

Local knowledge, local action: funding development trusts in North East England

"I think being a development trust is one of the most interesting ways to go. Although we are VCS [voluntary and community sector] based, we have the enterprise and asset hat on too and that gives an interesting dynamic to the organisation. We can be more creative – bolder, perhaps."

Janet Cresswell, Ashington Community Development Trust

For more than 15 years, development trusts in North East England have been buying and refurbishing buildings, reviving public spaces, setting up and maintaining community services, creating and protecting jobs. Through their local knowledge and their practice of working closely with residents, businesses, public and third sector organisations, they are helping both to strengthen the local economy and to increase the quality and quantity of local social capital.

A 'development trust' is not a distinct legal entity. Most are limited companies with charitable status; a familiar structure in the third sector. What they have in common is their identification with a specific area (a village, a town, a district, or part of a city) and their commitment to its regeneration. People who run development trusts, or work closely with them, tend to be wary of making generalisations about them. Trusts are set up for local reasons, and their objectives and the way they operate are determined by local conditions and resources. The result, in the North East, is a diverse collection of enterprising, community-oriented organisations, all working for the regeneration of a place, but encountering different challenges and responding to them in a variety of ways.

Between 1998 and 2008, the number of trusts in the North East increased faster than in most other English regions, and the speed at which their combined income grew exceeded the national average. One of the reasons for this, according to the Development Trusts Association (DTA), was the investment of time and money made by Northern Rock Foundation over this period. This edition of *Insight* describes aspects of the work of six development trusts that were supported by the Foundation at some point between 1998 and 2008. Four are in Northumberland, one in County Durham and one in North Tyneside. Of the four in Northumberland, two are in agricultural communities and two in former coalmining towns on, or near, the coast. Two are among the oldest in the region and two among the youngest. All of them own or manage at least one building. These include a leisure centre, offices, retail units, social housing, meeting and training spaces, a residential conference and training centre, and a community resource centre.

The following pages share lessons learned by the Foundation about the contribution of development trusts to local social, economic and environmental change, and about the challenges a grant-making charitable trust can face when it chooses to engage with regeneration initiatives based on commercial enterprise.

A development trust in action

In January 2006, the Youth Hostels Association (YHA) announced its intention to close 32 of its less busy hostels, to fund investment in some of its other sites. One of four hostels scheduled for closure in Northumberland was in the small market town of Wooler, in Glendale. Wooler Youth Hostel (the most northerly in England) was accommodating some 5,500 overnight stays a year, but the building needed upgrading and the YHA had more pressing priorities.

For a small town of only 1,850 people, the prospect of losing its youth hostel was bad news. The YHA was the third largest provider of holiday accommodation in the area and an important contributor to the local economy. In 2003, research by Northumbria Tourist Board had found that the average visitor was spending around £14 a day locally (in addition to their overnight stay) which, if the hostel closed, could mean a loss to local businesses of £77,000 per year.

Glendale Gateway Trust was established in 1996 (following a 'village appraisal' funded by the Countryside Agency) 'to promote, improve, maintain, encourage and advance the benefit of the inhabitants of Glendale'. In 2006, the director of the Trust was Tom Johnston, a former youth hostel warden. Recognising the risk of losing the hostel, but also its potential for development, he launched a fundraising campaign to buy and refurbish the building, to which Northern Rock Foundation contributed £170,000.

The Trust now runs the hostel as a licensee under the YHA's Enterprise Scheme, which means it is marketed as part of the YHA network. The building has been refurbished and visitor numbers have steadily increased. The story of Glendale Gateway Trust's takeover of Wooler Youth Hostel illustrates the central role a development trust can play in safeguarding the local economy and promoting the best interests of a community.

Northern Rock Foundation and development trusts

One of the fundamentals of regeneration is to get the local economy moving. Too often, when deprived communities attract new money, it has a habit of flowing straight out again, because the level of local economic activity is so low. Northern Rock Foundation's support for development trusts over ten years was about investing in organisations that were attempting to reverse this trend. It prioritised projects with the capacity to bring money into a community and keep it there, by developing local facilities, selling and promoting local goods and services (including affordable financial services), and supporting new businesses.

