

THE IDEAS MINE COMMUNITY INTEREST COMPANY

Saving Chain Lane

A Big Society case study

May 2011



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1. Executive summary

On 25 March 2011 a newly created company, Chain Lane Social Enterprise, took possession of the Chain Lane Centre on behalf of the community of Knaresborough. This seemingly simple act marked the culmination of two years of effort, campaigning, lobbying, frustration, wrangling and relief. The North Yorkshire Learning Consortium (NYLC) and the Chain Lane Steering Group, with their various supporters and helpers, had achieved a significant victory: the transfer of an asset used by the community but owned by an organisation with no current interest in it, to a local voluntary and community sector organisation (VCS) with the aim of long term community ownership. It is an excellent example of how civil society organizations can act together to create value in the community.

Chain Lane was saved because enough people wanted to keep it: the highly committed and motivated leader of the largest local VCS organisation; an energetic County Councillor with a can-do attitude who was elected to Parliament during the campaign; officers and elected members of the town, Borough and County Councils with vision and commitment; the people who use the centre, and particularly young people from the town; a wide range of people with both a formal and informal interest in the future of Knaresborough; and the Assistant Chief Executive of the County Council. Saving Chain Lane was a shared goal which everyone was prepared to fight for.

1.1 The story in a nutshell

The Chain Lane Centre has been a popular community facility for 30 years, providing a meeting place for a wide range of local organisations, notably the Youth Service. It was acquired by Harrogate College in 1996 when a parcel of assets was transferred from the local authority, and subsequently by Leeds Metropolitan University (Leeds Met). The University indicated in 2008 that they wished to sell the site, and there was real concern that the centre would be lost as a community asset. A steering group was convened to explore the possibility of keeping it for community use. This group included officials and members of relevant local authorities and community representatives¹.

While keen to conserve the centre and the services it hosted, the local community did not know how and certainly did not have the resources. A Knaresborough-based voluntary and community sector (VCS) organisation, The North Yorkshire Learning Consortium (NYLC), emerged as the driving force behind the campaign and, together with the Steering Group, developed vision: the Centre would be saved in order to become the of hub which the VCS lacked.

¹ See appendix 1 for a list of Chain Lane Steering Group members

The subsequent battle to save the Chain Lane Centre was intense and demanding, and its outcome was uncertain until almost the last moment, not least because of the rapidly changing economic environment and its impact on public funding. It called on the skills and energies of numerous individuals from a wide range of organisations; it created new alliances and consolidated existing ones; it gave people a voice, and brought out the leadership potential in others. At the heart of the campaign was an alliance between the voluntary and public sectors in the shape of NYLC, Harrogate Borough Council, North Yorkshire County Council, and the local community; they shared aims, objectives, and values: to save Chain Lane for the community of Knaresborough.

Reviewing the process reveals the factors that helped NYLC and the Steering Group to achieve their aims, and those that threatened it. By analysing these, the lessons to be learnt become clear.

Factors that hindered were:

- Leeds Met's need to maximise return from an asset and their consequent deadlines for completion of the sale
- changes to deadlines and requirements from Social Investment Business due to policy changes from Government
- the impact of the funding crisis for the public sector and VCS;
- a lack of understanding in some parts of the community about the compromises that might be needed to save Chain Lane in the prevailing economic climate.

Factors that helped were:

- the asset had a community lock applied to it which reduced its value on the open market
- high level support and intervention from North Yorkshire County Council
- virtual and physical support from local leaders
- visible support from the local community, including the young people who use the centre
- strong commitment from NYLC to save Chain Lane as a community asset.

