

## **COMMUNITY ASSET TRANSFER – OVERTON COMMUNITY CENTRE**

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### **1. EXECUTIVE SUMMARY**

- 1.1 This report seeks approval for a transfer by lease of Overton Community Centre, Upton, in accordance with the Council's Community Asset Transfer Policy.

### **2. BACKGROUND**

- 2.1 Cabinet, at its meeting on 15<sup>th</sup> January 2009, identified a number of facilities that should be transferred to community management, where the community expressed an interest.
- 2.2 Cabinet, at its meeting on 19<sup>th</sup> 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.

### **3. OVERTON COMMUNITY CENTRE**

- 3.1 Overton Community Centre is located on Royden Road and is shown on the attached plan.
- 3.2 The Centre was built in 1995 as a purpose-built single storey community centre, and has been operated by the community for the last fifteen years. The Joint Management Committee (JMC) has developed a range of services at the centre including:
- Nursery
  - Church group
  - Over 60's
  - Keep fit
  - Karate club
  - Residents association
  - Play scheme
  - Yoga
  - Puppy training
  - Multiple Sclerosis Society.

### **4. TRANSFER PROPOSAL**

- 4.1 The JMC of Overton Community Centre wishes to take a transfer of the community centre building from the Council and proposes to form the Overton Community Centre Limited (OCCL), a Company Limited by Guarantee, to proceed with the transfer.

- 4.2 In order to proceed with the transfer, the JMC has produced a five year business plan which has been assessed and is considered to be sustainable, following a transitional two year period. To achieve a sustainable position the business plan identifies the need for the employment of an Operational Manager, who will be required for a period of two years to promote the centre and increase occupancy and usage. Consequently, for the first two years of operation post transfer, OCCL will require a subsidy 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.
- 4.3 An independent property condition survey of the Centre has been undertaken and identifies a number of items requiring repair. The most significant of which are some structural repairs, boiler replacement and repairs to windows. In addition to these repairs, the JMC has requested that an additional access be created to the front of the building, comprising double doors. This would enable greater flexibility of the centre, with the two main halls having separate access and egress points, which would make it easier for the group to let the two rooms at the same time which would increase occupancy and income.
- 4.4 The Community Asset Transfer policy advises that the Council will not normally seek payment 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
- 4.5 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.

## **5.0 COMMUNITY BENEFIT**

- 5.1 The JMC is very positive about taking a transfer of the community centre building. It has objectives which support community well-being and its proposals will bring additional community benefits.
- 5.2 In addition to continuing the current activities, OCCL will focus on wider community benefits including crime prevention, employment and independent assistance through Citizens Advice Bureau outreach centres.
- 5.3 The members of the JMC have previously run the Overton 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.
- 5.4 Members should be aware that Overton Community Centre is currently used for a number of Local Authority functions including Area Forums along with other public

meetings such as Police presentations, Residents Association meetings etc. Post transfer, OCCL would still wish to offer the use of the facility for those functions. However, this will be a community run facility that needs to generate income to cover its costs. Should the various groups, including the Council, wish to continue to use the premises, they will have to pay in accordance with the Centre's charging policy.

## **6.0 CONCLUSION**

6.1 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, the proposal submitted by the JMC is considered to show, with the financial support described earlier in this report, a viable and sustainable business plan, which is considered to be the best way to achieve a successful transfer. After transfer the group would increase the use of the facility as described in section 5.0.

## **7.0 Financial implications**

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

- The repairs described in the report, which relate predominantly to the need for structural repairs, heating system and window repairs have an estimated cost of £55,000 plus fees and contingencies. This includes provision of the new entrance doors, as described in the report.
- The deficit in year one in the sum of £43,812 and the deficit in year two in the sum of £42,688, totalling £86,500 over two years.

7.2 The transfer of this asset on the terms described will result in revenue savings to the Council in running costs of approximately £11,500 per annum.

7.3 If the Council retained Overton Community Centre it would have to address the Backlog maintenance estimated at £51,000 from its own resources. Future life cycle maintenance costs are estimated at £62,000 over the next 10 years, which the Council will no longer be responsible for after transfer.

7.4 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 £140,000.

## **8.0 Staffing implications**

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

## **9.0 Equal Opportunities implications/Equality Impact Implications**

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

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

## **10.0 Community Safety implications**

10.1 None arising directly from this report.

## **11.0 Local Agenda 21 implications**

11.1 None arising directly from this report

## **12.0 Planning implications**

12.1 None arising directly from this report

## **13.0 Anti-poverty implications**

13.1 None arising directly from this report

## **14.0 Human Rights implications**

14.1 None arising directly from this report

## **15.0 Social Inclusion implications**

15.1 The building is used by a wide cross section of the community.

## **16.0 Local Member Support implications**

16.1 The properties are located within the Upton Ward.

## **17.0 Background Papers**

17.1 Cabinet reports:

15 January 2009 – Transforming Wirral

19 March 2009 – Asset Management Update

## **18.0 RECOMMENDATIONS**

18.1 That a transfer by lease of the Overton Community Centre be agreed and the Director of Law, HR and Asset Management be authorised to complete the necessary lease on the terms set out in this report.

18.2 That the necessary repair works, additional doorway and the transitional costs for the first two years of the business plan, be funded from the Community Fund.

### **Bill Norman**

Director of Law HR & Asset Management.

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