

WIRRAL COUNCIL

CABINET

2 FEBRUARY 2012

SUBJECT:	LEASOWE MILLENNIUM CENTRE
WARD/S AFFECTED:	LEASOWE
REPORT OF:	THE DIRECTOR OF LAW, HR & ASSET MANAGEMENT
RESPONSIBLE PORTFOLIO HOLDER:	COUNCILLOR ADRIAN JONES
KEY DECISION?	NO

1.0 EXECUTIVE SUMMARY

- 1.1 This report informs members of the difficulties affecting the operation of the Leasowe Millennium Centre and the actions being taken to maintain services to the community in Leasowe.
- 1.2 It seeks approval to accept a surrender of the Trust's interest in the building and for the provision of temporary funding to allow the operation of the Centre to be stabilised and a long term solution for its future to be developed.

2.0 RECOMMENDATIONS

That

- 2.1 The Director of Law, HR and Asset Management be authorised to accept a surrender of the current interest held by Leasowe Development Trust in the Leasowe Millennium Centre
- 2.2 The running costs of the building from 3 February 2012 to 31 March 2012 be met within General Fund Balances for 2011/12
- 2.3 A one year provision be made in the budget for 2012/13 of £160,000 to allow time for options for the future management of the building to be evaluated
- 2.4 The Director of Law, HR and Asset Management be instructed to report to a future meeting of Cabinet on long term options for the operation and management of the Centre.
- 2.5 In view of the urgency call in is waved.

3.0 REASON FOR RECOMMENDATIONS

- 3.1 To ensure the continued operation of a valuable community facility and allow time for a long term solution to be developed for its future management.

4.0 BACKGROUND AND KEY ISSUES

- 4.1 The Leasowe Millennium Centre opened in 2001 using funding from a variety of sources - including grants - to provide services to the local community and support regeneration. The freehold interest is owned by the Council. It was intended that the building would be operated by the Leasowe Development Trust (LDT) which would take a long lease of the building. It includes Leasowe Library, a café area, offices for LDT and Leasowe Community Homes, and space originally created for a Women's Centre which is now empty. It also includes community space which is available to hire and which is used for a variety of community activities.
- 4.2 That lease was never completed, but LDT has operated as the main tenant of the building in accordance with the intended terms. It has managed and operated the building, recharging costs to other occupiers by way of a service charge.
- 4.3 LDT has recently approached the Council and explained that whilst it can continue to operate as an organisation, it is no longer in a position to take a lease of the building or to run the building. It has been significantly affected by a number of factors including;
- reductions in government grant to a number of tenants which have meant that they have left the building, thereby reducing significantly LDT's income
 - A lack of other tenants to fill the space vacated
 - Market competition from other community facilities in the area which are providing space at a lower rent than LDT can.
 - Significant reductions in their own funding from external grants
 - The departure of the Women's Centre following a lengthy dispute, as a result of which LDT incurred significant costs.
- 4.4 Discussions with LDT within the last week have confirmed that without urgent action the Centre will close after Friday 3 February 2012.
- 4.5 The Millennium Centre is located in a deprived area and provides a base for community activities and support. It currently operates from 7.30am until 9 or 9.30pm Monday to Friday and between 9am and 5pm on Saturdays. It is closed on Sundays. There is a high usage of the building by the local community, predominantly in the evenings.
- 4.6 To ensure continuity of services to the local community it is therefore recommended that the Council accepts a surrender of LDT's interest in the Centre and takes immediate responsibility for the management of the building. This will also allow time for options to be investigated to bring vacant space back into use and to put in place sustainable arrangements for its future management.
- 4.7 LDT has indicated that it wishes to retain offices in part of the building for its continued operations, and it will be granted a tenancy to enable this to

happen. Other building users will be contacted to advise them of the new arrangements.