The Foundation's first grant to a development trust came from a funding programme for the former coalfield communities. Later, trusts were able to apply to successive programmes, including Urban and Rural Regeneration (1999–2002), Regeneration (2003–05) and Money and Jobs (2005–07).

The Civic Trust and the Community Council of Northumberland (now Community Action Northumberland) actively promoted and facilitated village and town appraisals and more trusts were being founded every year. In 2001, the Foundation made an award to the DTA to support its work with new and existing trusts in Northumberland, Tyne and Wear, Durham and Tees Valley. While trusts have traditionally operated in mainly urban areas, the greatest expansion, nationally, has been in villages, market towns and former coalfield communities.¹ In *Bearing fruit*, published in 2008,² the DTA described Northumberland as 'a hot-bed of rural asset development and community enterprise'.³ In 2004, there were 29 members of the DTA in the North East. Four years later, there were 40; a leap of 38%, compared with a national increase of 22%.

¹ Five years ago, one third of the development trusts in membership of the DTA were working in rural areas, all or some of the time.

Today, almost half of the DTA's 450 members are in that category.

² Development Trusts Association (2008) *Bearing fruit. Good practice in asset-based rural community development*. DTA/Carnegie UK

³ Figures provided by the DTA show that between 2003/4 and 2006/7, the total income of trusts in the North East increased by 168% and their earned income grew by 214%, far exceeding the national average in both categories. While the value of assets held by development trusts also increased (by 89% in the same period) this was lower than the national average – a fact attributed by the DTA (at least in part) to lower property values.

Lessons learned

As interest in development trusts has grown, so too have the quality and quantity of support on which trusts, new and old, can call. The DTA's North East office and the Federation of Northumberland Development Trusts (FONDT), founded in 2002, have both been funded by the Foundation to provide information and advice, and there has been a steady stream of how-to guides, advocacy documents and research reports. The DTA has published guidance on setting up and managing a trust, methods of financing, asset acquisition and management, and other issues commonly faced by trusts and their partners. *Bearing fruit*, for example, identifies success factors for rural development trusts and includes the first published analysis of leadership styles in the sector.

The New Economics Foundation (NEF) is an independent think-tank that looks for ways to increase economic wellbeing that 'put people and the planet first'. The NEF has developed an action planning tool to help people understand more about how their local economy works and what they can do to strengthen it. Called *Plugging the Leaks*, it looks at how to keep as much money as possible in the local economy; how to stop it 'leaking out' before the community has benefited from it. The toolkit offers two contrasting illustrations of what can happen to new money attracted by a community for its regeneration. Both feature a street. In one, the buildings are derelict. Above them is an umbrella. Coins are raining down on the umbrella, but they are bouncing off and failing to reach the ground. In the other illustration, the same street is lined with refurbished shops and houses and between them is a funnel, channelling the coins directly into the community. In the first illustration, the implication is that too much money is going to external consultants and contractors. In the second, more of the thinking and the work are being done by people who live locally and more of the money therefore stays in the local economy. (www.pluggingtheleaks.org)

Amble Development Trust

Established in 1994, Amble Development Trust is one of the North East's oldest trusts. Like Glendale Gateway Trust, it grew out of an appraisal, by the Civic Trust, which concluded that the town needed a locally driven vehicle to revive its failing economy. The traditional industries were fishing and coal mining and the decline of both was having a predictably devastating effect on the town. For 15 years, Amble Development Trust has looked for opportunities to revive the local economy. The development of capital assets has been a key part of its strategy.

Its first acquisition was a redundant pub, the Station Hotel, which it bought from the brewery for a pound. Renamed the Fourways, the building now houses a Citizens Advice Bureau, Northumberland NHS Care Trust and a training organisation, Igen Future Pathways. Recognising the commercial potential of letting offices and meeting space, the Trust commissioned Newcastle-based architects Jane Darbyshire and David Kendall to design a purpose-built office block, Fourways2. This award-winning building is now home to the Trust's staff and commercial and third sector tenants, as well as providing conference facilities and smaller meeting rooms for hire.

