

BYRNE AVENUE RECREATION CENTRE, BYRNE AVENUE, ROCK FERRY

1. EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to advise Members of the current position of the proposed Community Asset Transfer of Byrne Avenue Recreation Centre to the Byrne Avenue Community Trust.

2. Background

- 2.1 Byrne Avenue Recreation Centre was built in the 1930's and run as an operational Council swimming pool until 1995. In 1995 the building was leased to The Byrne Avenue Recreational Trust (BART) who continued to run the building as a swimming pool.
- 2.2 At the time the building was leased to BART certain elements of the building were in poor structural condition. The Trust was unable to secure funding to address the repair issues and only temporary repairs were carried out. In 2006, the estimated cost of repairing the major structural defects was £570,000. Beyond these immediate structural repairs, considerable financial investment is also required to repair/upgrade the building to an acceptable standard.
- 2.3 The Trust ceased trading on 15th February 2009 and the building was returned to the Council. Cabinet, on 28th May 2009, confirmed that the facility was not required for the delivery of Council services and declared it surplus. It resolved that the building be advertised as available for possible Community Asset Transfer. The building is in need of major structural repair and complete refurbishment if it is to reopen as swimming pool/sports facility.
- 2.4 The Community Asset Transfer Policy ensures that transfers are approached on a consistent basis. This requires interested parties to submit initial Expressions of Interest in a standard format so they can be appraised and a recommendation made as to which applicant(s) should proceed to a second stage. The second stage requires a much more detailed application to be submitted including a business plan.
- 2.5 The property was advertised in accordance with the Community Asset Transfer Policy in the local press on 15th and 22nd July 2009 and on the Council's internet.
- ### **3.0 Initial Expressions of Interest**
- 3.1 Two Expressions of Interest were submitted by the deadline of 26th August 2009. One from the Byrne Avenue Community Trust (BACT) and the other from Active Leisure Ltd. The applications were scored in accordance with the policy criteria and on 24th September 2009, Cabinet endorsed the recommendation that Byrne Avenue Community Trust be invited to proceed to the second stage.

3.2 Byrne Avenue Community Trust is a newly formed group set up for this project that wishes to re-open the facility as a swimming pool and community centre offering facilities which include, public swimming, canoeing, snorkelling, life saving, water polo, disabled swimming, parent and child groups, swimming lessons. PCT, Community Police, youth groups, 5 a side football, indoor cricket nets, school swimming and the return of Birkenhead Swimming Club.

4.0 Second Stage Application

4.1 A meeting was held with BACT on 5th November 2009 to assist and guide the applicant through the second stage application. The return of the application was initially invited by 6th January 2010, in accordance with the Council's policy, although the deadline was extended to 5th February 2010, at the request of BACT.

4.2 The submission and business plan were received from BACT and assessed by business advisors, from the Department of Regeneration. Overall, they considered the business plan to be aspirational. However, concern was raised as it did not present a sound business case for the investment required to re-open the centre. The financial forecasts were, in the view of Council officers, inadequate to make a judgement with regard to sustainability. The refurbishment of the building requires a substantial capital investment and, other than a providing a list of potential funding bodies, there was no indication as to eligibility or likelihood of success of obtaining the necessary finance. No detailed breakdown was provided as to the required works to the building to enable the centre to reopen.

4.3 In light of the conclusions of the assessment of the Business Plan, prior to the evaluation panel meeting to assess the submission, representatives from BACT attended a meeting in order to be given the opportunity to provide more detailed information. The additional information requested was

- A comprehensive breakdown of all the work required which BACT estimated at £750,000. The location of the work by area including the description of work and estimated cost.
- Funding. Detailed information was requested on eligibility and likelihood of success.
- Potential users of the building.

4.4 The evaluation panel comprising The Director of Regeneration, Head of Asset Management, Head of Sports and Recreation and other officers from Asset Management and Procurement met to score the submission on 19th February. The submission was evaluated using a scoring matrix under the following headings: sustainability of the project, community based benefits and outcomes, organisational structure, capability and skills, access to finance, use of space and collaboration. BACT scored 31% in the evaluation matrix.

4.5 The panel agreed with the concerns, raised by the business advisors in the Regeneration Department, over the lack of detail of the submission and BACT was requested to provide more detailed information on 18th March, under the main headings of repairs, funding and accounts.

4.6 BACT has been asked to provide this information on a number of occasions since March and has not met target dates set by the Council in order to progress this

matter. At the time of writing this report, BACT has advised that all the information should be provided by the end of August 2010.

- 4.7 The building has been empty and under Council control since June 2009 and is a drain on Council resources, because the Council is having to spend approximately £23,000 a year in empty rates, services and security for which there is no existing budget. It is necessary therefore to make a decision on the future of this property in accordance with the following options:-

5.0 Future Options

5.1 Option 1 Continue with the Community Asset Transfer Process

- 5.2 If Members are minded to allow this process to continue, it is suggested that a deadline be set for the receipt of the necessary information from BACT. This will enable a timetable to be established that will result in a report being submitted to Cabinet.
- 5.3 BACT has advised that it should be able to produce the necessary additional information by the end of August 2010. In order to give sufficient time for the evaluation process to be conducted, it is recommended that BACT be given a deadline to produce this information of 17th September 2010. This will enable a report to be submitted to Cabinet on 4th November, advising of the outcome of the CAT process with appropriate recommendations.
- 5.4 Should the necessary additional information not be received by the date set, or the application not reach the required standard or be deemed unsustainable by the evaluation panel, Cabinet will then decide if the building should then be removed from the Community Asset Transfer Process and dealt with in accordance with the Disposal Policy. In these circumstances, further options will apply.