The lessons learnt for VCS organisations undertaking similar projects are:

- communities will congregate around issues of shared value
- an individual with vision, commitment and passion is required to lead and synchronise local support and effort
- the time and human resource required should not be under-estimated
- strong executive commitment from appropriate authorities is required to ensure things happen

- expert advice will be required and may need to be paid for
- the engagement of local people (ideally including local authority officers and members) is important to demonstrate widespread support
- it is important to be transparent in all dealings
- clear, regular and timely communication with the community and stakeholders is vital
- collective decision making takes time, which must be allowed for
- there will be times when managing a campaign challenges 'business as usual' for the lead organisation, and this threat must be recognised

2. The History

2.1. As it happened

A timeline of the events leading up to the Chain Lane Centre transferring into community ownership demonstrates not only the complexity of the project but also the many setbacks and pitfalls negotiated along the way. In particular it highlights the time required to resolve issues and the difficulties being caused for civil society organizations trying to be innovative and enterprising in the current economic climate.

1996: Ownership: Chain Lane Centre ownership transferred from North Yorkshire County Council to Harrogate College

2008: Organisation change: Harrogate College moves from Leeds Metropolitan University (Leeds Met) to Hull University. Chain Lane remains with Leeds Met which indicates that it is surplus to requirements and will be sold

The Learning and Skills Council encourages NYLC to develop a new learning centre in Knaresborough, which will be at Chain Lane. Funding disappears but NYLC receives local support to continue search for ways to develop new centre.

Steering group set up to consider future options for Chain Lane site.

Early 2010: Approach to Communitybuilders

NYLC, on behalf of Chain Lane Steering Group approaches Communitybuilders about possibility of funding for regeneration of site. Receives funding for feasibility study and promise of funding for business planning if feasibility study is favourable.

06 July 2010: Go for it

NYLC get approval to appoint The Ideas Mine CIC, a social enterprise research consultancy on a single tender basis to save time. Target date for Communitybuilders external assessment panel is 1 September, which means that the feasibility study, business plan and bid must be complete by 6 August i.e. four weeks. Working with NYLC, The Ideas Mine negotiates with Communitybuilders a more sensible timeline allowing development of robust business plan.

27 July 2010: Steering Group

The Ideas Mine facilitates a discussion with the Steering Group of the scope of the work. If the feasibility study and business plan are encouraging and a bid to Communitybuilders for funding to

develop the centre is successful, a new centre for Knaresborough could be developed. But how would the substantial loan element of the award be serviced?

Rather than confine its thinking to a reconstruction of the centre, the steering group members are encouraged to consider developing the entire 1.5 acre site. This could create an asset base which would sustain the Centre in the long term. The Ideas Mine is asked to include an investigation of this possibility in the feasibility study. Two options are considered:

- the land not required by the Centre could be sold and the proceeds used to support the development of the centre
- the whole site could be retained, the Centre built, and the remainder developed (for example with social housing which would be consistent with the community lock) with the aim of creating an income stream to sustain the Centre in the long term.

Sue Vasey, Chief Officer of NYLC, informs the meeting that Leeds Met has formally issued notice that the site will close on 31 August on the grounds of 'health and safety': the heating system has been inspected and condemned. The part-time role of Centre Manager has been made redundant and unless an acceptable offer is forthcoming the site will be sold on the open market. She adds that a local plumber has diagnosed a faulty thermostat which can be replaced for £145 (including labour).

NYCC enters negotiations with Leeds Met to establish a short-term lease which will keep the Centre open pending negotiations on the sale and resolution of other outstanding matters. However, the demand by Leeds Met to cede the user rights may have to be considered.

Steering Group members, including local and county councillors, are adamant that the rights will not be suspended and the discussions proceed on that basis.

29 July 2010: The campaign begins

Sue Vasey writes to all centre users and a wide range of community representatives, including the Youth Council which operates at Chain Lane, to inform them of the situation and invites their support. The young people start a Facebook campaign which rapidly gains momentum, and create a colourful banner which says: 'Save Our Centre'. They attach it to the outside of the building.

05 August 2010: Support from the district council

A helpful and cooperative approach is taken by the planning officers at Harrogate Borough Council, who confirm that

- the site has “Community Facilities Protection”: any development must include a community facility of the same or better standard to the existing facility
- the new facility could be two storey, which would allow NYLC to maintain existing community use and provide offices, meeting rooms and other facilities for the VCS
- planners willing to consider social housing and/or (or a mix) nursery business units.
- any submission by a third party to redevelop the land without a community centre is likely to be met with stiff resistance. The developer would need to prove that the facilities currently being provided at the centre are being provided elsewhere.

