"> • First festival held in October 2017. • Capacity building with young people feeds into wider volunteer development around collective management and use of community buildings. 	<ul style="list-style-type: none"> • Events programme in place, with a range of training, development and creative opportunities • Festival held every three years • Festival brings together and further trains all ages in space use, maintenance, management and project management.

5.1.4 The Society has sought to embed education and engagement throughout its work. This has enabled people from across the community of all ages to participate in the design of Atmos Totnes. Many people have brought enthusiasm, capacity to support others, ideas and aspirations. Others have brought professional skills for development or support to facilitate others to participate. The opportunity to continue the principles already firmly rooted in the work of the Society in Atmos Totnes through the development of a labour programme which enables vocational training, specialist knowledge and capacity building all concurrently and for a range of people is an obvious step for the Society. The Society have therefore established a Community Labour Initiative. Whilst the CLI was established initially for the construction of Atmos Totnes it has now developed with the potential to exist and expand beyond Atmos Totnes.

5.1.5 Having considered the current and projected final positions of projects, the Society is developing and managing the current position and commentary as it relates to the final position of the projects as set out in relation to the governance and management arrangements of the Society.

	Position as at December 2019	Commentary
Legal structure	<ul style="list-style-type: none"> • TCDS is a Charitable Community Benefit Society, (it holds charitable status). • KEVICSF is a Charitable Incorporated Organisation. 	<p>The key requirements of the legal structure/(s):</p> <ol style="list-style-type: none"> 1. To hold in freehold ownership land and property. 2. Development (construction) of Atmos by TCDS and contractors and training providers. TCDS to act as main contractor where necessary and appropriate. 3. Land and property that is held by KEVICSF and TCDS will be available to others to use via licences, lease agreements and operating agreements. 4. Training and educational delivery held within TCDS. 5. The management of facilities and space, including venue hire by TCDS. The space will include: <ul style="list-style-type: none"> ➢ Housing ➢ Office space ➢ Workshops ➢ Community space ➢ Hotel
Governance	<ul style="list-style-type: none"> • Board of 4 founding Directors • Directors have a mix of skills • Two Directors provide pro-bono project management and development 	<ul style="list-style-type: none"> • All Directors should provide an element or degree of pro-bono support to the Society. • There is a need to increase the number of Directors providing pro-bono support to the Society, there is therefore a need to increase the number of Directors overall.
Trading subsidiary	No trading subsidiary in place at this stage.	<p>The intention is to generate surpluses from the management of space by renting housing and workspace and managing venue hire.</p> <p>The trading subsidiary needs to be consistent with:</p> <ul style="list-style-type: none"> • TCDS is a community benefit society with exempt charity status

	Position as at December 2019	Commentary
		<ul style="list-style-type: none"> • KEVICSF, with the Mansion as its sole asset, is a Charitable Incorporated Organisation with TCDS is the trustee.
Employees	<ul style="list-style-type: none"> • 1 Full time member of staff • 1 Part time (0.45 fte) member of staff 	TCDS to have the core capacity to successfully deliver its work programme and support the core of the Society without securing funding just to build the organisation.
Volunteering activity	<ul style="list-style-type: none"> • Two Directors are providing on average 30 hours per week • 20 members regularly volunteering. • Volunteering opportunities limited by the support provided to volunteers. 	Volunteer management is key to the delivery of the work of the Society.
How is the organisation accountable to the local community	<ul style="list-style-type: none"> • Via the membership • At end of December 2019 there were 374 members. 	Accountability to the local community via the membership must continue with an increase in the number of members, and opportunities for their active involvement through volunteering.

5.1.6 Using the mapping it is possible to consider:

1. The organisational development needs of the Society: to include consideration of staffing and commissioned experts required and also the development of any new legal entities.
2. Systems development: to include the further development and integration of process and systems, including the development of CRM, financial management and other IT software.
3. The development of a membership base
4. The development of volunteering opportunities

5.2 Current Organisational Capacity

5.2.1 In reviewing the mapping it is evident that there are a number of areas where the Society needs to develop capacity so as to carry out its work programme. It is recognised that capacity can be developed either through paid employees or commissioned experts. The table below sets out the functions that are currently held within the Society and which will continue to be required by the Society over the next two years, and the current status of provision.

Specific Functions	Work to be carried out	Status of Provision
Legal support	<ul style="list-style-type: none"> • Preparation of sale agreement • Lease agreements • Advice on organisational development • Dispute resolution • Ensure legal compliance 	Contracted out and provided by Devonshires on a fee basis for each element of work
Contract Management	<ul style="list-style-type: none"> • Manage procurement of contractors • Renewal and review of contracts on regular basis 	Systems Administrator and pro bono contribution by Directors
Project Management and Development	<ul style="list-style-type: none"> • Planning and delivery relating to specific projects and the development and expansion of activities 	Systems Administrator and pro bono contribution by Directors
Fundraising	<ul style="list-style-type: none"> • Securing income • Managing funder relationships • Reporting on funding obtained 	Systems Administrator and pro bono contribution by Directors
Communications	<ul style="list-style-type: none"> • External facing communications • Engagement and information sharing with all stakeholders • Supporting marketing 	Currently provided as pro bono contribution by Directors