5.5 Option 2 Disposal to a Partner Organisation

- 5.6 The Disposal Policy Disposal sets out the procedure for the disposal of surplus assets. In accordance with the policy, the disposal of the property to partner organisations should be considered first. This will include examining the site's potential for social/affordable housing, prior to the asset being offered for sale in the open market.
- 5.7 The viability of using this site for social/affordable housing would be evaluated in discussion with the Head of Housing and Regeneration and would only be recommended, if the Council could be satisfied that there was a preferred partner with sufficient budgetary resources to deliver a scheme promptly.
- 5.8 If the property is not required by a Partner Organisation, the sale can proceed on the open market with the existing building or as a cleared site.

5.9 Option 3 Disposal of the building in the Open Market

- 5.10 A sale of the building would remove all liability from the Council and there would be no delay in marketing the building. The market will determine whether the building is refurbished and reused or demolished and site redeveloped. The risk is that, on disposal, the Council would have no further control over the building which could be left vacant and unused by the purchaser and, therefore, may become vandalised and detrimental to the surrounding area.
- 5.11 **Option 4
Disposal of the Cleared Site**
- 5.12 This would require the demolition of the building. The demolition costs, including a type 3 asbestos survey, are estimated at £160,000. There is no budget identified to meet this expenditure. This option would ensure the building is not left empty for a long period, if an alternative use cannot be found. There would be a delay before the site could be marketed whilst the building is being demolished. Demolition removes the possibility of the existing building being reutilised. Any delay in disposing of the building will result in additional empty property costs.
- 5.13 On balance and in light of the considerable work already undertaken by BACT, it is recommended that the CAT process be continued but with the deadline for submission of the necessary additional information by 17th September 2010. In respect of disposal options, a sale of the building would be the recommended choice.

6.0 Financial implications

- 6.1 The Community Asset Transfer Policy advises that the Council will, subject to the availability of funding and the anticipated economic life of a building, carry out essential repairs to the main elements of any building, which it agrees to transfer under the Community Asset Transfer process, before any transfer is completed.
- 6.2 Substantial amounts of money, at present unquantified, are required to repair/refurbish this building. The Community Fund would normally be used for this purpose. However, this anticipated level of expenditure is likely to take a substantial proportion of the total monies available and this could have a major impact on the Fund's ability to support other applications currently in the CAT process.
- 6.3 The facility does not have a strategic fit with the Council's core swimming pool provision. Bidders have been previously advised that there will be no contribution from Council resources because of this and the level of expenditure required to repair and refurbish this building. In the circumstances, the Cabinet may conclude that it would be inappropriate for the Council to allocate resources from either the Community Fund or the Council's own capital or revenue funding.
- 6.4 If the Council were to sell the property it should achieve a capital receipt. The actual sale price would be determined by the market although a disposal for social housing may only achieve a notional receipt. There is no guarantee that the cost of demolition would be recovered in the disposal price achieved.
- 6.5 The annual costs being incurred by the Council in retaining this vacant building in empty business rates electricity, insurance, rental of temporary fencing around the pool, security and boarding up is approximately £23,000. There is no existing

revenue budget for this property and currently these monies are being met from the Strategic Assets budget.

7.0 Staffing implications

7.1 There are no staff directly employed to look after these premises, therefore there are no staffing implications arising directly from this report.

8.0 Equal Opportunities implications/Equality Impact implications

8.1 An initial Equality Impact Assessment has been undertaken in respect of the wider Community Asset Transfer process.

9.0 Community Safety implications

9.1 The building is currently empty and could attract anti social behaviour.

10.0 Local Agenda 21 implications

10.1 None arising directly from this report.

11.0 Planning implications

11.1 The site is designated as being in a Primarily Residential Area in the Wirral Unitary Development Plan.

11.2 Planning consent would be required for the redevelopment of the site.

12.0 Anti-poverty implications

12.1 None arising directly from this report.

13.0 Human Rights implications

13.1 None arising directly from this report.

14.0 Social Inclusion implications

14.1 None arising directly from this report.

15.0 Local Member Support implications

15.1 The property is in the Rock Ferry Ward.

16.0 Background Papers

16.1 Cabinet Reports, Byrne Avenue Recreation Centre
28th May 2009.
24th September 2009.

17.0 RECOMMENDATIONS

- 17.1 That option 1 set out in the report is approved, and BACT continue through the Community Asset Transfer Process with a final deadline set of 17th September for receipt of all the information required for its second stage submission.
- 17.2 That a further report is submitted to Cabinet on 4th November to advise Members of the outcome of the Community Asset Transfer process in respect of this building.

Bill Norman

Director of Law, HR and Asset Management