

WIRRAL COUNCIL

CABINET

20 DECEMBER 2012

SUBJECT:	<i>LEASOWE MILLENNIUM CENTRE</i>
WARD/S AFFECTED:	<i>LEASOWE</i>
REPORT OF:	<i>DIRECTOR OF LAW HR AND ASSET MANAGEMENT</i>
RESPONSIBLE PORTFOLIO HOLDER:	<i>COUNCILLOR ADRIAN JONES</i>
KEY DECISION?	NO

1.0 EXECUTIVE SUMMARY

- 1.1 This report seeks authority to the freehold transfer of the Leasowe Millennium Centre to Leasowe Community Homes.

2.0 BACKGROUND AND KEY ISSUES

- 2.1 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 and it was intended that the building would be operated by the Leasowe Development Trust (LDT) which would take a long lease of the building. The centre includes Leasowe Library, a café area, offices for LDT and Leasowe Community Homes (LCH), and space originally created for a Women's Centre which is now empty. It also includes community space which is available to hire and is used for a variety of community activities.
- 2.2 That lease was never completed, but LDT had operated as the main tenant of the building in accordance with the intended lease terms. Cabinet, at its meeting of 2 February 2012 was advised that LDT had approached the Council and explained that it was no longer in a position to run the building or take a lease. Consequently Members resolved to accept a surrender of the lease, and identified funding for initial running costs and made budget provision of £160,000 for 2012/ 2013 to allow time for options for the future management of the building to be evaluated. Members also resolved that the Director of Law, HR and Asset Management should report to a future meeting of Cabinet on long term options for the operation and management of the Centre.
- 2.3 Since that decision the Council has taken responsibility for the operation and management of the building including all running costs.
- 2.4 Leasowe Community Homes was set up in 1999 and is a subsidiary of Your Housing Group (previously Arena) and manages nearly 1000 homes in Leasowe. As a substantial stakeholder on Leasowe Estate, LCH is keen to further develop its community engagement and is aware of the significance of the Leasowe Millennium Centre for the residents of Leasowe. Consequently LCH and Council officers have had preliminary discussions relating to a possible transfer of the building to LCH.

These discussions have also referred to the retention, following transfer, of the Council's library facility at that location along with the potential for additional space within the centre for a One Stop shop facility merged within the library area. The Council has previously occupied the library space for which a rent of £17,000 per annum was paid which included a contribution to the running costs by way of a service charge. Terms for the continued occupation by the Council after transfer will need to be agreed with LCH.

- 2.5 The grant funding used for the creation of the Millennium Centre includes a number of requirements involving provision of community activities and whilst this would not prevent a disposal, any future operator of the centre would be required to observe these requirements. Failure to comply with these requirements may trigger clawback provisions. LCH has expressed a desire to take on the facility to develop the community activities in the area and is considered to be the most suitable operator of the Millennium Centre. LCH continues to work with LDT to promote community engagement in the area. LCH has also developed preliminary proposals for the centre which include enhancements to the library, improved reception and one stop shop facility, and has advised that the cost is likely to be in excess of £600,000.
- 2.6 In view of this financial commitment and the development work required to make the facility sustainable, LCH has requested that it be given a freehold interest in the property at a nominal consideration. LCH is willing to commit to providing services to the community from the facility and has advised that, subject to its board's approval, it is willing to include the following conditions in the transfer:
- An undertaking to indemnify the Council against clawback provisions in terms of the funding agreement.
 - Covenants in the land transfer which only permit the property to be used for the provision of services to the community
 - A restriction on title which would require the Council's consent prior to a disposal.
 - A provision which would give the Council the option to repurchase the property for £1 in the event that the property ceases to be used for community provision.
- 2.7 The Millennium Centre is a substantial community facility which, if unrestricted, could have an estimated value in the region of £350,000. However, given the complexities of operating a facility of this nature and its location, it is felt that it would not readily sell on the open market. A transfer on the terms proposed would negate this value but would also mean that LCH could not automatically generate a receipt upon a future sale.
- 2.8 The Millennium Centre is situated adjacent to grassed amenity spaces which are currently maintained by the Council. It is proposed that these areas be included in the disposal to LCH in order that it can use them in conjunction with the Millennium Centre. This will also divest the Council of the maintenance liability. The land will be subject to the same restrictions as the Millennium Centre which will restrict its potential. As this land is open to the public, a proposed disposal will need to be advertised in the local press in accordance with the Local Government Act. Should any objections be received they would be reported to Members at a later date.
- 2.9 Members should be aware that, under section 123 of the Local Government Act 1972, the Council shall not dispose of land for a consideration less than the best that can reasonably be obtained. However, circular 06/03: Local Government Act 1972