Specific Functions	Work to be carried out	Status of Provision
Marketing	<ul style="list-style-type: none"> Press and PR Members newsletter Web site content 	Currently provided as pro bono contribution by Directors
Strategic Stakeholder Management	<ul style="list-style-type: none"> Ensuring co-ordinated approach and providing one to one contact with key individuals and organisation's 	Currently provided as pro bono contribution by Directors
Financial management	<ul style="list-style-type: none"> Budgeting Book-keeping Maintaining hardcopy and electronic files relating to income and expenditure Preparation of monthly management accounts Preparation of material for accountants 	Systems Administrator and pro bono contribution by Directors
Accountancy and auditing	<ul style="list-style-type: none"> Preparation of Annual Accounts Returns to FCA, HMRC and other regulatory bodies Advice on tax (corporation and VAT) Advice on organisational development 	Contracted out and provided by MAP Accountants and Francis Clarke on a fee basis for each element of work
Company Secretary	<ul style="list-style-type: none"> Oversight of organisational structures Maintain governance and compliance systems and processes with FCA and Charity Commission 	Currently provided as pro bono contribution by Directors
HR	<ul style="list-style-type: none"> Ensuring systems and processes for people management Ensure compliance 	Currently provided as pro bono contribution by Directors
Membership recruitment and support	<ul style="list-style-type: none"> Recruitment and retention of members Engagement of members in the Society's work programme 	Systems Administrator and pro bono contribution by Directors
Volunteer Management	<ul style="list-style-type: none"> Recruitment and placement of volunteers Ensuring systems and processes are in place for people management Ensure compliance 	Systems Administrator and pro bono contribution by Directors
Administrator	<ul style="list-style-type: none"> Maintaining good systems and processes to ensure compliance and efficiency Managing bookings Ensuring prompt resolution of issues Ensuring collaboration between tenants and hirers Ensuring compliance of lease/hire agreement fulfilment 	Systems Administrator and pro bono contribution by Directors
Contractor Management	<ul style="list-style-type: none"> Overseeing the commissioning and completion of works 	Systems Administrator and pro bono contribution by Directors
Building Maintenance	<ul style="list-style-type: none"> Upkeep of structural and service condition of buildings and landscapes 	Systems Administrator, Facilities Support Caretaker worker and pro bono contribution by Directors
Health and Safety	<ul style="list-style-type: none"> Oversight and responsibility for the Society's Health and Safety framework Ensuring compliance with legislation and best practice 	Systems Administrator and pro bono contribution by Directors
Training and development	<ul style="list-style-type: none"> Establishment of training and development opportunities through the CLI Supporting volunteers to access training and development opportunities 	Systems Administrator and pro bono contribution by Directors

5.2.2 In reviewing the above functions it is evident that there are areas of work that are within the remit of the Directors of the Society, either because they relate to the governance of the Society or because they fall within the programme structure. These functions include:

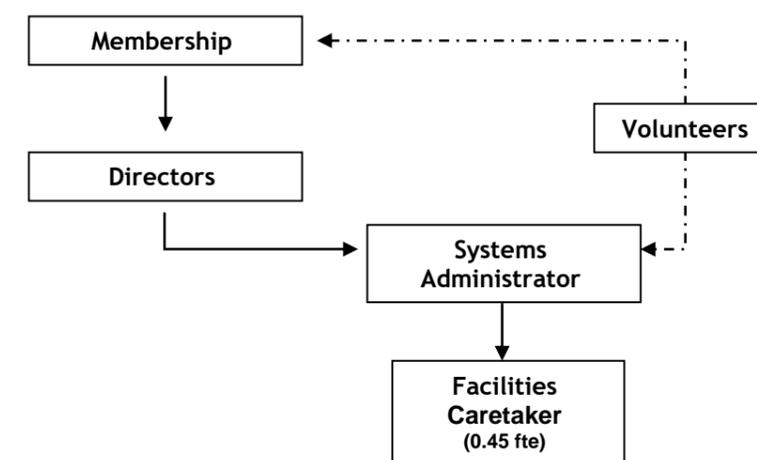
- Project development and project management oversight
- Financial management including strategic fundraising
- Contract Management
- Development and management of partnerships and relationships

- Personnel and HR
- Setting admin rules and regulations

5.2.3 The review of current capacity indicates that there is a great deal of emphasis on Directors to support the work of the Society in a pro-bono capacity. At the current time two Directors are providing in the range 20 to 40 voluntary hours per week to the Society. Whilst there is a need for Directors to discharge their responsibilities in relation to the governance of the Society and to support the programme structure, there is a clear risk to the Society in such a workload falling on Directors. Firstly, because Directors are volunteers and are likely to have work requirements which will limit the time they can provide the Society and secondly, because there is a rotation of one-third of the Directors every year, organisational continuity could be a challenge. What the review of capacity indicates therefore is that there is a need to develop paid professional capacity within the Society. Directors can therefore continue to provide pro-bono support to the work of the Society, as well as ensure that there is capacity so as to achieve greater sustainability for the organisation.

5.3 Developing Organisational Capacity

5.3.1 The current structure of the Society is shown below:



5.3.2 In considering the list of functions set out above and given that at the current time Directors and the Systems Administrator are responsible for delivery of this work, there is a need to develop capacity within the Society. However, in seeking to determine the most appropriate way forward the following key factors have helped to shape the proposed structure and roles/responsibilities:

- There is a need to ensure that the Society remains a lean organisation and does not grow for the sake of growth but ensures that any capacity developed by the Society supports and enables project delivery. Whilst it is accepted that some roles and responsibilities may be required to ensure compliance where possible all roles should contribute to project development and delivery.
- There is a need to develop the capacity within the Society from the current position of 1.45 fte employees and two Directors providing 60 total hours per week pro bono support.
- There is a growing need for facilities management across the Mansion and Elmhirst and with the development of Atmos this requirement will grow further.
- Development of training opportunities is seen as critical to supporting the development of capacity within the community to help sustain the work of the Society with the context the Community Labour Initiative.
- Engagement of members and opportunities for volunteering and training and development are critical.
- Any capacity development should also provide opportunity to support the development of the work of others either working in direct partnerships with the Society or using space with buildings/sites being developed and managed by the Society.

