



Netherton Community Centre



Location

Netherton, Huddersfield

Founded

2005

Legal structure

Private Limited Company by guarantee without share capital use of 'Limited' exemption

Description of activity

Netherton Community Centre has a range of community activities including room hire for local community groups, parties and special events. It also hires out marquees and equipment for weddings and other large events such as concerts.

Key assets

Marquees, generators, PA system and event equipment. Honley Community Centre is currently going through the process of asset transfer from Kirklees Council.

Employees

0.6 full time equivalent i.e. two part-time staff.

Volunteers

Seven

Biggest obstacle to success

Business expertise and economic climate.

Overview of Netherton Community Centre

Netherton is a village on the outskirts of Huddersfield. In 2005, Netherton Community Centre (NCC) risked closure from the local authority until Stephen Knight, alongside Netherton Tenants and Residents Association (NTRA) agreed to take over the running of the business. Over the last 12 years, NTRA have invested £25,000 into the centre, expanding and diversifying the services it provides from the purpose built building leased from Kirklees Council. The NTRA have also recently taken over the running of Honley Community Centre (HCC), which is based in a neighbouring village on the outskirts of Huddersfield. HCC is also being leased from Kirklees Council, however it is currently in the process of asset transfer.

NCC has a wide range of facilities including a community hall, fully fitted kitchen and disabled access toilets. The centre currently runs a number of activities including a breakfast and after school club for children, an over 60's luncheon club, a weight loss group, arts classes, fitness classes and a Brownies and Scouts group. On weekends, the centre is predominantly hired out for parties and users of the centre are mainly from the local community.

When the local community wanted to run an event in 2010, NCC purchased a marquee and diesel generator, which led to the centre expanding their room hire services to outdoor events. NCC now owns 14 marquees, nine diesel generators, 100 tables, 500 chairs, and a number of PA systems, which it hires out for weddings, concerts and special events.

Netherton Community Centre's journey to success

This section summarises the key factors that NCC attribute to the success of the business and the challenges it has faced along the way.

Financial self-sustainability

NCC considers its financial self-sustainability one of its biggest areas of success. Being able to adapt and change the direction of the business without funding restrictions means the centre can provide services tailored to the needs of the local community. Over the last six years, 95% of income for NCC has come from trading, with the remaining 5% from the local authority. Forecasted turnover for next year is approximately £56,000, which means the business will be completely self-sufficient.



The small amount of financial support from the local authority equates to around £700, which the business generally puts towards building and maintenance costs. Although NCC envisage this funding to decrease or even cease altogether, the business is not concerned. Unlike other community centres supported by the local council, who depend on financial support of up to £50,000 a year, NCC has developed a robust business plan that is not dependent on grants. Alternatively, when the business has needed to raise capital in the past, it has sourced bank loans with 0% interest. For example, NCC borrowed £4,000 from the bank to pay for a new kitchen facility and with 0% interest, the income generated as a result of the new kitchen, i.e. additional room hires and parties, more than covered the repayment of the loan. Nonetheless, NCC has received some grant funding previously, which has been invested in capital schemes, rather than paying for running costs, which subsequently contributed to its longer-term sustainability. For example, around five years ago the centre was successful in gaining grant funding from Community First. This funding was invested in a marquee that is still in use and disabled toilet renovations, which has expanded the demographic of users accessing the centre.

One of the major routes to becoming financially sustainable was the introduction of marquee and equipment hire for weddings, concerts and special events. This started as a small project, purchasing just one marquee to help a local community event. As time passed and more interest in marquee hire was generated amongst the community, NCC realised they could develop this into a full venture. No other providers in the local area offered marquee or equipment hire, and the centre had already established effective relationships with community groups through the room hire, which allowed them to build their reputation. Furthermore, they offer free marquee hire to the local rugby club in return for advertising, which enables the centre to reach a larger audience. NCC are now involved in some of the biggest events in and around the Kirklees area, e.g. the Beeston Festival and Bradford Carnival, going as far afield as Leeds and Bradford. Indeed, over the last 12 months, NCC has been part of the majority of outdoor events in Kirklees.

