



## **TOURISM, COMMUNITIES, CULTURE & LEISURE COMMITTEE**

**Thursday, 16 June 2022**

<b>REPORT TITLE:</b>	<b>COMMUNITY ASSET TRANSFER (STAGE 1 RECOMMENDATIONS)</b>
<b>REPORT OF:</b>	<b>DIRECTOR OF RESOURCES (S151 OFFICER)</b>

### **REPORT SUMMARY**

This report seeks a decision in relation to the surplus assets that Members put into the Community Asset Transfer (CAT) process as part of the 2022/23 Budget. This report needs to be considered in the context of the Facilities Investment Plan and the consultation outcome reports which appear elsewhere on this Committee agenda.

This report also advises of unsolicited enquiries / expressions of interest, which were received during the CAT process for assets not currently in-scope and recommends a way of dealing with these matters for members decision.

The Wirral Plan 2021-2026 sets out the Council's vision to secure the best possible future for our residents, defined by the community prosperity we create and supported by our excellent people and services. This proposal directly supports the following key themes within that plan

- Safe, vibrant communities where people want to live and raise their families
- A prosperous inclusive economy where local people can get good jobs and achieve their aspirations.

This matter has the potential to affect all wards.

This is a Key Decision

### **RECOMMENDATION/S**

Tourism, Communities, Culture and Leisure Committee is recommended to approve that:

(1) the Expression of Interest for the libraries at Hoylake, Irby, Pensby, Prenton, Wallasey Village, Higher Bebington and Woodchurch (as set out in paragraph 3.7 of this report) are taken forward to the business planning stage (Stage 2) of the Community Asset Transfer process

(2) For, Bromborough and New Ferry Libraries, the approaches set out in this report at paragraph 3.9 are progressed.

(3) The Expressions of Interest from the Woodchurch Wellbeing and Wellness Centre and Helen Diamond Swim and Leisure Limited, for Woodchurch Leisure Centre, are taken forward to the business planning stage (stage 2) of the CAT process for the reasons set out in paragraph 3.10

(4) The Expressions of interest from Special Ventures Partnership and Love Golf MCR for Brackenwood Golf Course are taken forward to the business planning stage (stage 2)

(5) The Expression of interest from The Royal Liverpool Golf Club and Royal and Ancient for Hoylake Municipal Golf Course is taken forward to stage 2 of the Community Asset Transfer process.

(6) the assets listed in Appendix 1 of this report be referred to the appropriate Policy and Service Committee for a decision

## **SUPPORTING INFORMATION**

### **1.0 REASON/S FOR RECOMMENDATION/S**

1.1 As part of the budget process for 2022/23, Council agreed subject to the outcome of the public consultation that the assets selected for CAT would close. To enable an opportunity for the community to take over the running of the assets, Council agreed that the assets in scope for 2022/23 would be subject to a CAT process.

1.2 This report enables decisions to be made about the surplus assets that are currently in-scope for CAT.

### **2.0 OTHER OPTIONS CONSIDERED**

2.1 The assets in this report were put into the CAT process by Members as part of the 2022/23 Budget, subject to the consideration of the outcome of various consultations, which are reported elsewhere on this agenda.

2.2 Doing nothing is not an option because the 2022/23 Budget has now been set and initial decisions taken, subject to consultation and decision by this Committee in the consultation report. If no action is taken the Council will have to find additional budget from other services to maintain these assets.

2.3 Disposal of the assets is an option. Woodchurch Leisure Centre, Brackenwood Golf Course and Hoylake Municipal are in the Green Belt, (which restricts development) and they have a limited value. The libraries have a range of values (set out in the table later in this report) . While these assets could be sold, it is recommended that CAT should be considered first as there may be opportunities for significant community benefits which outweigh the financial benefits of closure and sale of surplus assets. It is, on balance, considered to be premature to reach a decision on an asset before possibly viable and beneficial business plans are prepared although this could mean that voluntary bodies incur time and expense in drawing up plans that are not accepted by the relevant committee. This is a risk they will have to take if they wish to proceed to the business planning stage. If at the conclusion of stage 2 of the CAT process any assets are not agreed for transfer they can then be sold.

### **3.0 BACKGROUND INFORMATION**

3.1 As part of the 2022/23 Budget process, Members put several surplus assets into the community asset transfer process. These assets are:

9 Libraries  
2 Municipal Golf Courses  
1 Leisure Centre

3.2 This report considers these 12 assets and makes recommendations in relation to them.

3.3 During the CAT process, several unsolicited enquiries/expressions of interest were received for Council owned assets which are not currently in-scope for CAT and these have not been considered at this stage. These assets are listed in the table at Appendix 1 of this report. These assets, if surplus, may present budget saving opportunities as part of the 2023/24 budget setting process. It is therefore recommended that these assets should be referred to the next meeting of the appropriate service committee(s) for consideration.