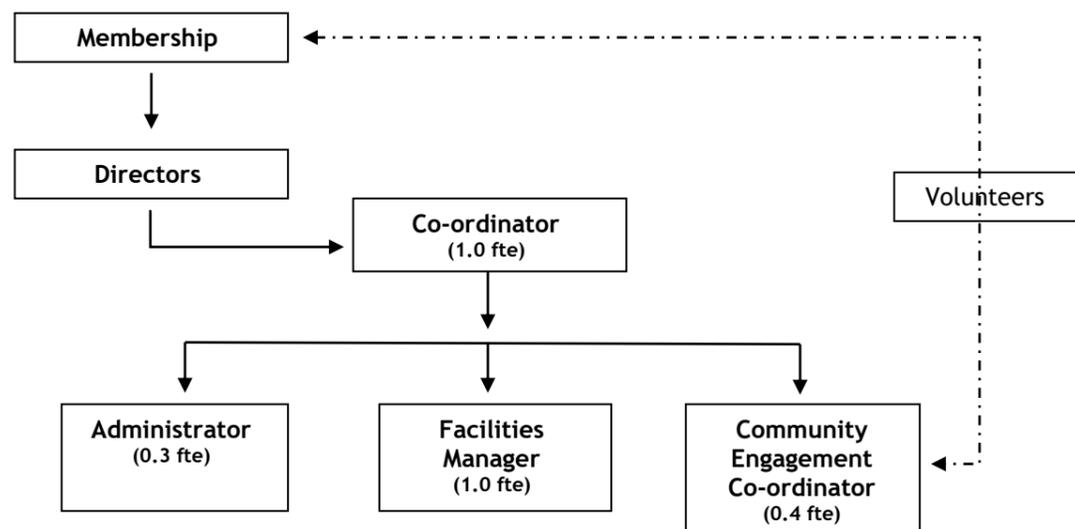
5.3.3 Based on an audit of existing capacity and likely needs in the next 2 years, in seeking to ensure a lean organisation it is felt that the mix of roles and their responsibilities should be as set out below:

Directors/Co-ordinator	Administrator/Bookkeeper	Facilities Manager	Community Engagement and Volunteer Co-ordinator
<ul style="list-style-type: none"> Contract Management Financial management Budgets, fundraising, Partnerships and relationships Admin rules and regulations HR Regulatory compliance 	<ul style="list-style-type: none"> Day to day finance Building users management - Tenants, Hirers, Sessional users Communications Room Bookings 	<ul style="list-style-type: none"> Health and Safety Compliance and Checks Day to day facilities compliance General maintenance Waste Management Contractor management Contract Management Facilities training and development 	<ul style="list-style-type: none"> Membership and engagement Volunteers and CLI Needs Assessments Evidence for fundraising Fundraising Evaluation and impact
Capacity audit indicates: <ul style="list-style-type: none"> 7 directors offering 10 hours pro-bono a week on average 1 FTE paid co-ordinator Contractors and professional services in support 	Capacity audit indicates: <ul style="list-style-type: none"> 0.3 FTE paid administrator Accountant to review annual accounts Auditor and financial advisor 	Capacity audit indicates: <ul style="list-style-type: none"> 1.0 FTE Facilities manager Additional contractors and apprentice support 	Capacity audit indicates: <ul style="list-style-type: none"> 0.4 FTE to support members and volunteering through the organisation Could increase by 0.4 FTE to take on CLI development

5.3.4 In seeking to develop the capacity within the Society, Directors believe that there is a need to move from 1.45 fte to 2.7 fte. In essence the roles set out above would be as follows:

- Co-ordinator: 1.0 fte role, reporting to Directors and working with and alongside Directors as the Systems Administrator currently does. Has direct management responsibility for all other paid employees.
- Administrator/Bookkeeper: 0.3 fte
- Facilities Manager: 1.0 fte
- Community Engagement and Volunteer Co-ordinator: 0.4 fte.

These roles and responsibilities lead to the following organisational structure:



In this structure:

- The membership elects the Directors;
- The Directors appoint and manage the Co-ordinator;

- The Co-ordinator oversees and manages the work of the Administrator, the Facilities Manager and the Community Engagement Co-ordinator; and,
- The Community Engagement Co-ordinator supports the active involvement of the membership in the work of the Society. Noting that this role has the potential to develop to 0.8 fte to take on the development and delivery of the Community Labour Initiative.

5.3.5 This structure also provides for project specific posts to be developed, and to work with and alongside the existing capacity of the Society, as they are required.

5.4 Employees

5.4.1 The transition from two employees to the above structure will take place over 2 years. In seeking to make the transition the following timescales and resource implications are noted:

- An analysis of costs for accountancy support reveals that the costs for outsourcing payroll and running two financial management software packages will cover the costs of a part time Administrator/Bookkeeper role. It is proposed that once the 2018 accounts are prepared and audited submitted to, and approved by, the Financial Conduct Authority, the move to a new software finance system and the recruitment of a part-time administrator/bookkeeper takes place.
- The current post of Facilities Support Caretaker provides 18 hours per week hands on facilities management support across the Mansion. The current contract for this post is due to complete on end of October 2019. This provides the logical time to review the job description, add responsibilities and move the post to one of Facilities Manager. In recognising that there is a wide need for facilities management and contractor support, alongside opportunities for training and development to be put in place, it is proposed that a facilities management and support service is established as part of TCDS' business activities.
 - TCDS is currently developing and managing two community owned buildings and spaces in Totnes with Atmos Totnes to follow. In addition, across Totnes there are a number of community and not-for-profit organisations working from buildings that are poorly maintained and serviced. With increasing financial challenges it has become clear that there is a significant strategic advantage in establishing a centralised not for profit facilities management and support service, with a mobile unit, that can effectively undertake routine checks and maintenance across a number of different community sites.
 - In addition to employing a full time Facilities Manager to develop and manage the service, through the service TCDS will provide apprenticeships and training in community asset management and maintenance. As a result the service will contribute to the viability of community buildings and spaces by providing skilled and cost effective facilities management.