11 August 2010: Support from the County Council

The Assistant Chief Executive of North Yorkshire County Council, Gary Fielding, meets with representatives of Leeds Met. Agreement is reached on a short-term lease on condition that the property is off the University’s books by Christmas. The user rights remain in place. Joint press release says that solution is being sought.

12 August 2010: Financing the deal

A condition of Communitybuilders support is that funding must be last resort. NYLC meets Charity bank to discuss a £350k loan; an offer is made at 6.7% over 25 years but is unaffordable.

31 August 2010: Campaign builds

Local press arrange photo shoot on site

13 September 2010

Feasibility study complete: project is deemed viable, and the preferred option is purchase of the land and £2.6 million re-build. Deadline for the business plan is set for 25 October for 1 December Communitybuilders assessment panel.

04 October 2010

NYLC notifies stakeholders that NYCC Executive is to receive a proposal on 19 October proposing a £250k loan to enable site to be purchased within the Leeds Met December deadline.

07 October 2010

NYCC valuation report assesses the site at £50k (gross of £500k, less £450k for mandatory replacement or refurbishment of the building to fulfil the community lock). As a consequence, the loan from NYCC is no longer viable.

08 October 2010 – a new opportunity?

Local charitable trust indicates interest in developing the remaining land for social purpose

12 October 2010

Charity Bank withdraws its offer: the valuation of the land will not support a loan

13 October 2010

Senior executives at NYCC and Leeds Met continue to negotiate. Is it possible to disaggregate the disputed rent from the purchase price?

21 October 2010

Business plan complete

29 October 2010 – progress and pressure

NYLC submits parallel bid to Social Enterprise Investment Fund (SEIF) for £443,659; the fund supports capital projects that will help communities improve health and social care activities in localities and would provide sufficient funds to purchase the land and buildings and undertake some refurbishment.

Communitybuilders assessment meeting with NYLC and wide range of stakeholders (including local MP and NYCC senior officers) and The Ideas Mine to review business plan; it is considered to be thorough and strong.

Communitybuilders announces that its funds, through the Social Investment Business, must be annualised. This means that if an award is made, the funds must be drawn down by 31 March and disbursed by 31 June. Demolition and rebuild is therefore impossible.

04 November 2010 - time for a re-think

Feedback from Communitybuilders assessment urges caution over the size of the loan; The Ideas Mine develops scaled down plans for purchase and refurbishment at £500k.

17 November 2010 – another setback

Combination of IT problems and volume of detail means that Communitybuilders is unable to submit the bid within the deadline for the December panel. It will now go to the January panel – the final assessment panel of the entire Communitybuilders programme.

29 November 2010

NYLC returns to Charity Bank for a £150k loan, underwritten by NYCC which also offers a parallel loan of £100k.

January 12 2011

Charity Bank declines loan: their terms are less favourable than SIB

January 18 2011 – success

Communitybuilders panel approves £566,100 (a grant of £276,100 and a loan of £290,000 at 5%). NYCC agrees to act as guarantor of the loan.

11 February 2011

Chain Lane Social Enterprise is created to take ownership of the buildings and site from Leeds Metropolitan University

31 March 2011

Transfer of ownership occurs. Refurbishment work continues.

3. Insight into crucial incidents and issues

Behind these headlines lies the real story; analysing what worked well and what did not reveals the lessons to be learned. By looking at clusters of issues and events, themes emerge that are important for the future success of civil society organizations.

3.1 How the opportunity arose:

The opportunity for NYLC to take ownership of the Chain Lane site on behalf of the community in Knaresborough arose because of the confluence of several different factors. These include:

- the community lock which was applied when ownership of the site transferred restricted the site's commercial value;
- the lack of investment in the buildings that meant the public sector was reluctant to take ownership and the consequent costs of refurbishment and maintenance;
- previous reputational issues for Leeds Met meant they were vulnerable to public pressure;
- the lack of suitable community facilities in the town meant that despite its state of repair demand for space in the Centre is high and the centre is well used.