3.4 An informal workshop was held on 6 June 2022 with Group Leaders and Members of this Committee to brief them on the CAT process.

#### **Process for dealing with Expressions of Interest (EOI)**

3.5 EOIs were submitted to the Council on a confidential basis as they contained commercial, financial and personal information. Officers have dealt with them on this basis and this report just names the organisations.

3.6 An officer panel assessed each EOI against a set of criteria which are set out in appendix 2 of this report. The scores for each asset and a brief narrative on each EOI are included at Appendix 3 of this report. In addition, consideration has been given to the priorities set out in the Wirral Plan 2021-26 (and associated strategies), the 2022/3 Budget, the external reports from CIPFA/DLUHC, the Facilities Investment Plan, and consultations outcomes (both reported elsewhere on this agenda) and the implications set out at the end of this report.

#### **Library Assets with expressions of interest**

3.7 Following assessment by the officer panel it is recommended that the following EOI are taken forward into stage 2 (detailed business planning) of the CAT process.

Hoyle – The Life Tree  
Irby – Friends of Irby Library  
Pensby – Pioneer People Wirral  
Prenton – St. Stephens Church  
Wallasey Village Library – Wallasey Village Library and Community Centre Friends Group  
Woodchurch – The Positivitree

Higher Bebington – The Coop Academy (formerly Bebington High School)

3.8 Members should note

- (a) Pioneer People Wirral submitted three EOI ranking their preferences in priority order. They have been allocated their first priority.
- (b) Woodchurch library is part of a school. The school support the Positivitree EOI and have been working with them. It may be the case that all that is required here is a lease or user agreement.
- (c) the premises used for Prenton library are leased by the Council from Magenta Living who own the building. As part of stage 2 the Council will explore with Magenta the best way of dealing with the lease issues to facilitate a “transfer”.

**Libraries with no expression of interest**

3.9 There were two libraries where no expressions of interest were received. These libraries will close, subject to the outcome of the public consultation, on 30 October 2022 as agreed by Full Council as part of the 2022/23 budget. Taking each in turn:

Bromborough library is part of the Bromborough Civic Centre and should be considered in connection with the whole building. Expressions of interest were received for the whole building during the CAT process. As the civic centre is not currently in scope for CAT it is recommended that this asset is referred to the relevant service committee for further consideration. It is the view of this Committee that the expressions of interest should be explored through a CAT process, because of the potential community benefits that can be delivered, before any other options are considered for use.

New Ferry library is located in a school and the library space would be used by the school for education purposes.

**Woodchurch Leisure Centre**

3.10 Two EOIs were received for Woodchurch Leisure Centre. These were from Woodchurch Wellbeing and Wellness Centre and Helen Diamond Swim and Leisure Limited. Both are newly formed organizations for asset transfer, but they contain groups that have a range of skills and experience. The Woodchurch Wellbeing and Wellness Centre is strongest on the “dry” side of the facility providing information, guidance and advice services, and a range of youth and adult education programmes as well as a community swimming offer. Helen Diamond Swim and Leisure Limited are strongest on the “wet” side of the facility having 28 years’ experience in running successful swimming programmes. Following the workshop on 6 June Members agreed that both expressions of interest should progress to the business planning stage.

**Brackenwood Golf Course**

3.11 Two EOIs were received for this asset. The primary focus of both is to operate the course as an 18-hole golf course on a non-for-profit making basis. The primary

community benefits will come from the golf offer although there will be some ancillary benefits from walking and using some of the spaces on the course for community areas. As both expressions of interest scored highly, it is recommended that both are taken forward into the business planning stage.

### **Hoylelake Municipal Golf Course**

- 3.12 Three EOI have been received for this asset. Two EOI propose to operate the asset on a not-for-profit basis as an 18-hole course for the clubs that currently play on the course and they will seek to develop grassroots golf with the main community benefits resulting from this activity. They propose to use the clubhouse for a golf shop, food and beverage and community events. There would be some community benefit in allowing parts of the course for informal recreation.
- 3.13 The third and highest scoring EOI is from the Royal Liverpool Golf Club and Royal & Ancient. They advise that Hoylelake Municipal is a key part of The Open Golf Championship infrastructure (for practice facilities, VIP car parking and the “tented village”) and without it they cannot stage this global event at Hoylelake. In investment terms the Open is worth approximately £100m to the Wirral and Liverpool City Region economy. Between Open Golf Championships, Royal Liverpool would manage a short course of up to nine holes and driving range which would be available to grass roots golfers and elite players alike, use the club house for a golf shop and food and beverage, and create wildlife habitats and nature trails accessible to the local community. They propose the St. Andrews Link Trust, a registered charity, as the model for Hoylelake Municipal. It is recommended that this EOI is taken forward to the business planning stage.