To support the development of this post initial pump priming grant funding (for a period of 2 years) will be sought and will be used alongside the existing resource which is in place for the Facilities Support Worker post. It is proposed to move to recruit to the post of Facilities Manager in the late summer/autumn of 2019.

- At the current time the full time Systems Administrator is responsible for developing the processes and systems for the management of spaces and buildings, developing and managing some key aspects of work and working with and alongside Directors effectively acting in the role of co-ordinator. It is therefore proposed that the Systems Administrator job description is reviewed and functions relating to the Administrator/Bookkeeper role and the Facilities Manager role are removed and functions relating to management and supervision added and the Systems Administrator role is replaced with the Co-ordinator role. The current Systems Administrator post holder will be offered the opportunity to take the new role of Co-ordinator given that this new role is an extension of the existing role.

- The final post to be recruited to will be the Community Engagement Co-ordinator. There will be a need to secure funding for this post. In the first instance the Society will seek to secure grant funding.

- 5.5 Directors**
- 5.5.1 At the current time the Board of Directors comprises of four Directors. Over the course of the next 2 years the intention is to move to a Board of seven Directors.
- 5.5.2 New Directors will be elected from the membership to the roles and responsibilities of Directors.
- 5.5.3 Directors will be required to commit work to the Society, either leading or actively supporting the projects developed and managed by the Society.
- 5.6 Commissioned Experts**
- 5.6.1 As of June 2019 legal, accountancy and audit services are provided through commission.
- 5.6.2 In considering other functions that are required to support the Society it is felt that where necessary an appropriate HR and additional safeguarding support will be required as the Society develops.
- 5.6.3 Other expertise specific to the needs of any project, being developed or managed by the Society, will be commissioned as and when required.
- 5.7 Legal Entity Development**
- 5.7.1 Alongside the capacity and resource requirements, the Society's solicitors and auditors have considered the organisational mapping in relation to the legal position and the trading position of the Society specifically in relation to Atmos Totnes.
- 5.7.2 The advice considers:
- i. the organisational development required,
 - i. the position of the Society in relation to meeting its charitable objects,
 - ii. the tax and VAT position relating to the work of the Society.
- See advice notes from Devonshires Solicitors LLP and Francis Clark.
- 5.7.3 At this point in time the following work has been completed in relation to the advice received:
- i. The Society has moved to publishing Group Accounts for the Society. These reflect that Totnes Community Development Society is a trustee of King Edward VI College Site Foundation a Charitable Incorporated Organisation.
 - ii. The Society has submitted a preliminary application to become a registered provider of social housing and the Regulator of Social Housing has confirmed that the Society meets Condition 1 of the eligibility conditions for registration set out in section 112(2) of the Act and that the next stage is to complete the detailed application. The detailed application will be made in late 2019/early 2020.
- 5.8 Systems Development**
- 5.8.1 To support the work of the Society and specifically the development of the membership, the management of volunteering opportunities, the financial management and compliance management further development and integration of systems such as Salesforce and XERO will take place.
- 5.8.2 In practical terms the following will be undertaken:
- Development of on-line space and session hire booking and integration of booking forms into Salesforce. This will allow easier booking for hirers and users of space and will enable the Society to more easily support hirer and user management of space.
 - Development of Salesforce to support facilities management and specifically the management of contractors and compliance regimes.
 - Exploration of the integration of process between Salesforce and XERO so as to support more efficient financial management of the Society and King Edward VI College Site Foundation.
- 5.8.3 In addition to the development and integration of existing systems the Society will also explore the development of facilities management software so as to better support the management and maintenance of space.
- 5.9 Developing the Membership Base and Volunteering Opportunities**
- 5.9.1 In order to be truly inclusive Totnes Community Development Society will continue to develop its membership.
- 5.9.2 To support the development of the membership base:
- i. The Directors of the Society will seek to hold regular open information sessions about the work and role of the Society.
 - ii. Members will be offered opportunities to support the work of the Society through specific volunteering opportunities which will be established to support the development and delivery of the Society's projects. In this way members will be able to practically support the development of the Society's (and therefore community's) asset base.
- 5.9.3 As part of the development and delivery of the work of the Society it has become clear that there are a number of opportunities for people to become involved.
- 5.10 The Facilitative Work Environment**
- 5.10.1 Totnes Community Development Society is committed to ensuring that all those who wish to become involved in the activity of the Society are able to contribute fully.
- 5.10.2 In recognising the need to be inclusive the Directors have adopted a number of policies that provide a framework within which all those involved with the organisation should work.
- 5.10.3 The Directors, as volunteers, recognise the importance of remaining open, transparent and inclusive at all times. In this respect all the work undertaken by Totnes Community Development Society is in the public domain with the exception of material which falls under GDPR rules including staff personnel details.
- 5.10.4 The Directors also recognise the importance of providing a quality working environment and building a happy and healthy staff team. The Directors will seek to provide a working environment that supports the staff at all times. In this respect the Directors are committed to a regular review of terms and conditions of employment.
- 5.11 Organisational Development**
- 5.11.1 As part of the development of the Community Labour Initiative the Society will establish a wholly owned trading subsidiary to accommodate construction and development activity as set out in the advice from Francis Clarke LLP and Devonshires Solicitors.
- 5.11.2 Development of all elements of Atmos Totnes will be procured through Totnes Community Development Society. Procurement will either be through specialist contractors or through a trading subsidiary company established by Totnes Community Development Society. TCDS and the trading subsidiary will be running and managing training programmes under the Community Labour Initiative.
- 5.11.3 Once the development is completed the freehold of the land and buildings will remain within TCDS and there will be no sales of any element of the development.
- 5.11.4 The trading subsidiary company will supply construction services, and not just materials, to Totnes Community Development Society.
- 5.11.5 Totnes Community Development Society is seeking to become a Registered Provider and will retain the freehold and management of the housing developed within TCDS.
- 5.11.6 Totnes Community Development Society will grant a lease to its subsidiary company for the hotel, the river link café, brewery and the School for Food Entrepreneurs. The activities and services delivered from these buildings alongside hospitality and facilities management will rest within the trading subsidiary company.
- 5.11.7 The trading subsidiary company will be established as a company limited by shares with shares being held by Totnes Community Development Society. The trading company will covenant taxable profits to Totnes Community Development Society.