If the situation had been different, in particular if there had been no community lock on the site, it is likely the site would have been valued at a price too high for a civil society organisation and it would have been sold to commercial developers.

4. Consolidating the vision

The work to save Chain Lane began with a single goal in mind – to ensure a valuable community asset was not lost. As the project developed so did the vision the stakeholders had for the site.

In the short to medium term the vision remained focused on the practical issues –

- secure the centre;
- maintain existing services;
- enhance the current offer.

As the feasibility study and business planning progressed it became increasingly clear to NYLC and the Steering Group that because of the long term insecurity regarding its future, little strategic development had taken place to sustain future activities at the Centre or to promote it as a community resource. The centre was underutilised – only open five days per week and during term times – giving NYLC and the Steering Group the chance to consider how best to expand service delivery to meet community needs and make the centre sustainable.

A clear and innovative vision emerged: maximise the potential of the site by providing a new, two-storey centre to enhance current community space and provide office accommodation for the VCS and build much-needed community capacity. By repositioning a new build centre, the rest of the site would then become available for development for social benefit (for social housing, perhaps, or care units). Not only would the community of Knaresborough benefit from a new and improved space, but the further development of the site would add to the sustainability of the centre whilst bringing additional social value for the town.

4.1 What is ‘the community’?

Many discussions concerning the nature of ‘the community’ that could be served by the Centre were held: what was it, and how could – or should – it be served? The debate was complex, and reflected the challenge which such a project, with its multiple long term aims, presents.

In fact, it became clear that there existed several interlocking communities that had an interest in the site, depending upon the different uses to which it could be put. The important lesson was not

to try to define a single narrow stakeholder community, but to analyse the various uses – both present and potential - the site offers and to consider the constituent communities for each one.

4.2 Steering Group – groundswell of support

One of the major factors in saving Chain Lane was that it became a key priority for so many stakeholders. This meant that, when required, NYLC could call upon influential individuals and agencies to help surmount barriers, clear blockages, and provide the information that kept the project moving forward. The rich mix of stakeholders on the Steering Group also meant that it was possible to stimulate engagement and support quickly and effectively in Knaresborough, Harrogate Borough and North Yorkshire. The list of supporters included residents, Renaissance Knaresborough, economic development departments of both local authorities, youth services and the youth council, Business Link, the Skills Funding Agency, health and social care colleagues, local schools, local VCS infrastructure organisations, district and county politicians, the town’s Mayor and the local MP.

4.4 Saving the centre

There is little doubt that Leeds Met’s shock closure announcement in July 2010 helped galvanise public opinion and support for the project to save Chain Lane. The announcement gave people a flag around which they could rally and a shared ‘enemy’ against which they could fight.

In particular, community activism by the youth council, in the shape of a petition and a successful Facebook campaign, helped create overwhelming support from the wider community in Knaresborough to retain the Centre. In addition the Steering Group was able to gain high profile media support that added to the pressure on Leeds Met to negotiate.

Nevertheless without the intervention by NYCC corporately to manage the negotiations and mediate with Leeds Met, the project could have failed at that point. Indeed, the role of the NYCC in securing time for a funding package to be developed, providing expertise, and finally acting as guarantor for the Communitybuilders loan was crucial to the project’s success.

5. Conclusion

5.1. Vision for the future

Saving Chain Lane has created the space for the VCS in Knaresborough to develop a creative and substantial vision.

- By relocating their business to the centre, NYLC is able to provide the rental income which services the loan which has made the development possible

- By moving into Chain Lane, NYLC will be able to extend the Centre's opening hours into evenings and weekends
- The grant from Communitybuilders has enabled NYLC to make the improvements to the Centre which will make it more attractive to current and future users
- It has enabled NYLC to carry out the structural improvements to make the wing which it will occupy to make it fit for purpose

Now that the arduous and demanding campaign is over, staff at NYLC will be able to devote time to the strategic and operational support which maximising the potential of the Centre will require and, in due course, developing the business and marketing plans it will need if it is to achieve its full potential.