Fourways2 is a good illustration of how a development trust has tried to change perceptions of a place by improving its physical appearance. So too is the refurbished Town Square, a historically important open space that had become run down and deserted. With financial support from Northumberland County Council, the Trust commissioned a team of architects and artists to bring it back to life. It now owns the Town Square and is responsible for its maintenance, helping to ensure that it will remain a valued and well-used public space.

"There is a sense that something's happening. There is evidence of inward investment now. Tesco and Boots have arrived, local businesses are investing in their property and there are housing developers with planning permissions. I think we've helped to create the impetus to make things happen."

David Milburn, Amble Development Trust

More recently, Amble Welfare asked the Trust to take over its sports facilities and bring them back into community use. Elsewhere in town, the Trust has worked with the Harbour Commission on the rebuilding of the South Pier and the harbour wall at Coble Quay, and it has encouraged local businesses to take part in a shopfront improvement scheme funded by the Single Programme. Together, these initiatives have increased the confidence of residents and local businesses that things are changing for the better in Amble.

Inevitably, some projects have been more successful than others. In 2004, the decision to buy the town's only bakery saved seven jobs. Four years later, with the cost of flour and utilities rising, the Trust was finding it difficult to run the bakery profitably. Tesco was coming to town (complete with fresh bread counter) and the prospects for a small, independent bakery were unlikely to improve. David Milburn, the Trust's director, had to make a tough decision and recommend to the trustees that they should sell the bakery on.

The Trust is now working to develop the former Co-op building on Queen Street. The Co-op was part of life in Amble for many years and residents felt very let down when it decided to shut up shop. The Trust bought the building for a good price and is working on plans to bring it back into community use. These include using the ground floor for retail (mostly for local foods and other products) and converting the first floor into an environmentally friendly restaurant based on a social enterprise model.

This idea came from the Shoreditch Trust, which runs two restaurants in London and uses the profits to fund staff training programmes.

In common with other trusts in the North East, Amble Development Trust has been reviewing its plans in the light of the recession. It is finding it harder to let its offices and meeting spaces and is facing stiff competition from commercial companies with larger property portfolios, that can let their space for less than the going rate. The Trust therefore needs to find other sources of income and has begun to sell consultancy services, within and outside the North East.

- An area's natural resources and its cultural heritage are reliable starting points for regeneration plans.
- Amble Development Trust invested time and effort in preparing detailed plans. This meant that it is always ready to seize an opportunity.
- This Trust is succeeding in attracting funds into its community and keeping them there.

"The Council has let us get on with it. We've been their agent of change, although we've agreed and disagreed over the approach. We haven't been bound by rules or wrapped in procedures and our entrepreneurial approach has sometimes been hard for the Council to deal with."

David Milburn, Amble Development Trust

Glendale Gateway Trust

When Glendale Gateway Trust was set up in 1996, the North Northumberland economy was going through a tough time. The nature of farming was changing and people were losing their jobs. While some of the associated engineering and other agricultural businesses were surviving, it was obvious from the appearance of Wooler High Street that the local economy was in poor shape. A village appraisal suggested the creation of a community building that would provide a 'one-stop shop' for advice and space for groups to meet. It also recommended the conversion of the old Mechanics Institute into a drop-in centre that would give younger people, who had little to do, a place of their own.

The Trust saw the dilapidated High Street as a challenge and an opportunity and by 2001, it had successfully completed both projects. The scale and quality of the newly built Cheviot Centre gave local residents confidence that the Trust would listen to them and respond, and that it had the best interests of Wooler at heart. Today the drop-in centre is managed by Wooler Young People's Association and the Cheviot Centre is home to the Tourist Information Centre, offices and meeting rooms of different sizes, for community and commercial use.

The Trust's next project was to buy and refurbish three empty shops and the land behind them. The shops now house a gift shop and a café, and the flats above are let to local young people. The Trust could not access the funding streams it needed to develop the land for housing, so it sold it to a registered social landlord, Home Housing Group, which built ten flats and five bungalows. The provision of affordable housing is one of the Trust's top priorities and, also on the High Street, it has bought and refurbished a three-bedroomed house and let it to a local family.