6. Financial Processes and Procedures

6.1 Introduction

6.1.1 This section of the Strategic Plan aims to set out an overview of the Society's financial processes and procedures. There is no detailed presentation of the projected finances of the Society provided in this Strategic Plan, detailed financial projections and analysis are provided on each of the Society's projects within their respective business plans or financial plans, consideration is however given to:

- i. The financial procedures and reporting of the Society,
- ii. A general commentary on the financial plan for the period 2019 onward,
- iii. The Society's position on financial reserves, and
- iv. The Society's position in regard to project funding.

6.2 Financial Procedures and Reporting

6.2.1 The Society's Finance Policy sets out how the Board of Directors want the financial management activities of the Society to be carried out.

6.1.2 The Society's financial year runs from 1st January to 31st December. The other key dates are as follows:

- The annual report is prepared for the AGM which takes place within six months of the end of the financial year (commonly in June of each year);
- The annual return to the Financial Conduct Authority is made in July each year;
- The return to the Charity Commission is made within ten months of the end of the financial year (commonly in October each year).

6.2.2 The day to day management of the finances of the Society and the King Edward VI College Site Foundation is through the accounting package Xero.

6.2.3 In practical terms the Society:

- i. Prepares an annual budget forecast,
- ii. Monitors on a monthly basis actual expenditure against budget, and
- iii. Produces and reviews monthly management Accounts at each Board meeting.

6.2.4 Over the period since incorporation the Society's Directors have sought to manage the Society's finances prudently. Budget setting takes place in the period November/December and Directors have always sought to prepare a balanced budget and then to manage cashflow.

6.3 Financial History

6.3.1 Whilst the Society was incorporated in 2012 trading activities did not commence until 2014. The Society's financial history from 2014 onwards is shown below:

	2014	2015	2016	2017	2018
Income	£ 48,011	£ 353,306	£ 462,481	£ 161,619	£ 127,563
Expenditure	£ 16,432	£ 370,125	£ 459,882	£ 164,938	£ 137,229
Surplus/(Deficit)	£ 31,579	-£ 16,818	£ 2,598	-£ 3,319	-£ 9,666
Prepayments	£ 25,718	£ 423,575	£ 640,351	£ 664,527	£ 676,371
Reserves	£ 0	£ 0	£ 0	£ 0	£ 0

6.3.2 The key points to note from the above summary are as follows:

- i. Over the period 2014 to 2019 the main sources of income have been donations, grants, philanthropic giving, trading to raise funds, loan facilities, rents and grants.
- ii. The Society does not have any general unallocated reserves. The Society operates within the terms of those loans and is constantly working to secure further income. The Directors believe it is reasonable to rely on the continuation of the loan facilities and of obtaining the necessary grants for continuation of activities and projects in accordance with the objectives of the organisation. Therefore the Directors do not consider a reserve is necessary at this stage. However, Directors acknowledge that as the

organisation develops projects, capital assets and direct beneficiaries, such as staff, there will need to be a consistent and regular review of this reserves policy to account for more complex risks and liabilities.

- iii. Pre-development expenditure, incurred in respect of Atmos Totnes, has been included in the annual accounts as a prepayment within Debtors being shown on the Balance Sheet. In the event that Atmos Totnes does not progress the expenditure would need to be released from the balance sheet in future accounting periods.

6.3.3 The 2018 Annual Accounts provide a full overview of last financial period.

6.4 Loan Finance

6.4.1 In order to undertake the pre-development technical feasibility and design work to prepare and bring forward the Atmos Totnes Community Right to Build Order loan finance has been secured by the Society.

6.4.2 These loans are both unsecured and at risk, with repayment only necessitated by the commencement of the development of the former Dairy Crest Site. The details are as follows:

- i. a loan from Environmental Research Association, totalling £50,000. This loan is unsecured and at risk, interest free and is repayable on the commencement of the development of the south side of the former Dairy Crest Site. Commencement of the development is anticipated within 2020.
- ii. a loan from Venturesome of £70,000. This loan is unsecured and at risk with an agreed charge on repayment of £17,500. This loan was due for repayment at the latest of 31 December 2016, however the loan has been extended by Venturesome to 31 December 2019, a further extension beyond 31 December 2019 will be subject to interest being charged.
- iii. a loan of £120,000 to the society from a private investor. This loan is unsecured and at risk with an agreed interest charge of 2%, to a maximum charge of £2,400. This loan is repayable on the commencement of construction.
- iv. a loan of £50,000 to the society from a private investor. This loan is unsecured, at risk and interest free. If the society defaults on payments then interest is chargeable daily at a rate of 4% above LIBOR. The loan is due for repayment on the first day of commencement of the construction work. Interest is calculated from 9 months following this date.
- v. a loan of £25,000 to the society from a private investor. This loan is unsecured and at risk with an agreed interest charge of 2%, to a maximum charge of £2,400. The loan has been re-negotiated and the loan is now due for repayment at the latest of 5 April 2020.
- vi. a loan from Charities Aid Foundation (CAF) of £225,000. This loan is unsecured and at risk with an agreed interest rate of 5%, to a maximum charge of £11,250. This loan is due for repayment at the latest of 30 June 2019, this loan has been renegotiated and a repayment date of 31 March 2020 has been agreed.