5.0 RELEVANT RISKS

- 5.1 Continued operation of the building by the Council minimises the risks to the continuity of local services that are based within it.
- 5.2 If the building is allowed to close the risk to its security will increase.
- 5.3 All the normal risks associated with the operation and management of a building will transfer from LDT to the Council. These will be managed through existing Council arrangements.
- 5.4 Whilst every effort will be made to attract new occupiers and put the operation of the building on a sustainable funding this will take some time, with no guarantee at this stage that the Council will not be required to subsidise its operation in the future.
- 5.5 Due to the way in which the development of this building was funded using grant aid there may be a risk to the Council of clawback if the purposes for which grants were given are no longer being met. This issue and the extent of the Council's potential liability are being investigated.

6.0 OTHER OPTIONS CONSIDERED

- 6.1 The building could be allowed to close. This has been rejected as an option in view of its importance to the local community.
- 6.2 The option of providing temporary funding support to LDT was considered. This option has been rejected due to the need for urgent action and concerns as to longer term sustainability.

7.0 CONSULTATION

- 7.1 Tenants and user groups are being contacted to inform them of the continued availability of the Centre and its new management arrangements.
- 7.2 Local ward members have been notified of the emerging issue.

8.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 8.1 The Centre provides a valued base for the local community, and its closure would affect existing activities.

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

Financial implications

- 9.1 LDT has estimated the monthly operating costs of the Centre as £13,000.

- 9.2 There is no provision within existing Council budgets for this property, and it is therefore recommended that the running costs of the building from the 3rd February to the 31st March 2012 be met within General Fund Balances for 2011/12.
- 9.3 In order to retain the Millennium Centre beyond that date it is further recommended that provision be made for 2012/13 in the sum of £160,000. This will allow time for evaluation of options for the future of the Centre and a further report to members. A one year provision reflects the urgent nature of the action being taken and the possibility of finding a sustainable solution for the future of the building that does not involve Council funding.
- 9.4 Building repair issues will be addressed through the PPM budget.
- 9.5 As noted above, changes in the use and management of the building may expose the Council to the risk of grant clawback. The financial implications of this have not yet been quantified.

IT implications

- 9.6 None arising from this report.

Staffing implications

- 9.7 It is understood that 9 staff were employed by LDT, and that the Trust has served formal redundancy notices. LDT has advised that the centre-related establishment was 2 part time cleaners and 2 part time receptionists, but that those staff have received redundancy notices and are no longer employed by the Trust.
- 9.8 In addition to this, LDT advises that there are 2 apprentices from Jarvis who are on work placement with LDT with no obligation for employment beyond their apprenticeship.
- 9.9 Potential TUPE implications for the Council are being investigated for the staff made redundant by LDT, and a further report on this issue will be made to Cabinet if required.

Asset implications

- 9.10 There are current issues of disrepair – particularly in relation to building services – which have been the subject of recent discussions between the Council and LDT. It is intended that, on taking the building back, these will be addressed through existing maintenance budgets.
- 9.11 As options are developed for the long term future of the Centre there is a need to review the overall number of buildings serving the local community and the activities taking place within them, to ensure future sustainability.

10.0 LEGAL IMPLICATIONS

10.1 The Director of Law, HR and Asset Management will be required to complete the necessary legal documentation.

11.0 EQUALITIES IMPLICATIONS

11.1 Keeping the Centre open will maintain existing service provision.

12.0 CARBON REDUCTION IMPLICATIONS

12.1 If the Council takes responsibility for the building its overall CO2 emissions will increase. The amount of that increase has not been quantified at this stage. A review of the building's systems and operation will seek to minimise energy consumption and CO2 emissions.

13.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

13.1 None arising directly out of the report.

REPORT AUTHOR: **Ian Brand**
Head of Asset Management
Telephone: (0151) 666 3880
Email: ianbrand@wirral.gov.uk

APPENDICES

None

REFERENCE MATERIAL

No reference material has been used in the preparation of this report