Another priority is to strengthen the local economy. The story of the purchase and management of Wooler Youth Hostel has already been told (p2). Glendale is an exceptionally beautiful area, and

a great attraction to walkers and cyclists. Wooler is on the Pennine Cycle Way and the Trust has collaborated with Sustrans⁴ to improve the route and bring more visitors to the area, creating more trade for local businesses.

On a wall in the Trust's office, there are plans for the conversion of a former Co-op store. The building has been bought with funds from Northumberland Strategic Partnership and One North East, and residents and businesses have been consulted about its future use. Possibilities include retail units, offices, housing and space for fundraising sales. As a first step, the shop front has had a facelift, demonstrating to passers-by that the building is coming back to life.

The Trust's flagship building, the Cheviot Centre, is having to adapt to the economic climate. The original intention was that it would be used predominantly by voluntary and community sector tenants, but several of these have had to move out because of difficulties in finding the rent. The plan now is that the Trust will move its offices to the refurbished Co-op, while the new unitary authority, Northumberland County Council (which took over the Tourist Information Centre in April 2009) moves in and shares the space with commercial tenants.

- Glendale Gateway Trust has acted as a developer, bringing disused buildings in the centre of the community back to life.
- It has a strong board with a shared sense of purpose, which has been willing to take calculated risks.

"We all live here. We have to walk down the High Street every day and live with that dereliction every day. It was our problem. We are trying to build a sustainable community by creating the right environment, so that young people can stay. If we don't, we lose the schools and the shops and the employment base. It becomes unsustainable."

Tom Johnston, Glendale Gateway Development Trust

⁴ Sustrans is a charity dedicated to sustainable transport and is well known for building cycle paths, often along redundant railway tracks.

The Linskill & North Tyneside Community Development Trust

The Linskill & North Tyneside Community Development Trust has been running the Linskill Centre, in North Shields, since spring 2006. In 1998, this former school building became a community resource, providing a base for local clubs and societies, community organisations and adult education classes. Its owner, North Tyneside Council, also had offices here. When, in 2002, the Council announced that it was planning to close the Centre and sell the land for housing, its users and local residents launched a campaign to save it.

The Linskill & North Tyneside Community Development Trust was established in 2004 and the following year, with the election of a Mayor who recognised the case for retaining the Centre for community use, it was able to enter into negotiations over the future of the building. The Trust's Board now believes that keeping an open mind and being willing to share ideas and experiences were key to eventually persuading the Council to grant it a 30-year lease, on the understanding that it would upgrade the building and develop it as a resource for the whole community.

In 2008, some 30,000 North Tyneside residents attended clubs, classes and events or used advice services at the Linskill Centre. The number of people attending every month had doubled in the space of a year. The meeting rooms and classrooms host around 60 activities every week, from carpet bowls to band practice to cycling proficiency. There is a recording studio, a crèche (that will be delivering the Early Years Foundation Stage from autumn 2009), a thriving café, a bar (with live acoustic music one evening a week), and a hall for large-scale entertainment and conferences. Online courses delivered by Learndirect that help people prepare for work and find jobs are an important part of the Centre's regular programme.

Most of the participatory activities at the Linskill Centre are run by resident groups or visiting tutors

but the Trust is planning to promote more activities of its own, with a view to earning more income. Lettings are going well. It has 20 offices, 18 of which are currently let on contracts of at least 12 months, and there are plans to make more offices available. The tenants include organisations that share the Linskill Centre's ethos and enjoy the sense of community, and others that are there because the facilities and location are good and the rent is competitive.

The Trust's three senior posts are currently supported by grants (from the Esmée Fairbairn Foundation and the Big Lottery Fund) and all other staff costs are covered by earned income. The continuing refurbishment of the building will eventually create more space to let and there is a waiting list of prospective tenants. The success of the café has prompted the Trust to look into developing a training arm in hospitality and catering, which could also generate income. The ambition is that, by 2014, all salaries will be funded from earned income and grants will only be used to support projects.