6.4.1 In establishing the financial model for Atmos Totnes this debt will be consolidated and repaid at the start of the commencement of the construction, with proviso for it to be converted to share capital should the investors desire.

6.5 Planning for the period 2019 to 2022

6.5.1 In undertaking the financial planning for the period 2019 to 2020 the Society have:

- i. Developed a budget and cash flow for the period from 2020 to 2054 based on the projected positions set out in the organisational mapping above. In essence this includes the preparation of:
 - a. An organisational budget for the period 2020 onwards based on the proposed structure of the Society.
 - b. A development budget and cash flow following the proposed phasing of Atmos Totnes.
 - c. A developmental budget for the King Edward VI College Site Foundation which develops from the current position to include plans for the full refurbishment of the Mansion.

6.6 Totnes Community Development Society Consolidated Financial Plan

6.6.1 The Consolidated Financial Plan covers the period 2020 to 2054 and sets out the detailed cash flow and summary position for the Society detailing the assumptions for each budget line.

6.6.2 In structure the plan develops from the 2019 budget and cash flow and develops the financial plan for:

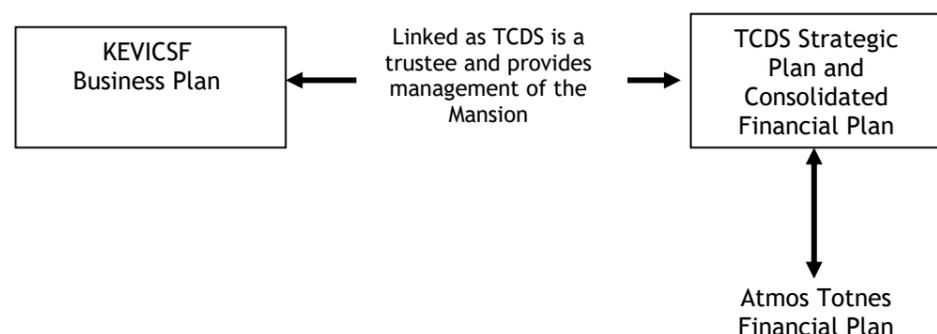
- the construction period of Atmos Totnes: the period 2020 to 2026.
- the period of debt repayment: the period 2027 to 2046.
- then the period of financial growth: the period 2047 to 2054.

6.6.3 The Atmos Totnes financial plan is developed separately but contained within the consolidated financial plan. This financial plan considers each element of the development and sets out the detail for each of the element of the development along and provides detailed assumptions and commentary.

6.6.4 Both the Atmos Totnes Financial Plan and the TCDS Consolidated Financial Plan sensitive analysis is provided for through the modelling.

6.6.5 Whilst there are budget lines within the Consolidated Financial Plan the KEVICSF financial plan is developed as a standalone model. The KEVICSF financial plan has been prepared for period 2020 to 2030.

6.6.6 The relationship between the financial plans is shown below:



6.6.7 The two financial plans, the TCDS Consolidated Financial Plan and the KEVICSF plan are set out in separate documents.

6.7 Organisational Development and VAT position

6.7.1 The financial projections do not show the organisational development that will be undertaken by Totnes Community Development Society in delivering Atmos Totnes.

6.7.2 Development of all elements of Atmos Totnes will be procured through Totnes Community Development Society. Procurement will either be through specialist contractors or through a trading subsidiary company established by Totnes Community Development Society. TCDS and the trading subsidiary will be running and managing training programmes under the Community Labour Initiative.

6.7.3 Once the development is completed the freehold of the land and buildings will remain within TCDS and there will be no sales of any element of the development.

6.7.4 The trading subsidiary company will supply construction services, and not just materials, to Totnes Community Development Society. The trading subsidiary company will be registered for VAT and will zero rate supplies to TCDS where these relate to the construction of new residential buildings or buildings that qualify as RCP (Relevant Charitable Purpose).

6.7.5 Totnes Community Development Society is seeking to become a Registered Provider and will retain the freehold and management of the housing developed within TCDS. Rental income of residential property is exempt for VAT purposes and so no VAT will be charged to tenants.

6.7.6 Totnes Community Development Society will grant a lease to its subsidiary company for the hotel, the river link café, brewery and the School for Food Entrepreneurs. The activities and services delivered from these buildings alongside hospitality and facilities management will rest within the trading subsidiary company.

6.7.7 TCDS is currently taking advice on the possible VAT status of the enterprise buildings within the development. Under currently accepted VAT practice, standard rate VAT will apply to

the construction of the elements of the development deemed to be commercial. These elements form an intrinsic part of the community development and the Board are therefore exploring options to obtain RCP treatment for these elements. If this treatment is not achieved, TCDS will opt to tax the enterprise property to recover the VAT on construction costs, and charge VAT appropriately on the income generated.

6.7.8 The trading subsidiary company will be established as a company limited by shares with shares being held by Totnes Community Development Society. The trading company will covenant taxable profits to Totnes Community Development Society.

6.7.9 The financial projections are therefore all excluding VAT figures in relation to construction costs with the exception of expenditure for professional fees which will be charged at 20% VAT rate.

6.8 Reserves

6.8.1 At this stage Totnes Community Development Society has no financial reserves.

6.8.2 Where possible the Society will also use early revenue and efficiency gains to establish its financial reserves to enable future financial independence. However, this will not involve the redirection of financial resource if its puts one of the Society's projects at risk as support to the sustained delivery of the Society's Objects is seen as critical to the work of the Society. Directors therefore record that it will take longer to build the reserves of the Society.

