

WIRRAL COUNCIL

CABINET

17 MARCH 2011

SUBJECT:	COMMUNITY ASSET TRANSFER – DELAMERE COMMUNITY CENTRE, EASTHAM
WARD/S AFFECTED:	<i>EASTHAM</i>
REPORT OF:	<i>DIRECTOR OF LAW, HR AND ASSET MANAGEMENT</i>
RESPONSIBLE PORTFOLIO HOLDER:	<i>COUNCILLOR HOLBROOK</i>
KEY DECISION?	<i>NO</i>

1.0 EXECUTIVE SUMMARY

- 1.1 This report seeks approval for a transfer by lease of Delamere Community Centre, Eastham, in accordance with the Council's Community Asset Transfer Policy.
- 1.2 The transfer will promote a number of the Council's Corporate Policies including: Increase enterprise and promote greater independence and choice.
- 1.3 There will be a small saving in the Council's budget as a consequence of this transfer.
- 1.4 The transfer is not a Statutory duty.

2.0 RECOMMENDATIONS

- 2.1 That a transfer by lease of Delamere Community Centre be approved and the Director of Law, HR and Asset Management be authorised to complete the necessary legal documentation, on the terms set out in this report.
- 2.2 That the building works and the transitional costs for the first two years of the business plan be funded from the Community Fund.

3.0 REASON FOR RECOMMENDATIONS

- 3.1 Delamere Community Centre is operated by a dedicated team of volunteers who take a very active role in the running of the centre. The proposal submitted by the Users is considered to show, with the financial support described in this report, a viable and sustainable business plan which is considered to be the best way to achieve a successful transfer.

4.0 BACKGROUND AND KEY ISSUES

- 4.1 Cabinet, at its meeting on 15th January 2009, identified a number of facilities, including Delamere Community Centre, which should be transferred to community management, where the community expressed an interest.
- 4.2 Cabinet, at its meeting on 19th March 2009, approved the Community Asset Transfer policy. The policy sets out the mechanism to pass over the ownership and control of assets to community based groups and explains in detail the key principles and basis for transfer. The minute also resolved that Community Centres first be offered to the established and viable Joint Management Committees.

DELAMERE COMMUNITY CENTRE

- 4.3 Delamere Community Centre is located in Eastham's Mill Park estate and is shown edged black on the attached plan.
- 4.4 Delamere Community Centre is a purpose built facility which is operated by the Eastham Community Group committee, which operates the facility to provide the following activities:

Pipes and drums
Age Concern exercise group
Line Dancing
Bingo
Community sports development
After school club
Dance group

TRANSFER PROPOSAL

- 4.5 The Eastham Community Group committee wish to take a transfer of the community centre building from the Council and will establish an appropriate organisation to enable the transfer to proceed.
- 4.6 In order to satisfy the Community Asset Transfer process, the group has produced a five year business plan which has been assessed and is considered to be sustainable. However, in order to achieve a sustainable position, the business plan identifies the need for support in the first two years of operation, post transfer, to cover the operating deficit for the period. The business plan then shows that the Centre would produce a small profit in Year 3, rising again in Years 4 and 5.
- 4.7 An independent property condition survey of the centre has been undertaken and identified a number of items requiring repair. The most significant repairs relate to the replacement of windows.
- 4.8 The Community Asset Transfer policy advises that the Council will not normally seek payment of rent under a lease from community based groups, unless substantial commercial use of buildings generates large profits in excess of the running costs of the property. However, the Council will normally expect community based groups to be responsible for the running costs of the building,

including repairs, maintenance and all insurance. In light of the business plan and the community benefits described later in this report, the main terms of the proposed lease are as follows:

- Term: 99 years
- Rent: Peppercorn
- Liabilities: The lessee to be responsible for all outgoings and maintenance.
- User clause: Community Activities

- 4.9 Members will be aware of the Council's obligation to obtain the best price reasonably obtainable on the disposal of its land and property. However, under the General Consent, the Council does have the power to restrict the value of land by imposing restrictions as to its use on the grounds that to do so is in the interest of the economic and / or environmental and / or social well being of the inhabitants of the Borough and provided also that any such restriction in value does not exceed two million pounds, per transaction.

