

WIRRAL COUNCIL

CABINET

17 MARCH 2011

SUBJECT:	COMMUNITY ASSET TRANSFER – OVERTON COMMUNITY CENTRE
WARD/S AFFECTED:	<i>UPTON</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 advises Members of changes to the business plan which was prepared to inform the Community Asset Transfer process and to an amendment to the amounts required from the Community Fund as a result of these changes.
- 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 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 the additional monies required to secure the transfer of Overton Community Centre be approved.

3.0 REASON FOR RECOMMENDATIONS

- 3.1 Overton Community Centre is operated by a dedicated team of volunteers who take a very active role in the running of the centre, without direct staffing support from the Council. Consequently the financial savings to the Council as a result of a transfer in terms of annual running costs are relatively low. However, even with the additional funding, the proposal submitted by the JMC is considered to show, with the additional financial support, a viable and sustainable business plan, which is considered to be the best way to achieve a successful transfer and to achieve the community benefits which will derive from it.

4.0 BACKGROUND AND KEY ISSUES

- 4.1 Cabinet, at its meeting on 14 October 2010 considered a report seeking approval to the transfer of Overton Community Centre in accordance with the Council's Community Asset Transfer policy. Members were advised of the proposed terms

of the transfer, the financial implications and the benefits arising from the transfer. Members approved the transfer on the terms described and approved use of the Community Fund to provide Capital and Revenue funding support.

- 4.2 The decision to transfer was informed by a five year business plan which was developed to meet the requirements of the transfer process. The plan was assessed and considered to show viability and sustainability following a transitional two year period which required support in the sum of £86,500. The business plan included a regular income from a private nursery provider which would ensure its viability and sustainability in the long term.
- 4.3 Use of the centre by the nursery provider is now not possible and the Joint Management Committee has had to revise its business plan to achieve viability without the secure income of the nursery provider. The JMC has therefore developed its plan retaining the nursery use, but operating it within its existing members. Once again the business plan has been assessed and is considered to show viability and sustainability, but requires revenue support in the first two years in the sum of £163,771. This is £77,271 more than previously approved.

5.0 RELEVANT RISKS

- 5.1 The business plan has been assessed and it has been observed that the main income risk is the Nursery which is forecast to provide 88% of the overall income. Clearly the viability of the plan hinges on the success of the Nursery. Expenditure is realistically forecast and projected for the future with commercially driven decisions on future staffing requirements. Subject to the volunteers maximising the revenue from the Nursery or taking remedial steps to mitigate shortfalls, the business plan is considered to show viability and sustainability. However, there is the risk that without continued financial support from the Council, the centre could fail. 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 remains committed following changes in the business model, 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 Overton Community Centre Ltd, a company limited by guarantee, which will employ some staff to run the facility. The facility will however, still be reliant on voluntary support.

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

FINANCIAL IMPLICATIONS

- 9.1 In addition to the monies previously approved, the Council will support use of Community Fund monies for additional revenue support in the sum of £77,271.

IT IMPLICATIONS

- 9.2 None arising directly from this report.

STAFFING IMPLICATIONS

- 9.3 None arising directly from this report.

ASSET IMPLICATIONS

- 9.4 None arising directly from this report.

10.0 LEGAL IMPLICATIONS

- 10.1 None arising directly from this report.

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. An assessment in respect of this transfer is currently being undertaken.

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 13 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
Cabinet – Community Asset Transfer – Overton Community Centre	14 October 2010