6.9 Securing Project Funding

6.9.1 It is anticipated that the projects being developed and delivered by the Society will attract investment, donations and grant funding from a range of sources.

6.9.2 For every project the Society develops or manages a funding and investment strategy alongside the budget and cashflow forecast for the project.

6.9.3 It is recognised that there are a number of areas of work that will require to be completed within/for each project area (such as contract management, financial management, facilities management etc) where it is felt that there is no need to develop capacity within each project itself as developing and holding the capacity within the Society will lead to cost savings and more coherent and co-ordinated delivery. In addition, where possible and appropriate the Society should seek to secure the percentage of the core costs related to the development and management of its project. These will be claimed as part of the project costs.

6.9.4 A key role of the Society is to act as an innovator. This role should be acknowledged and the potential need for grant-funding to pay for innovative non-commercial research or lobbying needs to be recognised by investors and funders.

6.9.5 Whilst there is a need for the Society to cover its core costs the Society will not seek to access funding just because it is available. Unless there is a clearly identified strategic need that can be met through a particular investment or grant funding stream the funding will not be applied for.

7. Risk Assessment

7.1 Several key risks have been identified that will affect development over the next year. These are detailed below with contingencies. It is recognised that on-going risk assessment needs to be carried out.

Risk	Detail	Contingency
Budget Projections	The projected budget has been based on research and/or quotations and estimates. In this respect it is expected that the true spending position will reflect the predictions. However, issues may arise that were not foreseen during the planning stage - some of which may have an impact on the financial status of the organisation. This situation could clearly result in financial instability at an early stage.	<ul style="list-style-type: none"> There will be monthly monitoring of the financial position. This will allow early identification of potential problems and provide an opportunity to take remedial action. There is some flexibility within the budget
Cash Flow Issues	The greatest risks to achieving financial sustainability is cash flow. At the current time the Society is virtually 100% grant funded. This situation means that the organization is under threat financially particularly as grant funding is paid in arrears - the major impact of this type of payment is within meeting staffing costs.	
Failure to consolidate	The focus of the work for the next twelve months must be consolidation as outlined in this plan. New development activities beyond those outlined must be kept to a minimum unless they are related and will lead to sustainability at an earlier stage.	<ul style="list-style-type: none"> The role of the Board in this respect is critical. It is vital that they do not try to overload the staff with additional work responsibilities. It is critical that all those working for, and with, Totnes Community Development Society understand the ethos and content of this business plan and work towards its implementation. Robust open recruitment of the new positions. The focus for the next twelve months work is detailed above. This has been agreed and there must be an understanding that work outside of these areas will not take place unless it is sustainable instantly, is seen as a more important priority or adds to the sustainability of the other areas.
Single person dependency	A real risk to all of the work currently being delivered by Totnes Community Development Society is single person dependency. The two post holders and Directors currently working for Totnes Community Development	<ul style="list-style-type: none"> Establishing current job descriptions for the roles is critical. Reviewing these job descriptions in light of the review of strategic priorities for the regeneration of Totnes is also

Risk	Detail	Contingency
	Society are a unique collection of individuals who are currently building into an effective team.	<p>critical.</p> <ul style="list-style-type: none"> Development of organisational processes and independence as an organisation is now vital. It is now critical that key stakeholder organisations view Totnes Community Development Society as an independent organisation. Not viewing the individuals as project leaders but regarding them as part of a single organisation will assist in building a team. Developing quality communication within the organisation will allow all team members to be involved in the activity of the organisation. Completing a series of team building events may be considered. Developing a project team working environment within the core staff of the Society will support the development of the organisation.
Information Dissemination	The work of TCDS requires a great deal of correspondence with the community of Totnes. At the current time the database of contacts is expanding. Information dissemination - given the range of work developed by Totnes Community Development Society - may be a risk to the delivery of the key strategic priorities. If the database continues to grow there will be a need to review the means of information dissemination and how much officer time it is taking.	<ul style="list-style-type: none"> It is the aim of Totnes Community Development Society to use electronic mail where possible. Quality management of the database is vital. Contacts will only be maintained if they continue to show an interest.
Sustainability at all costs	It is critical the Totnes Community Development Society does not seek sustainability at all costs.	<ul style="list-style-type: none"> Members must hold the Society to account and have the capacity and engagement necessary to do so constructively and robustly

Addendum

This addendum provides an update on all aspects of the work of the Society since this strategic plan was written update in December 2019.

Each new Addendum is dated with month the addendum is added.

Addendum June 2020

This addendum covers the period January 2020 to June 2020.

On 23 March 2020 the whole of the UK was required to go into lockdown due to the Coronavirus outbreak.

On 12 March 2020, 1363 people were claiming Universal Credit in Totnes (18% of the population) by 14 May this number had risen to 3149. With around 22% of the population over 65 and 19% under 17 and the main employment in Totnes derived from the 900 micro/small businesses (80% with less than 10 employees) there will be a rise in the number of local people affected by the on-going reduction in public services due to the on-going impact of austerity and the projected mid to long-term impact of Covid-19.

The Society undertook a re-projection of cash flow forecast for 2020 in late March 2020 so as to assess the impact of Covid-19. The Society projects that it will be able to maintain a positive cash flow through 2020 although the projections indicate there will be a loss in the financial year. In late May 2020 the Society took the decision to furlough staff.