One of the barriers to financial sustainability for NCC has been the availability of business and legal expertise. As the centre considers marquee and equipment hire as one of its most successful attributes, it is vital for NCC to keep up to date with the necessary insurance regulations to ensure they can continue to provide this service. NCC highlight that although legal and business expertise is expensive, it is a necessity and worth the expense in the long term.

Nevertheless, the greatest challenge for NCC in maintaining self-sustainability is the economic climate. If community groups who utilise the room or marquee hire lose funding, this would have a negative impact on the centre. Indeed, this situation occurred at HCC before NCC took over the running of the centre. It meant that the centre lost the majority of

its income and, as such, was one of the main reasons for it closing. NCC counter this by keeping their rates and costs as low as possible. Not only does this encourage more customers, but it also benefits local community groups' financial sustainability.

Effective relationships with stakeholders

NCC has built up a number of relationships and connections to local community groups and fetes through Locality's national peer-to-peer support initiative that encourages the sharing of ideas, knowledge and skills. For instance, NCC have a relationship with another community events organisation, LS14 Trust in Leeds. They have reciprocated visits twice a year to discuss their business models and plans. They also share resources, creating a mutually beneficial relationship.

NCC also has a positive relationship with Kirklees Council. As mentioned previously, they provide the centre with seedcorn funding for maintenance and building costs. Although there are no restrictions on how this money is spent, if there are any changes to the building, NCC require the council's permission. Although this has never been an issue for the centre, NCC feel that the council are often bewildered with the ambitions of the centre, which it believes is due to other community centres commonly needing much larger pots of funding. However, since witnessing the achievements of the centre, the council acknowledge their success.

In terms of further support for the centre, NCC believe a national association for community businesses would be valuable. The centre's director is a member of the Federation of Small Businesses (FSB), and he highlights that although NCC is a small business it does not have the same commercial focus. The FSB does allow networking opportunities, but advice for the community business sector is scarce. For example, NCC would likely benefit more from guidance on sourcing competitive utilities rates and insurance policies, rather than search engine optimisation.

Focusing on the community

One of NCC's main aims is to bring the community together. Offering room hire to community groups for a reasonable price means that community groups can pass this saving on to their users, which in turn contributes to attendance levels and community engagement. This is particularly important to the centre, as it understands that not everyone can afford to attend groups. NCC see the benefit in making sure the building is used, whether this is for the advertised or a reduced price. Having a busy centre or marquee builds on NCC's reputation and credibility, which can lead to further business.

Furthermore, the centre believes there is much value in helping the community, even if this does not directly benefit the business. For example, a member of the local community contacted NCC regarding space for jive dancing lessons, as the space they were currently using was due to close. Although NCC did not have the capacity to hold this group,



the director contacted someone who could help. In the past, this has facilitated further work for NCC as these clients have come back with other opportunities that the centre can benefit from.

Future direction

In terms of the future of NCC, it is very confident that trading income from room and marquee hire will continue to rise. Indeed, at present the centre is operating at full capacity. NCC are the only community facility in Netherton, apart from the local church hall, who have limited space to offer to community groups, which makes the centre invaluable. As a result of the success of NCC, the centre is focusing on developing HCC. It is investing some of the profit from NCC into the new community centre in order to make it equally successful. Although this poses a risk, the centre currently receives three to four enquiries a week regarding room hire. As NCC is at full capacity, this opens up opportunities for HCC to take on this additional work.

Financial information

The following table provides an overview of Netherton Community Centre income, expenditure and assets for the period 01/03/2016 to 28/02/2017*.

Income	£26,000
Expenditure	£24,000
Difference between income and expenditure	£2,000
Surplus/deficit on ordinary activities before taxation	£2,000
Annual income from grant or subsidy	£1,300
Fixed assets	£3,600
Current assets	Stocks: £0 Debtors: £1,002 Cash at bank and in hand: £547
Total	£1,549
Net assets	£2,171

Source: Netherton Community Centre Accounts 2016/17, Companies House.

*Netherton Community Centre is registered as a micro-entity and therefore the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies. Therefore, the company members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476. As a result data on income, expenditure and grant or subsidy income data was not available from the annual set of accounts. The data above was sourced from the 'Community Business Success Factors' online survey conducted as a part of the wider research. See the full report on the [Power to Change website](#).