

WIRRAL COUNCIL

CABINET

21 JULY 2011

SUBJECT:	GRANGE ROAD WEST SPORTS CENTRE
WARD AFFECTED:	CLAUGHTON
REPORT OF:	DIRECTOR OF LAW, HR & ASSET MANAGEMENT
RESPONSIBLE PORTFOLIO HOLDER:	CORPORATE RESOURCES
KEY DECISION?	NO

1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to re-affirm approval to transfer Grange Road West Sports Centre by long lease to Birkenhead Community Development Committee, following a change in its constitution.
- 1.2 The property was originally identified for disposal under the Strategic Asset Review, and its disposal will assist in meeting the goals identified in the Corporate Plan 2011-2014 to reduce the running costs of the Council, and to support the development of a Bigger and Stronger Society.
- 1.3 The transfer of the property will result in revenue savings and maintenance costs as detailed in the report.
- 1.4 The transfer is not a statutory duty.

2.0 RECOMMENDATION

- 2.1 That the transfer of Grange Road West Sports Centre be approved to Birkenhead Community Development Committee, as newly constituted, and that the Director of Law, HR and Asset Management be authorised to implement the appropriate lease documentation.

3.0 REASONS FOR RECOMMENDATION

- 3.1 To facilitate the transfer of the property.

4.0 BACKGROUND AND KEY ISSUES

- 4.1 Cabinet at the meeting held on 22 July 2010 considered two rival bids for Grange Road West Sports Centre under the Community Asset Transfer Policy, one from Birkenhead Community Development Committee (BCDC), and one from Grange Road West Community Sports Partnership.

- 4.2 The bids were evaluated and scored, 71% to 52% respectively, and a recommendation made that a transfer be made to BCDC on the basis of a 99 year lease at a peppercorn, with the tenant being responsible for all outgoings and maintenance.
- 4.3 BCDC was formed through the amalgamation of three local clubs – Birkenhead Gymnastics Club, West Kirby Gymnastics Club (WKGC) and Birkenhead Trampoline Club. The lease was to have been completed on 31 March 2011. During the final logistics and administration meetings, however, WKGC withdrew from the Committee as it had decided that its real focus was as a specialised sports acrobatic gymnastics club, rather than a multi-disciplinary community sports group. They now intend to remain in their existing premises and carry out refurbishment works.
- 4.4 In consequence, the two remaining clubs have now combined as BCDC under a new constitution, and now wish to complete the lease on the same terms as previously agreed. They have set up as a company limited by guarantee and applied to become a community interest company, with a view to eventually seeking Community Amateur Sports Club status.
- 4.5 A revised business plan has been submitted by the newly constituted BCDC and has been assessed by the Council's in-house business advisor. The findings are favourable, the financial plans considered to be realistic, and approval is recommended.
- 4.6 In terms of governance, the proposal is virtually identical to the original bid, except that the number of Directors will be reduced from six to four due to the resignation of two who represented WKGC. BCDC still do not require any subsidy from the Council and still envisage undertaking the necessary repairs to the building at their own expense. The revised proposal is therefore considered to be viable and in keeping with the ethos of Community Asset Transfer.

5.0 RELEVANT RISKS

- 5.1 Whilst the business plan has been assessed and is considered to show viability and sustainability, there is the risk that 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 the 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 original Cabinet decision approved the property's disposal to community management and so no other option has been considered.

7.0 CONSULTATION

7.1 The proposal to dispose of the property as part of the Community Asset Transfer Policy was advertised in the Press.

8.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

8.1 The aspiration of Birkenhead Gymnastics Academy is to eventually achieve Community Amateur Sports Club status.

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

FINANCIAL

9.1 The Council will save approximately £94,100 per annum in relation to running costs.

9.2 The Council will save approximately £34,500 in backlog repairs.

9.3 The Council will save £204,000 in future life cycle costs.

STAFFING

9.4 The existing staff have already been re-deployed.

IT

9.5 There are none.

ASSET MANAGEMENT

9.6 There is the potential for a capital receipt of approximately £200,000 if the property was sold on the market, rather than being transferred under Community Asset Transfer.

10.0 LEGAL IMPLICATIONS

10.1 None.

11.0 EQUALITIES IMPLICATIONS

11.1 There are no specific discrimination issues.

11.2 Equality Impact Assessment (EIA)

(a) Is an EIA required?

Yes

(b) If 'yes', has one been completed?

Yes, 8 July 2010

12.0 CARBON REDUCTION IMPLICATIONS

12.1 Based on October 2009 to September 2010 performance, the carbon emission from the Centre was 92 tonnes, which will no longer be associated with the Council should the transfer proceed.

13.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

13.1 Grange Road West Sports Centre is within a Primarily Residential Area in the Council's adopted Unitary Development Plan, subject to Policy HS15 – Non-Residential Uses in Primarily Residential Areas. Whilst residential redevelopment is normally appropriate in Primarily Residential Areas, the sports centre use is subject to Policy REC1 – Principles for Sport and Recreation and redevelopment for housing is restricted by the Council's Interim Planning Policy for New Housing Development. In addition to Policy HS15 any new recreation development would also be subject to Policy RE1 – Criteria for Urban Recreation Facilities.

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APPENDICES

None

REFERENCE MATERIAL

Corporate Plan 2011-2014

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Cabinet	22 July 2010
Cabinet	19 March 2009
Cabinet	15 January 2009