## **4.0 FINANCIAL IMPLICATIONS**

- 4.1 As part of the budget setting process for 2022/23, Full Council agreed a total of £1.493m savings for the assets in scope. The budget has been removed for the running of these assets with effect from 1 April 2022, except for libraries, which will be removed on 1 November 2022. Therefore, the Council no longer has funding available to deliver the functions or run the assets unless alternative savings are proposed within the budgets of the relevant service committees which are responsible for their management
- 4.2 The Committee needs to ensure that the decision taken by Council to remove the budget is complied with and the agreement to close the assets on the relevant dates happens to avoid any in-year and ongoing over-spends and detrimental impact on the council’s financial sustainability.
- 4.3 Any decision to reverse the decision by Full Council without putting forward alternative savings would be seen as reverting to behaviour cited in the external assurance reviews published by Department of Levelling Up, Housing and Communities as ‘not taking difficult decisions’ and could result in Government intervention.

- 4.4 The Council has allocated £282,000 of revenue funding to support transfer start up's for the assets currently in use as libraries in the first year of operation. The allocation of revenue funding will be determined by officers of the Council during the business planning stage of the CAT process. Available revenue funding will be subject to the number of CAT EOI taken forward to business planning by June Committee and the viability and approval of business plans at the October committee.
- 4.5 The Council has initially identified a limited allocation of £500,000 specifically for the assets currently in use as libraries from the Capital Programme to support capital investment required prior to the transfer of a library asset based upon a condition survey. The estimated level of capital funding required for each library asset taken forward by June committee is to be confirmed during the business planning stage. Capital investment requirements will be identified and taken through the Council's governance processes and presented to October committee.
- 4.6 The Council has allocated £330,000 (the demolition cost of the Woodchurch Leisure Centre) to support any CAT for Woodchurch Leisure Centre.
- 4.7 There is no available Council funding allocated for the development of business plans for stage 2 of the CAT process., In addition, Officers are developing a business plan support offer including: the sign posting of organisations to services provided by national organisations, options available through the Councils existing commercial business support arrangements and the establishment of a directory of current Community Interest Companies (CiC) available to provide advice and support.

The table below identifies the value of each asset and current maintenance costs.

<b>ASSET</b>	<b>Estimated Asset Value</b>	<b>Estimated Lifetime maintenance costs</b>
Hoylake Library	£250,000	£224,000
Irby	£400,000	£95,475
Pensby	£175,000	£141,000
Prenton	Not applicable - the Council do not own this asset	Not applicable - the Council do not own this asset
Wallasey Village Library	£400,000	£160,250
Woodchurch Library	Not applicable - school site	Not applicable - school site

## **5.0 LEGAL IMPLICATIONS**

- 5.1 Section 123 of the Local Government Act 1972 requires a local authority to dispose of land for the best price or consideration that can reasonably be obtained in the market.

- 5.2 This duty does not however apply where the disposal is for a tenancy not exceeding 7 years or where the local authority has obtained the consent of the Secretary of State.
- 5.3 The Secretary of State has given general consent to local authorities not to seek the best price if the disposal will contribute to the promotion of the economic, social or environmental well-being of its area and the extent of the undervalue is no more than £2million.
- 5.4 A local authority is also under a fiduciary duty to have regard to the interests of the Council Tax Payer when disposing of land which are promoted if the disposal leads to economies in current expenditure or receipts that can be used to reduce the Council's debt burden.
- 5.5 It follows, therefore, that the social benefits of any community asset transfer must be identifiable, realistically achievable, and sufficient to outweigh any financial loss that may be sustained by not obtaining the best price reasonably obtainable for the transfer and that the terms of any transfer should not prejudice the achievement of any savings, or income targets, required to ensure that a local authority balances its budget and has adequate reserves to cover contingencies