The Trust has found the experience of other development trusts invaluable in its early years and it has made good use of the DTA's legal and financial advice and its governance training for new trustees. Volunteers are vital to the running of the Linskill Centre. In an average year, some 50 volunteers work with the administration team, help to run the café and maintain the physical fabric of the building. Some are regulars, who return year after year, others come for a short while to gain experience and contacts, and about one third of them go on to find paid work.

- In North Shields, the development trust model provided a local campaign with the structure and advice it needed to secure and manage an important local resource.
- The physical space available at the Linskill Centre and its capacity to house a combination of educational and social activities, advice services and rented offices make it a viable business model.

The Fawside Foundation

The Fawside Foundation, a development trust serving the Allen Valleys, started life as a group of local volunteers in 1991 and became a charity in 1994. Fawside's ethos has always been to respond to the community's priorities. Until 2001, most of its activities were about improving the local environment. If a wall needed mending or a stream needed clearing, Trust volunteers would tackle it, often with the support of the BTCV (formerly known as the British Trust for Conservation Volunteers).

It was the outbreak of Foot and Mouth Disease in 2001 that took the Trust in a different direction. Farmers and local businesses that depended on visitor spending (bed and breakfasts, cafés, pubs and gift shops) were badly affected and there were many hardship cases. Fawside became a fundraiser, tapping into the new funding streams created by the Government and grant-making trusts to deal with the aftermath of the disease. But these were short-term measures and when the opportunity arose to buy a residential centre in Allendale, with the potential to earn a regular income that could be used to fund other projects, the trustees were seriously interested.

Deneholme is an Edwardian house on the edge of the village. Owned by Northumberland County Council, it had been run as an outdoor education centre, but a lack of investment had resulted in customers drifting away and in 2003, the Council decided to sell. Local residents supported Fawside's bid to buy the house and its ambition to run it as a centre for conservation holidays and environmental education, and a community venue with training facilities. This would be in keeping with the village environment and attract visitors who would spend money locally. It was a bonus that Deneholme had an annex with scope for conversion into affordable, rented homes for local people.

On paper, acquiring Deneholme was a great opportunity for Allendale and several funding bodies agreed. The Foundation funded a feasibility study and around £900k was raised

from One North East and Government Office North East to buy and refurbish the property. The capital grants were retrospective but Tynedale District Council agreed to 'bankroll' the purchase.

To this point Fawside's experience had been in helping other people with their projects. It had been involved in the development of other facilities in the dale, including Sinderhope Community Centre, Allendale Village Hall and Whitfield Parish Hall. It had supported business start-ups, such as the new brewery at Allen Mills. It had set up an out-of-school club to encourage parents, who were moving their children to schools closer to their places of work in Hexham and Newcastle, to support the local school instead.

The decision to take on Deneholme was a bold one. While the building work was relatively straightforward, the trustees had no experience of this type of business. Recruiting and managing staff proved to be a challenge. They did not fully appreciate the level of skill and experience needed to run a residential centre; most of the posts were part-time and for employees living outside the dale, travel time and cost proved to be an issue. What seemed to be small-scale, operational details, such as the importance of staffing the phones out of hours and updating the website, were to make a significant difference to the success of the enterprise. More fundamentally, there were flaws in the design of the building and the staffing structure that made it impossible to earn enough from bar sales and catering.

The Foundation recommended and paid for a specialist in marketing and business development to work with Fawside's trustees, but by this time there were insufficient reserves to keep the business going while changes were being introduced. The situation was exacerbated by the cancellation of bookings from clients at home and abroad, as the recession began to make itself felt. Towards the end of 2008, with funds fast running out, the trustees decided that the only option was to lease Deneholme to an experienced company to run on their behalf.

They found a new leaseholder, a Northumberland company that had used Deneholme to run courses, and knew the building and the sector well. This allowed Fawside to retain a valuable asset and to continue to earn some income from it. The new managers had a strong client list and were soon attracting new visitors to Allendale and new customers for its businesses. Meanwhile Allendale Community Housing (a community land trust) is going ahead with the development of affordable housing on the site of the Deneholme annex.

Fawside acknowledges that the Deneholme project was costly in both financial and human terms. It used all of its reserves, staff were made redundant and some trustees stood down. It has now regrouped and is on the front foot again. There is a new relationship with BTCV in the pipeline, local residents have been asked to put forward ideas for projects, and the Trust has an office in the heart of the community, in the village hall.