Discussions are already underway to explore partnership approaches to developing the whole site for community benefit now that this initial investment has been achieved.

In the longer term, a two-storey, purpose-built building will cater for the current users of the Centre as well as provide a base for the local VCS and become the community anchor which Knaresborough has needed for so long. It could also provide opportunities to develop socially entrepreneurial services such as a learning centre, community café and a base to service the vibrant music and arts activities which are already active in the town.

Appendix 1: Chain Lane Steering Group

The Chain Lane Steering Group was composed of representatives from the following organisations:

- North Yorkshire Learning Consortium
- Renaissance Knaresborough
- Chain Lane Centre (Existing Community Centre)
- Knaresborough Youth Service
- Harrogate Borough Council including an elected member
- North Yorkshire County Council, including an elected member
- Knaresborough Town Council
- Harrogate Council for Voluntary Service
- Business Link Yorkshire
- Stockwell Community Centre
- Youth Council

Appendix 2: Background

1. Context for Saving Chain Lane

1.1. Knaresborough

Knaresborough is a picturesque, medium-sized, historic market town built along the River Nidd in North Yorkshire. With a population over 15,000², it generally fares well according to statistics but with noticeable deviations between the town's three wards. For example, overall the proportion of children living in poverty (families that earn 60% or less than the median income) is below the national average, but the proportions in Knaresborough East and Scriven Park wards are double that in Knaresborough King James³.

The Chain Lane Centre is located in Knaresborough East ward but serves the whole town including Scriven Park Ward, which falls within the worst 22% Super Output Areas for certain categories according to the Index of Multiple Deprivation, 2007. The Youth Service in particular attracts participants from the whole of the town and some outlying areas.

Based on the 2001 census, Knaresborough East had a lower percentage of working age population with qualifications above Level 3 (25%) than the other wards of Knaresborough and Harrogate District (33.7%). In 2009/10 GCSE pass results for those receiving A* to C (including in English and Maths) in Knaresborough had improved significantly to 67%, but this still compared poorly to those for Harrogate district as a whole where the equivalent figure was 72.4% according to the official statistics of the Department for Education⁴.

As a result of this discrepancy in qualifications, there is a heavy weighting towards lower income occupations in the town. For example, 2001 census results reveal that about one third of people in Knaresborough were employed in the three most skilled categories of occupations (professional, managerial/senior and associated posts) compared to nearly one half in Harrogate. While over 30% of people in Knaresborough were employed in the three lowest, less skilled categories of occupations, compared to 22% in Harrogate. Regenerating Knaresborough therefore requires significant investment in education and skills of young people and the working age population.

² According to North Yorkshire County Council's mid-year estimates for 2009 population in the three wards of Knaresborough was 15,530

³ According to snapshot of neighbourhoods taken by NYCC in August 2008.

⁴ http://www.education.gov.uk/performanceables/schools_10/regionD.shtml

The context of Knaresborough, however, means it experiences difficulty in attracting investment to what is perceived to be an affluent area. Previous funding for local development projects through the Market Town renaissance programme of the Regional Development Agency was cut and applications to funders such as the Lottery and ERDF failed due to the difficulty of proving for the needs of small sections of the population.

1.2. North Yorkshire Learning Consortium

North Yorkshire Learning Consortium (NYLC) was established in 2007 to address identified structural weaknesses in the Third Sector. It provides the strategic direction and specialist support for learning, skills and employment for the Third Sector across North Yorkshire and York.

A 'hub and spoke' Consortium, it is constituted as a not-for-profit company Limited by Guarantee. Its aims are to:

- secure and manage contract opportunities for the Third Sector
- provide a strategic voice to the community sector for learning, skills and employment
- promote partnerships and build capacity
- champion the work of the community sector as it strives to improve community cohesion

1.3. Civil Society in Knaresborough

The physical infrastructure for Civil Society in Knaresborough is weak; there is insufficient affordable and accessible meeting and office space; only a few organisations operate out of the town (they look instead to nearby Harrogate, with its abundance of facilities) and those that do cite the lack of infrastructure as an impediment to their development.