## **6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS**

- 6.1 The Council has a CAT project team in place to deal with the assets currently in scope.
- 6.2 In stage 2 it is proposed, following the decisions of this Committee, that officers meet with each organization to explain stage 2, the timelines, outline the business plan requirements, signpost them to appropriate support organizations and provide any detailed information on the asset that the Council has available. Contact with the organization will be maintained to monitor how they are progressing and to respond to any questions or queries.
- 6.3 Once the detailed business plan is received, a group of officers will assess it, and report their assessment to the next available appropriate service Committee for consideration of all relevant factors before a decision is made.
- 6.4 Following a decision by Committee, Legal officers would draw up the transfer agreement.
- 6.5 The current CAT project is scheduled to end on 30 October 2022. At this point, all libraries in scope for asset transfer will close as Council run libraries. If Members wish to put additional assets into a CAT process, consideration will have to be given to how this will be resourced (in staff and financial terms) and managed as part of a business-as-usual CAT process

## **7.0 RELEVANT RISKS**

- 7.1 The relevant risks for this report are as follows;

- 7.2 The EOI recommended in this report may not deliver viable business plans or meet the legal criteria for a transfer set out in paragraph 5.5 above. To mitigate this, stage 1 of the CAT process has assessed each EOI in terms of a range of organizational requirements (see the assessment criteria in appendix 1 of this report) and the Council is providing support at stage 2 of the process and making revenue funding available to support the transfer in year 1.
- 7.3 The above support may still not deliver a viable business plan and the Council would not be able to transfer the asset. If this was the case other options would need to be considered by this Committee in October 2022 including sale or commercial leasing of the asset in question.
- 7.4 If the Committee is minded to reverse the proposal by Full Council to close the assets in scope without finding realistic alternative savings to compensate, this poses a significant risk that this would be seen as reverting to behaviour cited in the external assurance reviews published by Department of Levelling Up, Housing and Communities as 'not taking difficult decisions' and could result in Government intervention.

## **8.0 ENGAGEMENT/CONSULTATION**

- 8.1 The Council consulted with local communities prior to setting the 2022/23 Budget and has undertaken a number of consultations which are reported elsewhere on this agenda.
- 8.2 The Council openly advertised the availability of the assets in this report for consideration for community asset transfer.
- 8.3 This resulted in a number of enquiries/EOI being received by the Council on a confidential basis and this report makes recommendations on them.
- 8.4 Once a decision is made by Members, each EOI organization will be formally thanked for their interest and advised of the outcome.

## **9.0 EQUALITY IMPLICATIONS**

- 9.1 Each of the organizations progressing to the business planning stage already has, or where they are a new organization, is currently developing their Equality Policies. These will be included in their business plans and assessed by the Council as part of the stage 2 process prior to any transfer of an asset.

## **10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS**

- 10.1 The buildings that are earmarked for community asset transfer, although emissions will not directly fall within the Council's carbon budget, will still have an impact on net carbon emissions within Wirral, picked up in the COOL 2 strategy and the proposed net zero carbon target of 2041. Any community asset transfer should ensure it is subject to a 'Green lease' with clauses whereby the owner and occupier undertake specific responsibilities with regards to the sustainable occupation of the building to



ensure carbon emissions are controlled and minimised. Depending on the use of the building, there is the potential that energy usage will increase, therefore advice/guidance should be offered to interested parties to support the asset transfer process.

## **11.0 COMMUNITY WEALTH IMPLICATIONS**

- 11.1 Community asset transfer directly supports Wirral’s Community Wealth Building Strategy by encouraging the setup of community-based organisations and cooperatives in our local communities and underpins our ambition to enable communities to become more independent, financially self-sufficient and take ownership of public assets to run them in ways that are beneficial to them.
- 11.2 Community asset transfer can help secure community use of buildings and provide a development opportunity for community and voluntary organisations. The concept of plural ownership, which seeks to promote locally owned and socially minded enterprises, encourages more diverse models of engagement. It promotes wider opportunities for communities should they wish to have more influence and control over the functions that are provided to communities.

**REPORT AUTHOR: Shaer Halewood**  
Director of Resources  
email: shaerhalewood@wirral.gov.uk

## **APPENDICES**

- Appendix 1 List of assets (not currently in scope for CAT) for which expressions of interest/enquiries were made during the CAT process
- Appendix 2 Criteria for assessment
- Appendix 3 List of assets in scope with assessment scores

## **BACKGROUND PAPERS**

1. Confidentially submitted Expressions of Interest (EOI) were considered in preparing this report and are exempt from publication because they disclose information about the financial and business of particular persons together with personal details and the public interest in maintaining the exemption outweighs the public interest in disclosure.
2. Budget 2022/23 decisions taken by Council

## **SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
<b>Council Budget decision 2022/23 CAT Policy</b>	<b>February 2022 March/April 2022</b>