Elmhirst Building

1. By end of February 2020 over 55 groups were either using space or developing their programme at Elmhirst. Much of this work is new to the community and is enabling intergenerational activities to take place, as well as enable young people to develop their own skills and experience.
2. The Café is ready to use and TCDS has received registration of the space by Environmental Health at South Hams District Council in order to provide wraparound affordable food provision for young people, as well as others in the community, as well as training for our volunteers, including several of the Golden Iris team.
3. The future use of the Elmhirst building by the Society and Golden Iris however looks uncertain. In the early part of 2020, the Dart Valley Learning Trust served notice on the Society terminating the Society's use of the Elmhirst building. At the point when the UK Government advised on social distancing measures ahead of the full lockdown the Society was still seeking the engage with KEVICCs Full Governing Body, with a view to extending the occupancy of the Elmhirst building.
4. As of June 2020 the Society continues to seek an extension to the licence once the restriction put in place to reduce the spread of Covid-19 have been relaxed and it is possible to re-open the Elmhirst building.
5. During the period of the lockdown due to Covid-19 Directors of the Society have continued to undertake daily checks on the security of the Elmhirst Building and have completed weekly health and safety compliance checks.

The King Edward VI College Site Foundation and the Mansion

1. In early March 2020 analysis revealed that In March 2020 77% of activities at the Mansion supported vulnerable members of the community (elderly, learning disabled, homeless, unemployed or under 18), with 48% of regular activities being free to attend or by donation. Around 30% offered some form of drop-in or 'open-door' service.

2. Due to the outbreak of the Coronavirus and in line with Government requirements with the expectation of the Nursery, which is supporting key workers, the Mansion closed on 17 March 2020 and as of June 2020 remains closed.
3. Whilst the building is shut building checks as necessary for compliance and health and safety are being carried out.
4. The operating agreement with Totnes Peoples Café was terminated on 31 March 2020 and Expressions of Interest sought for the provision of catering at the Mansion to put in place new catering provision at the Mansion.
5. The Foundation undertook a re-projection of cash flow forecast for 2020 in late March 2020 so as to assess the impact of Covid-19. The Foundation projects that it will be able to maintain a positive cash flow through 2020 although the projections indicate there will be a loss in the financial year of in the region £25,000, with a significant loss of income from tenant and hirers who are on payment holidays, effective from 17 March 2020.
6. In late June 2020 the Foundation secured £60,000 Project Development Grant support from the Architectural Heritage Fund Transforming Places through Heritage Programme for the final elements of the pre-development work relating to the refurbishment and development project.

Atmos Totnes

1. In early January 2020 Totnes Community Development Society confirmed it was ready to exchange contracts. Final amends were to be undertaken by Eversheds solicitors (Saputo (Dairy) UK solicitors) prior to exchange.
2. On 17 January 2020 Eversheds Solicitors notified the Society that had exchanged contracts with another party (Fastglobe (Mastics) Ltd) and requested return of the keys for the site from the Society.
3. Responding to request of Saputo (Dairy) UK, Totnes Community Development Society contacted Fastglobe (Mastics) Ltds representative Bruce Gillies Ltd on 30 January 2020. Both parties agree to meet at the Atmos Hub on 6 February to provide Fastglobe (Mastics) Ltd with keys.
4. Despite several attempts by the Society to seek meetings with the Saputo (Dairy) UK and Fastglobe (Mastics) Ltd., as of June 2020 no meetings have taken place and Fastglobe (Mastics) Ltd., have only just responded to the Society requesting that the Society speak with agents Bruce Gillies Ltd.
5. The Society has set out to both Saputo (Dairy) UK and Fastglobe (Mastics) Ltd. that it is seeking to pursue its legal interest in the site and is also seeking to ensure that the liabilities that exist on the site are appropriately handed over whilst the Society pursues its interest.
6. In February 2020 two of nine permits and licences required under Flood Risk Management and Surface Water Drainage Development Strategy are approved by the Environment Agency.
7. On 29th February 2020 South Hams District Council determine on the first set of Reserved Matters which allows the start of work on site by Totnes Community Development Society in accordance with the Community Right to Build Order and the Reserved Matters.
8. At this stage no amendments have been made to the Atmos Totnes Delivery Plan (dated December 2019). However, as there is clarity over the site acquisition updates will be made as necessary. In terms of timescales for the development of Atmos, once the issue pertaining to land ownership has been resolved, the following is now noted:
 - the construction period of Atmos Totnes would be from 2021 to 2026/27.
 - the period of debt repayment: the period 2027 to 2046.
 - then the period of financial growth: the period 2047 to 2054.

Additional Risks June 2020

Risk	Detail	Contingency
Impact of Covid-19	Covid-19 has impacted on the budgets and cash flow of both Totnes Community Development Society and the King Edward VI College Site Foundation.	<ul style="list-style-type: none"> • At this stage the Society and the Foundation have re-projected budgets and cash flows to the end of December 2020. These projections indicate financial losses but that a positive cash flow can be maintained till the end of December. • Further re-projections will be made at the end of July once there is clarity about Phase 3 of the Government Covid-19 Recovery Strategy.
Licence on the Elmhirst Building is terminated by the Dart Valley Learning Trust	If the Dart Valley Learning Trust decide not to agree an extension to the licence for the Elmhirst building whilst there is no financial implication to the Society there will be a significant impact on the support provided to community and youth groups. The activities at Elmhirst show the impact and potential of the model that the Society has developed with Golden Iris. This work shows the ability for collective guardianship of a space that is now safe and positive to use, rather than abandoned and vandalised.	<ul style="list-style-type: none"> • The Society will continue to seek an extension of the licence from the Dart Valley Learning Trust and will also continue to seek clarity from the Dart Valley Learning Trust as to their ambitions for the Elmhirst Building.
Site Acquisition - Atmos Totnes	At this stage there is some uncertainty about the acquisition of the former Dairy Crest site.	<ul style="list-style-type: none"> • TCDS will seek legal action • If legal action is not successful TCDS will seek to engage with Fastglobe Mastics Ltd. and explore ways to secure the site into community ownership. <p>Beyond the above there is no contingency to this.</p>