NYLC, as an infrastructure organisation for the VCS, has been keen to address this issue and therefore responded in 2008 to a request for tenders from the Learning and Skills Council for Regional Capital projects for the voluntary and community sector to develop learning centres. The intention was to use the opportunity to maintain and improve service provision at the Chain Lane Community Centre, a popular but run-down community centre, while at the same time providing accommodation for NYLC and the wider Third Sector community. The project was initially supported, but approval was withdrawn when the LSC's own financial crisis forced it to re-consider its work programme.

Undaunted, NYLC began discussions with various stakeholders (including the economic development team at Harrogate Borough Council and some local and County councillors) and early soundings

were positive; one Councillor, Andrew Jones (now MP), encouraged NYLC to continue to explore possibilities despite the lack of obvious funding. As a consequence, a steering group composed of all the major stakeholders, was convened with the objective of securing and enhancing the facilities at the Chain Lane Community Centre, and through the provision of a dedicated facility, provide the platform for the growth and development of Civil Society in North Yorkshire.

2. The Chain Lane Centre

2.1. Background

The Chain Lane site is approximately 6000m² (or 0.6ha, which is approximately 1.5acres). The Community Centre occupies approximately one third of the land.

The Centre was built in the 1940's to house Leeds Grammar School pupils evacuated during the Second World War. It was not large enough for this purpose and subsequently became the living quarters for the Women's Land Army. Following the war, the building became a community centre, and in the 1980's an additional building was added to accommodate a youth club.

The Centre was once a part of a parcel of properties whose rights and liabilities were transferred by North Yorkshire County Council (NYCC) to Harrogate College in 1996. As a condition of the transfer, NYCC imposed a community lock on the site, which means that it must be used for community benefit; this lock is still in force. In 2008, ownership passed to Leeds Met, although NYCC retained two-thirds user rights on the site in order to provide youth services.

In 2008, Leeds Met indicated that the site was surplus to its requirements, and that it intended to dispose of the site. In the process, the university submitted a claim to NYCC for £300,000 which it said related to rent in recognition of the two-thirds user rights on the site. A steering group representing the local community and the many organisations which use the building was established to explore options to preserve it.

2.2. Condition and use

At their best, the buildings at Chain Lane are not fit for purpose, only the central space, added in the 1980s was built specifically with community use (specifically, the youth service) in mind. As a consequence of many years of under-investment, the Community Centre was in a poor state of repair by 2010. Nonetheless, it was very popular with the local community: more than 300 local residents used it every week for a diverse range of activities including keep fit classes, karate lessons, snooker, support groups, coffee mornings and a very active and well attended youth club. The users

were strongly committed to the centre, in part because they felt that there were no satisfactory alternatives in the town.

Analysis suggested that refurbishment of the existing premises or creation of a new centre would attract significantly more users, including leisure activities, business use, the delivery of statutory and voluntary sector services, and room hire.

2.3. Communitybuilders

Communitybuilders was a £70 million Government-backed fund designed to support neighbourhood-based, community-led organizations to become more sustainable through a mixture of loans, grants and business support.

The Communitybuilders Fund, previously owned by the Department of Community and Local Government is now an endowed fund, owned and administered by the Adventure Capital Fund. The fund is currently closed to new applications but there are expectations that it will reopen within 2011. The fund is administered by the Social Investment Business (SIB), which is the fastest growing social investor in the UK. Its aim is to help civil society organizations to support people and communities most in need by helping the sector prosper through providing capital, business support and long term strategic thinking.

NYLC applied to the SIB for funding to complete a feasibility study and business plan for the regeneration of the Chain Lane site. The data and analysis that emerged from this work was used to compile a successful bid for development funding from the Community Builders Fund.