The Deneholme project was motivated by a determination to retain a local asset and to earn money for the Trust and local businesses. The signs are that, despite a very rocky ride, the trustees have found a partner with the business know-how and experience they need to achieve their objectives.

- The processes and skills involved in realising a capital project are different to those needed to manage a facility for hire as a going concern.
- While imagination and risk taking are characteristics of most successful development trusts, it is important to be aware of the impact of a major project on other activities.

Ashington Community Development Trust

Ashington Community Development Trust started life as East Ashington Development Trust in 2004, when members of the Community Area Partnership (CAP) decided that they wanted more say in the future of their town. While the CAP was part of the Local Strategic Partnership (the Wansbeck Initiative), they felt that too many plans and initiatives were coming to them just to be 'rubber stamped'. Their ambition for the new development trust was that local people would be more directly involved in identifying and responding to local needs.

One of the top priorities of the Trust has been the creation of opportunities for training and employment. A recent, two-year project, funded by the Big Lottery Fund's Fair Share scheme, taught four 16–21 year olds community development skills. The young people, who worked under the name Be Inspired, spent their time delivering services to their peers. Notable among these was C Card, a sexual health support service. After training with Northumberland Care Trust's Health Improvement Team, Be Inspired could be found in the development trust's office, every weekday from 4pm–5.30pm, providing young people with advice and contraception. While it is hard to measure the impact of such a project in the short term, the take-up of the service (100 young people in one year) confirms that it was meeting a need.

Hirst Welfare Centre in Ashington offers numerous opportunities for young people interested in sport, so Be Inspired decided to set up some groups that were not sports based. A creative writing group and a photography group attracted more than 60 young people during the year and the team also worked with Wansbeck Young People's Forum and young people's groups at North Seaton Community Centre. An indicator of the success of Be Inspired is that one former member is now working for Changemakers in Newcastle, another is employed by the charity Get Hooked on Fishing, and a third is training to work in the care sector.

Another strategy for boosting the local economy has been to support new social enterprises. When two employees of Ashington Minors Ltd, a childcare service and day nursery, had the opportunity to buy the business, but could not afford the full price, the Trust came in as a partner. The company is now providing jobs for 14 local people and services to more than 90 families. Its reputation is growing and so is its waiting list. Janet Cresswell, the Coordinator of the Trust, is supporting the partners (whose expertise is in childcare) as they learn how to manage the business and her team provides payroll and basic bookkeeping services, for which it charges a fee. It is doing the same for Real Food Works, a new social enterprise which it helped to establish in 2008. Real Food Works is now employing two people to deliver healthy eating education across South East Northumberland.

The Trust is also a landlord. In 2006, Northumberland Castles Youth Housing Project was winding down and asked if it would take on the ownership and management of six rented, terraced houses and an office. Although the Trust had no previous experience of owning or managing property, this was an offer it could not refuse. It is now providing affordable homes for people on low incomes, renting out office space and earning useful, unrestricted income. Crucially, too, it now has capital assets against which it can borrow to finance other projects.

That said, the Trust's financial resources are modest and it has recently had to make some tough, business-based decisions. Its first enterprise was a horticulture service financed through a combination of earned income from public and private clients, and grants from the European Regional Development Fund and the LankellyChase Foundation. This worked reasonably well for a while, but the business did not make as much profit as anticipated and faced with a shrinking market and stiff competition from other providers, the trustees decided to wind it up before the start of a new financial year.

Encouraging people to get more involved in community life and to contribute their time and skills to local projects are critically important to the work of this development trust. Last summer, a street party outside its office in Beatrice Street attracted 500 people of different ages and backgrounds and this was seen as a positive sign that the community is slowly coming together.

At the Trust's annual general meeting in December 2008, members agreed to change its name to Ashington Community Development Trust and to expand its area of benefit to include the whole of the town. As a result, it is now working directly with both East and West Ashington Area Community Partnerships.