COMMUNITY BENEFITS

- 4.10 The users have developed a business plan which identifies how benefits which will be achieved after transfer, it summarises these as follows:
- By working with partners in particular Wirral Partnership Homes and Wirral Youth Service we can focus on Children and Young People, Developing Peer Educators to deliver sessions warning of the dangers associated with drinking alcohol or taking drugs, thus generating additional income.
 - By working with other partners, Tranmere Community Project bringing the Young Mums programme to the Delamere Centre will help to educate young people and reduce the number of conceptions.
 - Improving health and fitness through exercise and encouraging smoking cessation.
 - Reinforcing personal responsibility for resident's behaviour through positive encouragement .Provision of debt and benefit advice for residents.
 - By working with the five Wirral Development Trusts using the Delamere Centre to deliver personal development programmes for the Director of Works and Pensions (DWP) work Programme thus generating additional income.
 - By encouraging partners to use the centre as an outreach location for encouraging business start up and developing a social enterprise.
 - By encouraging the promotion of the Big Society and embracing the Localism Bill. Local solutions are frequently very effective, as they reflect the needs of specific communities and engage residents in taking positive action. They are often cost-effective, since they provide a conduit for the resources of residents' charities or social enterprises to complement those of the state. Given the growing pressure on government finances, these are important benefits. In particular recruiting and training community organisers.

- By using a costing formula that will ensure full cost recovery from all users of the centre. By liaising with other centres that have taken the asset transfer offer to make purchases of equipment and services that will be discounted because of a consortia approach.

5.0 RELEVANT RISKS

- 5.1 The business plan has been assessed and is considered to have little risk in achieving its targets and is therefore, with financial support in the first two years, is considered to show viability and sustainability. However, should the centre not achieve the income needed to produce the profits predicted from year three onwards, the centre would have difficulty operating. Under these circumstances the Council's Community Asset Transfer Policy advises that the Council will normally be willing to accept a transfer back of a building, without any payment or penalty, if the community based group no longer wishes to manage the facility. In these circumstances the building would then normally be sold on the open market, unless another community based group expressed an interest in its management.

6.0 OTHER OPTIONS CONSIDERED

- 6.1 The proposed transfer is in accordance with the resolution of Cabinet of 15 January 2009 which resolved that the facility should be transferred to community management, where the community expressed an interest. As the users are willing to proceed with a transfer, no other options have been considered.

7.0 CONSULTATION

- 7.1 The user groups have received support from the Council in developing the proposals for transfer. As part of its business planning process the group has consulted with the community.

8.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 8.1 The users are a voluntary group, which will remain a voluntary group after transfer. The facility will however, still be reliant on voluntary support to continue to provide this community facility.

9.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

9.1 FINANCIAL IMPLICATIONS

- 9.2 The Council will support use of Community Fund monies for a grant for the following items:

- 9.3 The repairs identified in the report have an estimated cost of £40,000 (ex VAT) plus fees and contingencies.

- 9.4 The deficit in year one in the sum of £42,014 and the deficit in year two in the sum of £28,316 totalling £70,330 over two years.

- 9.5 The transfer of this asset on the terms described will result in revenue savings to the Council budgeted at £16,800 per annum.

9.6 If the Council retained Delamere Community Centre it would have to address the Backlog maintenance estimated at £40,000 from its own resources. Future life cycle maintenance costs are estimated at £105,000 over the next 10 years, which the Council will no longer be responsible for after transfer.

9.7 IT IMPLICATIONS

9.8 None arising directly from this report.

9.9 STAFFING IMPLICATIONS

9.10 The group currently makes its own arrangements for cleaning and janitorial services. There are therefore no staffing implications arising directly from this report.

9.11 ASSET IMPLICATIONS

9.12 If the Council were to sell the property with vacant possession it could achieve a capital receipt. The actual amount would be determined by a marketing exercise, but would be expected to be in the region of £100,000.

10.0 LEGAL IMPLICATIONS

10.1 Approval of the recommendations will require the Council to prepare appropriate legal documentation to enable the transfer to proceed.

11.0 EQUALITIES IMPLICATIONS

11.1 The transfer lease will require the group to adhere to current legislation including equal opportunities.

11.2 Equality Impact Assessment (EIA)

(a) Is an EIA required? Yes

(b) If 'yes', has one been completed? Yes

12.0 CARBON REDUCTION IMPLICATIONS

12.1 The works which will be funded by the Council as part of the transfer process will improve the energy efficiency of the building and reduce its carbon footprint. Post transfer, the company will need to operate the facility in a cost effective manner and will need ensure that energy bills are kept to a minimum.

12.2 The transfer will result in a saving in the Council's CO2 emissions which have been calculated at 8 tonnes for the year 2011/12.

13.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

13.1 There are no planning implications arising directly from this report.

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APPENDICES

A location plan is attached identifying the building.

REFERENCE MATERIAL

Reference has been made to the Council's Community asset Transfer Policy which can be viewed through the Council's website.

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Cabinet – Transforming Wirral	15 January 2009
Cabinet – Asset Management Update	19 March 2009