General Disposal Consent (England) 2003 gives the Council power to dispose of an asset at less than market value 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.

- 2.10 The transfer will also be conditional on the Council entering in to a lease of that part of the building used for library purposes and possibly enhanced with the One Stop Shop. The terms for this will need to be discussed in further detail, but will be based upon the Council paying a commercial rent. Members are requested that approval of the final terms for the lease back of the library facility be delegated to the Director of Law HR and Asset Management in consultation with the portfolio holder.

3.0 RELEVANT RISKS

- 3.1 Failure to comply with the conditions of the grant funding may trigger clawback provisions. However, given LCH's proposals for the building and the undertaking to indemnify the Council against clawback, this risk is considered to be low.
- 3.2 Should a transfer to LCH not be effected, due to the location, size and complexity of the Millennium centre, it is unlikely that an alternative operator would be identified. Under these circumstances the Council would need to continue to operate the facility in order to retain the activities offered at the centre.
- 3.3 Given the timeframes involved in seeking an operator of the building no other potential operators have been identified. However, given the existing commitment to the area and willingness and ability to develop this, LCH are considered to be the most appropriate operator of the building.

4.0 OTHER OPTIONS CONSIDERED

- 4.1 In light of the restrictions placed on the property as part of the grant funding, there is no opportunity to sell it for an alternative use, without triggering the clawback provisions. Consequently no other options have been considered at this stage.

5.0 CONSULTATION

- 5.1 Council officers have held preliminary discussions with Leasowe Community Homes and Leasowe Development Trust.

6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 6.1 The facility will be operated by Leasowe Community Homes who intend to involve Leasowe Development Trust and will continue to offer community activities.

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

7.1 FINANCIAL IMPLICATIONS

- 7.1.1 There is a budget provision of £160,000 in 2012/13 allocated for the centre to cover energy costs, maintenance costs, cleaning and caretaking. After transfer LCH would be responsible for all outgoing and operating costs. Terms for the continued occupation of the library space by the Council following transfer will need to be agreed with LCH.

7.2 STAFFING IMPLICATIONS

- 7.2.1 There are no Council staff directly attached to the operation of this facility and consequently there are no staffing implications arising.

7.3 ASSET IMPLICATIONS

- 7.3.1 A transfer would release the Council from the costs of running and maintaining the building. The property has a notional value of £350,000, although it is unlikely to readily achieve such a figure in the current market. It is expected that the transfer would form a basis for investment in the building by LCH and for further development of services for the local community.

8.0 LEGAL IMPLICATIONS

- 8.1 Approval of the recommendations will require the Council to prepare the appropriate legal documentation to enable the transfer to proceed.
- 8.2 As the continued use of the building for the delivery of community services will contribute to the promotion of social well being and the difference between the unrestricted value of the property and the disposal price does not exceed £2 million the Director of Law HR and Asset Management has confirmed that the proposal falls within the scope of the general consent.
- 8.3 When the Council sells at less than best price reasonably obtainable then there is a subsidy by the public sector. This can trigger the rules on State Aid. In this case it is not considered that the proposed use of the Millennium Centre by Leasowe Community Homes for community purposes would affect trade between member states which is a key test for the application of the rules on State aid.

9.0 EQUALITIES IMPLICATIONS

- 9.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?
- No because there is no relevance to equality arising directly from this report.

10.0 CARBON REDUCTION IMPLICATIONS

- 10.1 A transfer of the property will result in a reduction in the Council's Carbon Emissions.

11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

- 11.1 The Millennium community centre and women's resource centre was granted planning permission on 22nd October 1999. There are no planning implications arising directly from this report.