- Social enterprises that are committed to employing people with relatively low levels of skill will face tough competition in an open market, while their employees become better at what they do. They are therefore likely to need funding for longer than other start-up businesses, if they are to become sustainable.
- In communities with limited experience of getting involved, a development trust and its partners need patience and determination.

The Spectrum Leisure and Management (SLAM) Community Development Trust

The Spectrum Leisure and Management (SLAM) Community Development Trust was set up in 2005 to save a local sports centre in Willington, a former pit town a few miles west of Durham. The Spectrum Leisure Complex was built on land behind the Miners' Welfare in 1983 and served the small town well for many years but, by 2003, the number of users had dropped sharply and the building was in a bad state of repair.

That year, Durham Constabulary seconded one of its officers, Ian Hirst, to be the local coordinator of Positive Futures, a national, sports-based programme designed to divert young people from drugs misuse and anti-social behaviour. As well as being a policeman, Hirst was an award-winning basketball coach and decided to offer the opportunity to try basketball, American football, extreme mountain biking, netball, football, outward bound and cheerleading to any young person who thought there was nothing to do in Willington.

The Spectrum Leisure Complex became an important venue for Positive Futures and when Wear Valley District Council announced that it was planning to close it down, Hirst offered to take it on. He and others who didn't want to lose their local sports centre went to the DTA for advice on setting up an organisation to run it. The result was SLAM Community Development Trust. It took a further two years of planning and negotiation but, in summer 2007, the Council handed over the keys.

"We went to the DTA. We were a group of ordinary people with little or no experience of the business world taking on a leisure centre."
Ian Hirst, SLAM Community Development Trust

Northern Rock Foundation and Lloyds TSB Foundation funded the Trust's first salaried post, a project manager. Wear Valley District Council provided £250k towards the cost of refurbishing the centre and using local firms, the work came in within budget. Today, the facilities include a large, multi-purpose hall, an adult gym and one of the few specialist fitness suites for children in the country. A community café is due to open before the end of 2009.

From the outset, SLAM aimed to earn as much of its income as possible. While recognising that grants from public and charitable sources would be vital in its early years, the trustees did not want to become reliant on them. The target of earning fees from 250 adult gym members per year was quickly exceeded and by the beginning of 2009 there were 370 members. The main hall is booked by clubs and teams every evening throughout the year. Willington is poorly served by public transport, so SLAM has a minibus to bring people without their own transport to the centre and to take teams to matches elsewhere. The Trust made a small loss in its first year of trading but was on course to break even in its second.

SLAM's trustees enjoy thinking laterally about how to finance their ambitious project. They have applied to Changing Spaces, a Big Lottery Fund programme managed by Groundwork UK, to undertake further capital works. A redundant ski slope next to the centre is being converted into two BMX tracks of national competition standard, with design advice from two young champion riders who live locally and who are both members of the junior gym. Other ideas have included an external catering service, run by the café staff and hiring out the large mower the Trust had to buy to keep its surrounding grass under control.

An unanticipated success for SLAM has been Slam Catz, a dance and healthy living programme for schools. Using top of the range, interactive dance mats and selected pieces of gym equipment, four fitness trainers, in character (the 'catz') run fitness workshops for children and young people that incorporate health messages. The mats can be used by people of any age or physical ability at a cost of £40 per hour. The service has proved so popular that the trustees have had to set up a separate company to manage it and to research the possibility of franchising to earn additional income.

While the centre welcomes people of all ages, SLAM's priority is to create opportunities for young people, both as participants in sport and as employees. There are currently five full-time and 12 casual staff, all but two of whom live locally. Ten of the casuals are aged between 16 and 18 and staff are constantly on the look-out for potential replacements for those who move away to go to college or for other work. Supporting local jobs is a high priority for SLAM and the trustees are currently looking into the possibility of converting the former Miners' Welfare into incubator units for small businesses.

- Saving SLAM was one person's vision, but converting a vision into reality requires a structure, a plan and hours of determined hard work by many people.
- The involvement of local young people in the Trust in its early years (as users of the building, team members, volunteers, employees and consultants) has increased the chances that the facility will be well used and that the Trust will be around for years to come.

