

WIRRAL COUNCIL

CABINET

17 MARCH 2011

SUBJECT:	COMMUNITY ASSET TRANSFER – VALE HOUSE COMMUNITY CENTRE
WARD/S AFFECTED:	<i>NEW BRIGHTON</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 Vale House Community Centre, New Brighton, 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: Increasing enterprise and promotion of 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 the Vale House 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 Vale House 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 JMC 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 Vale House 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.

VALE HOUSE COMMUNITY CENTRE

- 4.3 Vale House Community Centre is located in Vale Park, New Brighton and is shown edged black on the attached plan.
- 4.4 Vale House was built around 1830 as a private dwelling. The Council acquired the property in 1898 and used it for residential purposes until 1989, after which it has been used as a Community Centre. The Joint Management Committee (JMC) has operated the centre and developed a range of services including:

Luncheon Club
Playgroup
Café
West African Drumming
Wallasey Amateur Photographic society
Wirral mind
Pyjama Drama
Wallasey Interact Computer Club

TRANSFER PROPOSAL

- 4.5 The JMC of Vale House Community Centre wish to take a transfer of the community centre building from the Council and has established the Vale House Community Centre Limited (VHCCL), a Company Limited by Guarantee, to secure the transfer.
- 4.6 In order to satisfy the Community Asset Transfer process, the JMC considered a number of business models to develop and progress with transfer. The model which they believe gives them the best chance of success involves the sub-letting of the first floor to a private company in order to generate an income which they would then use to develop their community aims and objectives. The JMC has produced a five year business plan on this basis 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 Independent property condition surveys of the Centre have been undertaken and identify a number of items requiring repair. The most significant repairs relate to the external fabric, including roof, window repairs and external decoration. In addition, to enable the implementation of the business plan, a number of alterations will need to be made to the premises to allow separation of use of the ground and first floor. This mainly includes additional disabled access and separation of alarms and electricity supply.
- 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 JMC has identified the following benefits which will arise after transfer:

The transfer will:

- Retain a locally managed facility, that will further build capacity and the empowerment of community members
- Promote and increase the accessibility of local services
- Meet the needs and demands of the local community
- Promote social inclusion
- Improve a key community facility and services
- Develop the capacity of local community groups to work in partnership to create an environment of positive engagement
- Raise and meet local aspirations
- Identify and address gaps in current service provision
- Demonstrate best practice by providing accessible good quality services or activities that meet the needs of local people
- Contribute to maximising the opportunity to positively change the 'neighbourhood' for the benefit of local people

- Promote employment by creating new posts where appropriate
- Develop and maintain networks and links
- Increase income & rental space

4.11 The members of the JMC have run Vale House Community Centre for many years. It is the view of officers who have worked with the Committee that their proposals are very focused and dedicated to the local community.

5.0 RELEVANT RISKS

5.1 The business plan has been assessed and it is considered to rely heavily on achieving projections from the income of the café. However, the group is aware of the need to increase profitability of the café and are confident of achieving them over the course of the plan and accordingly, with financial support in the first two years, is considered to show viability and sustainability. 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 JMC is willing to proceed with a transfer, no other options have been considered.

7.0 CONSULTATION

7.1 The Joint Management Committee has received support from the Council in developing its proposals for transfer. As part of its business planning process the JMC has consulted with users and the community.

8.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

8.1 The Joint Management Committee is a voluntary group. To satisfy the transfer process, it will form the Vale House Community Centre Limited, a company limited by guarantee, which will employ staff to support the running of the facility. 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:

The repairs identified have an estimated cost of £80,000 (ex VAT) plus fees and contingencies.

The deficit in year one in the sum of £67,774 and the deficit in year two in the sum of £55,364 totalling £123,138 over two years.

- 9.3 The transfer of this asset on the terms described will result in revenue savings to the Council budgeted at £13,100 per annum.
- 9.4 If the Council retained Vale House Community Centre it would have to address the Backlog maintenance estimated at £35,000 from its own resources. Future life cycle maintenance costs are estimated at £70,000 over the next 10 years, which the Council will no longer be responsible for after transfer.

IT IMPLICATIONS

- 9.5 None arising directly from this report.

STAFFING IMPLICATIONS

- 9.6 The Council employs a part time janitor at the centre. Post transfer Vale House Community Centre Ltd will make their own arrangements for janitorial services and the Council will manage the staff under existing HR policies.

ASSET IMPLICATIONS

- 9.7 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? An assessment has been undertaken in respect of the wider Community Asset Transfer process. In assessment in respect of this transfer is currently being undertaken.

12.0 CARBON REDUCTION IMPLICATIONS

- 12.1 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 35 tonnes for the year 2011/12.

13.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

13.1 Any material change in the use or external appearance of the building will require planning permission. .

13.2 The building is located in an area designated as Urban Greenspace in the Unitary Development Plan and is within the Magazines Conservation Area. There is provision for re-use of existing buildings within UDP Policies GR1 and CH2.

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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