12.0 RECOMMENDATION/S

- 12.1 That the disposal of the Leasowe Millennium Centre to Leasowe Community Homes be approved on the terms reported.

12.2 That authority be delegated to the Director of Law HR and Asset Management, in consultation with the portfolio holder, to approve the final terms for lease back of the library facility..

13.0 REASON/S FOR RECOMMENDATION/S

13.1 To secure a sustainable basis for the future operation of the Millennium Centre.

13.2 Leasowe Community Homes have a considerable stake in Leasowe and are committed to community engagement. Consequently it is considered to be the most appropriate way of retaining this community facility and the activities which it offers.

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APPENDICES

None

REFERENCE MATERIAL

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Cabinet – Leasowe Millennium Centre	2 February 2012



Equality Impact Assessment Toolkit (from May 2012)

Section 1: Your details

EIA lead Officer: S McMorran

Email address: stevemcmorran@wirral.gov.uk

Head of Section: Ian Brand

Chief Officer: Surjit Tour

Department: Law HR and Asset Management

Date: 19 September 2012

Section 2: What Council proposal is being assessed?

The Disposal of Leasowe Millennium Centre to Leasowe Community Homes

Section 2b: Will this EIA be submitted to a Cabinet or Overview & Scrutiny Committee?

Yes If 'yes' please state which meeting and what date

Cabinet 18 October 2012.....

Please add hyperlink to where your EIA is/will be published on the Council's website (see your Departmental Equality Group Chair for appropriate hyperlink)

.....

Section 3: Does the proposal have the potential to affect..... (please tick relevant boxes)

- Services**
- The workforce**
- Communities**
- Other** (please state eg: Partners, Private Sector, Voluntary & Community Sector)

If you have ticked one or more of above, please go to section 4.

- None** (please stop here and email this form to your Chief Officer who needs to email it to equalitywatch@wirral.gov.uk for publishing)

Section 4: Does the proposal have the potential to maintain or enhance the way the Council (please tick relevant boxes)

- Eliminates unlawful discrimination, harassment and victimisation
- Advances equality of opportunity
- Fosters good relations between groups of people

If you have ticked one or more of above, please go to section 5.

- No** (please stop here and email this form to your Chief Officer who needs to email it to equalitywatch@wirral.gov.uk for publishing)

Section 5:

Could the proposal have a positive or negative impact on any of the protected groups (race, gender, disability, gender reassignment, age, pregnancy and maternity, religion and belief, sexual orientation, marriage and civil partnership)?

You may also want to consider socio-economic status of individuals.

Please list in the table below and include actions required to mitigate any potential negative impact.

Which group(s) of people could be affected	Potential positive or negative impact	Action required to mitigate any potential negative impact	Lead person	Timescale	Resource implications

Section 5a: **Where and how will the above actions be monitored?**

Section 5b: **If you think there is no negative impact, what is your reasoning behind this?**

Section 6: **What research / data / information have you used in support of this process?**

Section 7: **Are you intending to carry out any consultation with regard to this Council proposal?**

Yes / No – (please delete as appropriate)

If ‘yes’ please continue to section 8.

If ‘no’ please state your reason(s) why:

(please stop here and email this form to your Chief Officer who needs to email it to equalitywatch@wirral.gov.uk for publishing)

Section 8: How will consultation take place and by when?

Before you complete your consultation, please email your preliminary EIA to equalitywatch@wirral.gov.uk via your Chief Officer in order for the Council to ensure it is meeting it's legal requirements. The EIA will be published with a note saying we are awaiting outcomes from a consultation exercise.

Once you have completed your consultation, please review your actions in section 5. Then email this form to your Chief Officer who needs to email it to equalitywatch@wirral.gov.uk for re-publishing.

Section 9: Have you remembered to:

- a) **Add appropriate departmental hyperlink to where your EIA is/will be published (section 2b)**
- b) **Include any potential positive impacts as well as negative impacts? (section 5)**
- c) **Send this EIA to equalitywatch@wirral.gov.uk via your Chief Officer?**
- d) **Review section 5 once consultation has taken place and sent your completed EIA to equalitywatch@wirral.gov.uk via your Chief Officer for re-publishing?**