Funding development trusts – reflections

Accountability

■ The extent to which development trusts are identifiable by, and identify with, local people plays a large part in their success. Every trust in the North East has been created in response to an evident need: a local facility is up for sale; unemployment is rising; a business is closing. Development trusts start as responsive organisations and, once established, continue to look for long-term solutions. They channel local motivation, knowledge and skill to a specific end. This is not to say that they are always popular, or that some of their decisions are uncontroversial. Their job is to make things happen, to effect change and sometimes, inevitably, this will meet opposition.

■ The most successful trusts appear to be those that combine opportunism with long-term planning. They need to be equally skilled at turning national and regional policies and programmes to local advantage, identifying resources that can be channelled into their communities, and responding fast to unforeseen opportunities. The key here is an intimate knowledge of local needs and resources and a presence on the ground.

■ Public sector regeneration money often needs to be spent quickly. Good development trusts always have plans that need resourcing. This means they can respond quickly to opportunities created by funders' underspending, or when a new source of funding becomes available and the funder wants to make some high-profile, early grants.

Social enterprise

■ The idea of a voluntary organisation setting up and running a viable business that aims to provide a solution to a particular social problem is attractive to funders. The theory is that the

business will reach a point where it can finance its activities from the sale of goods and services and then reduce its dependence on time-limited grants. However, a social enterprise can only succeed if there is a real demand for the products or services it is selling. When they focus too much on the problem they are seeking to solve and too little on the market, they are likely to fail.

■ Increasingly, development trusts are being encouraged to set up a business in order to generate income to cover their running costs, but this also needs careful thought. Some trusts have found themselves needing to devote increasing amounts of time to running a marginal business, to the detriment of their core activity.

■ A charitable funder that decides to support a voluntary organisation with entrepreneurial ambitions needs to be clear about what it is funding that organisation to do. The straightforward case is the one where a grant is needed to buy an asset, or to pump-prime a new service, or to create a post that will eventually pay for itself. A business idea will never thrive if it relies on the next grant to make up for a lack of sales. Grant funding is useful for scoping out an enterprise, buying in specialist expertise, meeting start-up costs and helping the enterprise to become more efficient, but it should not be used to offset poor business performance.

■ The Foundation has provided development trusts with loans, as well as grants. In some cases, a combination of low-interest loans and patient capital may be more appropriate than a grant.

■ The Foundation has helped to finance the DTA's North East office and a DTA development worker in Cumbria. Since 2005, it has supported the DTA's Enterprise Accelerator programme. This is meeting an evident need for high-quality support in the development and management of business ideas and has proved to be excellent value for money.

"I see the Federation of Northumberland Development Trusts as absolutely critical. You can get a bit blinkered in this job. The Northumberland network supports me as a manager and it gives me access to other ideas, best practice, what's happening regionally and contacts, and that can all be used."

Janet Cresswell, Ashington Development Trust and Chair of FONDT

Development trusts in the future

The poor state of the economy combined with recent local government reorganisation in Northumberland and Durham are presenting new and established trusts in North East England with a fresh set of financial and operational challenges. For Steve Wyler, Director of the DTA, trusts need to operate at a local level but with an eye to the wider impact of their work.

"Development trusts are most likely to thrive if their purpose is clear and if they are flexible about the way they work, both internally and with their partners," he says. "They need to be able to think laterally and imaginatively about how national policies and programmes can be applied locally and they need to be ready to analyse and articulate their local experience to influence regional and national policy and practice."

In the wake of the Quirk Review,⁵ the DTA has been commissioned by the Department of Communities and Local Government (DCLG) to work with 110 local authorities on strategies for the management of community assets. In some cases, this will include the transfer of assets to development trusts. The DTA, in association with Community Matters and the Local Government Association, has set up an Asset Transfer Unit to advise on technical issues and good practice, so that local authorities will know what has and has not worked elsewhere. This makes it an even more timely moment for development trusts in the North East, local and regional authorities that have worked with them, and independent, charitable funders to share their experience, ideas and questions with each other.

⁵ Quirk, B (2007) Making Assets Work. The Quirk Review of community management and ownership of public assets. Department of Communities and Local Government. www.communities.gov.uk/documents/communities/pdf/321083.pdf

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