

# WIRRAL COUNCIL

## CABINET

17 MARCH 2011

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

### 1.0 EXECUTIVE SUMMARY

- 1.1 Cabinet at its meeting of 14 October 2010 approved the transfer of Heswall Hall in accordance with the council's Community Asset Transfer Policy. Members were advised that, in developing their business plan, the Heswall Halls Steering Group had not had the opportunity to fully explore the requirements for improvement works to the stage and theatre elements of the building. This report advises Members of the requirements identified by the Heswall Hall Community Trust (HHCT) for improvements to secure a sustainable transfer of Heswall Hall and seeks approval to the means of funding these works.
- 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 agreed theatre improvement works and the installation of moveable acoustic walls be funded from the Council's budget and recouped from the share of the proceeds of sale from Alexander Hall which will be available to the HHCT.
- 2.2 That, following expiration of the proposed lease of Alexander Hall, the Director of Law, HR and Asset Management be instructed to arrange for its disposal, with the sale proceeds to be dealt with in the manner described in this report.

### 3.0 REASON FOR RECOMMENDATIONS

- 3.1 Works have been identified that are considered necessary for a successful transfer. The proposed payment mechanism allows the works to be funded on behalf of the Group and provides a mechanism for the Council to recover the cost from the sale proceeds of Alexander Hall.

#### **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 Heswall Hall and Alexander Hall, Heswall 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 also approved use of the Community Fund and money from the Council's budget to support the transfer.
- 4.2 In order to progress the transfer the HHSG has now formed the Heswall Hall Community Trust (HHCT) and have obtained charitable status.
- 4.3 The HHCT were aware that improvements needed to be made to the theatre equipment to retain and secure the use of theatrical groups at the facility. At the time of preparing the business plan, they had not had the opportunity to fully examine these requirements. Consequently the report to Cabinet on 14 October 2010 explained that further work would be done and separate approval would be sought as necessary when it was clear what was needed.
- 4.4 In response to this, the group has now thoroughly examined its theatrical production requirements and has consulted with the main theatrical groups to develop a proposal which meets varying needs. Additionally they have sought technical input from an electrician with expertise in theatrical installations. The proposal includes stage improvements, stage lighting and improved sound system. The cost of this work has been estimated at £22,000 plus VAT. The proposed works have been considered and are felt to be reasonable for the purposes of securing use of the facility by theatre groups in the future.
- 4.5 In examining its requirements for the theatrical improvements, the HHCT has become aware of an issue in the hall relating to the separation of spaces to accommodate bookings. Currently Heswall Hall predominantly comprises two large halls, each of which can be divided in two, to provide four lettable areas. The current folding partitions which divide the spaces offer no sound insulation which makes the letting of neighbouring spaces very difficult. Based upon similar halls elsewhere in the country, the group now believes that the ability to properly separate the various areas with appropriate moveable acoustic walls will be critical to their success and ability to maximise the use of the hall. Their enquiries have identified an appropriate installation which has been costed at £35,000 ex VAT, fees and contingencies.
- 4.6 Members will also recall that the previous report advised of the HHSG's confidence that Heswall Hall would be successful and that they envisaged a time when further development and extension would be required. In light of this, Members approved a request that, following termination of the proposed lease for Alexander Hall, a share of the net proceeds from the sale (after deduction of repair costs, described in the previous report, up to £26,500 plus fees and contingencies) be made

available for the group to part fund the development works on the basis set out in the table below:

Capital receipt (net)	% share received by HHCT
Up to £200,000	50%
£200,001 to £500,000	25%
£500,001 to £1m	10%

- 4.7 The maximisation of lettings in the Hall is critical to achieving viability and is reflected in the business plan. The need for moveable acoustic walls was not identified at the time of developing the business plan and the cost has not previously been approved. Consequently the Council would normally look to the group to fund these works, however, as the group has been newly formed for the purposes of transfer, it currently has no funds. A mechanism for funding the theatre improvements and the moveable acoustic walls has provisionally been agreed with the group, subject to Cabinet approval, which is to fund these works out of the Council's repair and maintenance budget and recoup the cost from the share of the proceeds of sale of Alexander Hall which would be available to the HHCT.
- 4.8 On this basis, the Council would continue to fund the original works up to a value of £26,500 plus VAT, fees and contingencies and recoup it from the proceeds of sale from Alexander Hall. From the 50% share of the remaining net proceeds, which would have been available to the group, the Council would deduct the cost of the stage improvements and moveable acoustic walls in the sum of £57,000 plus VAT, fees and contingencies, with the balance of that 50% share still being available to the HHCT. The availability of funds to the HHCT from the proceeds of sale would be limited to a total capital receipt of £200,000, which would limit the amount available to the group, after deduction for the works described, to £29,750.

## **5.0 RELEVANT RISKS**

- 5.1 The Council has previously agreed to fund works up to £26,500 from its own resources, which it will then recoup from the proceeds of sale from Alexander Hall. In committing a further £57,000 plus VAT, fees and contingencies, to meet these costs from the HHCT's share, the sale of Alexander Hall would need to generate a receipt in excess of £140,500 plus VAT fees and contingencies. Due to the current financial climate and also planning constraints, it is difficult to accurately value Alexander Hall, and it may not reach this amount, in which case a proportion would not be recouped from the HHCT for works done on its behalf.

## **6.0 OTHER OPTIONS CONSIDERED**

- 6.1 The proposed theatre and related improvements are considered to be pertinent to the viability and sustainability of Heswall Hall. Discussions around the means of funding these improvements resulted in the mechanism described above as being the most appropriate.
- 6.2 Members have the option to decline the request for the Council to fund the moveable acoustic walls, however, it is believed that it will be difficult for the group to maximise the use of the hall without this facility.

## **7.0 CONSULTATION**

- 7.1 The Heswall Hall Community Trust has consulted appropriate users in establishing its proposals for the theatre and related equipment.

## **8.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

- 8.1 The HHSG is a voluntary group and the success of the facility will be reliant on continued voluntary support.

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

### **FINANCIAL IMPLICATIONS**

- 9.1 Theatre and related improvements have been costed at £22,000 plus VAT.
- 9.2 Installation of moveable acoustic walls has been costed at £35,000 ex VAT plus fees and contingencies.
- 9.3 The sum of £26,500 described in the previous report, together with the additional sums now reported totalling £57,000 (excluding VAT) plus fees and contingencies will be met from the Council's repair and maintenance budgets and recouped from the sale of Alexander Hall in the manner described, which is anticipated to achieve a sale price in excess of £100,000.

### **IT IMPLICATIONS**

- 9.4 None arising directly from this report.

### **STAFFING IMPLICATIONS**

- 9.5 None arising directly from this report.

### **ASSET IMPLICATIONS**

- 9.6 None arising directly from this report.

## **10.0 LEGAL IMPLICATIONS**

- 10.1 None arising directly from this report.

## **11.0 EQUALITIES IMPLICATIONS**

- 11.1 None arising directly from this report.

- 11.2 Equality Impact Assessment (EIA)  
(a) Is an EIA required? No

## **12.0 CARBON REDUCTION IMPLICATIONS**

- 12.1 These works will enable the transfer of Heswall and Alexander Halls which will result in a saving in the Council's CO2 emissions which have been calculated at 47 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**

None

## **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)**

<b>Council Meeting</b>	<b>Date</b>
Cabinet – Transforming Wirral	15 January 2009
Cabinet – Asset Management Update	19 March 2009
Cabinet – Heswall and Alexander Hall - Community Asset Transfer	14 October 2010