

TOURISM, COMMUNITIES, CULTURE & LEISURE COMMITTEE**Thursday, 2 February 2023**

REPORT TITLE:	COMMUNITY ASSET TRANSFER FORMER LIBRARIES BRACKENWOOD GOLF COURSE BROMBOROUGH CIVIC CENTRE ASSET TRANSFER FORMER PUBLIC TOILETS IN MORETON
REPORT OF:	DIRECTOR OF RESOURCES

REPORT SUMMARY

This report makes recommendations in relation to the following Community Asset Transfer (CAT) and an Asset Transfer (AT) matter:

Former Libraries (CAT)
Brackenwood Golf Course (CAT)
Bromborough Civic Centre (CAT)
Former Public Toilets in Moreton (Asset Transfer)

It builds upon the CAT reports approved by this committee at its meetings on 16 June 2022 and 25 October 2022, considers the Council's approved Asset Strategy 2022-27, approved by Policy and Resources Committee on 9 November 2022, the priorities of the Wirral Plan 2021-26 and the emerging Local Plan with its "brownfield first strategy".

A report on the transfer of Hoylake Municipal Golf Course will come to a future meeting of this Committee once the proposal has been considered alongside the future arrangements for the Open Championship at Royal Liverpool Golf Club in Hoylake.

A report on the transfer of Woodchurch leisure Centre will come to a future meeting of this committee.

This report meets the following priorities in the Wirral Plan 2021-26

- 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

All the business plans, expressions of interest and the C.co report referred to in this report were submitted confidentially for commercial reasons. Therefore, Appendices 1 - 7 of this report are exempt from publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

RECOMMENDATION/S

The Tourism, Communities, Culture and Leisure Committee is recommended to:

- (1) Authorise the Director of Resources to:
 - (a) conclude the transfer of the assets of Pensby library to Pioneer People and Prenton Library to St. Stephens Church on the basis of the terms reported in the exempt appendix 1 to this report;
 - (b) enter into negotiations on the basis of the re-submitted business plans contained in the exempt Appendix 2 of this report to agree Heads of Terms for the transfer of the former library assets at Wallasey Village to the Friends of Wallasey Village Library, Irby to the Friends of Irby Library, and Higher Bebington library to the Co-op Academy Bebington. Once agreed these Heads of Terms are to be reported back to this Committee for a decision or onward recommendation to Policy and Resources Committee.
 - (c) explore other options for Brackenwood Golf Course which support the Council's Local Plan priorities and report back on these to this Committee in June 2023.
 - (d) market the site of the former Hoylake Library for sale or commercial leasing on the basis that it is surplus to the requirements of the Committee
- (2) approve the removal of the former Woodchurch library asset from the CAT process
- (3) Recommend to Policy and Resources Committee that
 - (a) Higher Bebington Library be appropriated by the Council for educational purposes.
 - (b) The former Woodchuch library asset be appropriated by the Council for educational purposes.
 - (c) The site of the former Hoylake Library be marketed for sale or commercial leasing.
- (5) Invite a business plan from Neo for the Bromborough Civic Centre on the basis of their submitted expression of interest and the officer assessment in the exempt appendix 6 of this report.
- (6) transfer the former public toilets in Moreton which have been declared surplus to requirements, to Moreton in Bloom, based on the information in the exempt appendix 7 of this report.

- (7) use £52,000 of the surplus revenue amount allocated to Community Asset Transfer to meet the holding costs of the former libraries in 2023/24 prior to transfer
- (8) retain the remaining revenue balance of £62,417 to support the library element of Bromborough Civic Centre if members decide to transfer this asset at a future point in the financial year 2023/24

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 The recommendations within this report enable Committee to make decisions on the assets that are in scope for Community Asset Transfer (CAT). As part of the 2022/23 budget Council agreed the closure of 9 libraries, two municipal golf courses and a leisure centre. As part of the amendment to that budget, a Community Asset Transfer process was proposed to determine if any of these assets could be transferred in advance of being disposed of as surplus to requirements.
- 1.2 The report makes recommendations for transfer where the information supports that approach.
- 1.3 Where business plans are unviable, officers have re-engaged, with all those groups to explore if there are further steps that can be taken to create viable business plans based on the principle of exploring all options to secure CAT. The detail of this is set out in the report.
- 1.4 The recommendations contain suggested actions to be taken if viable business plans cannot be achieved so that members have all the information and options to make informed decisions on these assets.
- 1.5 Bromborough Civic Centre is at an expression of interest stage and the recommendation made reflects that.
- 1.6 The surplus public toilets at Moreton are a very local asset and it is recommended that they are dealt with under the Asset Transfer category (not Community Asset Transfer) as set out in the approved Asset Strategy 2022-27, approved by P&R Committee on 9 November 2022. This is because the former toilets will be used for storage to facilitate community activity in Moreton. Therefore, there is no community asset transfer as no community group will be occupying the former toilets.
- 1.7 All the business plans and expressions of interest have been submitted on a confidential basis for commercial reasons and therefore they are included in exempt appendices to this report.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 The CAT process has been a primary consideration for this report which follows on from resolutions agreed by this Committee at its meeting of 16 June 2022, 25 October 2022 and by Policy and Resources Committee on 9 November 2022.
- 2.2 The Council, to meet its legal duty and fiduciary responsibilities, has to fully consider all relevant matters and options in making any decision, Therefore this report sets out these matters and options to ensure that Members have all the relevant information to make a fully informed decision.

3.0 BACKGROUND INFORMATION

- 3.1 As part of the 2022/23 budget, the Council resolved that several assets be considered for CAT. These were nine libraries, two municipal golf courses and one leisure centre. Expressions of interest were received for seven of the nine libraries. On 16 June 2022 this Committee agreed to progress several expressions of interest in a CAT transfer to the business planning stage.
- 3.2 Following this decision, a timescale was set to produce the business plans. An inception meeting took place with each of the organisations which submitted Expressions of Interest (EOI) progressing to the business planning stage. Information to support business planning was provided and regular check-ins with each organisation were undertaken as the business plans were being prepared. Support in the preparation of business plans was made available by the Chamber of Commerce and the Council signposted to other appropriate organisations who give advice and support with asset transfer.
- 3.3 The business plans were submitted to the Council on 25 August 2022. These were reported to this Committee on 25 October 2022 as an exempt item.
- 3.4 The Council is required, to meet its legal duties and fiduciary responsibilities, to consider several matters in making decisions in relation to CAT. In summary these include fit with the CAT policy, assessments of the business plans, strategic fit, alignment with Council priorities (including the Local Plan), due diligence on the organisations seeking a transfer, any property related matters, any legal requirements, financial implications and community benefit. In addition, it must also consider all relevant matters and options before coming to a decision.
- 3.5 The Council employed C.co (a company associated with CIPFA) to undertake an independent assessment of the business plans based on the information submitted. This document is attached as Appendix 8 to this report. Appendix 8 is exempt from publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.
- 3.6 This Committee, at its meeting on 25 October 2022 made a series of recommendations which, in summary, enabled negotiations to progress for a transfer of Pensby and Prenton libraries and set a timescale for unviable business plans to be re-considered by the groups and re-submitted by 9 December 2022.
- 3.7 The paragraphs below, summarise the current position in relation to each asset and provide the basis for the recommendations contained in this report. The table at paragraph 4.2 of this report sets out the indicative capital and revenue requests received from each organisation to support the transfer of the former library assets on the basis of the initial business plans (Pensby and Prenton) and on the revised business plans (Higher Bebington, Irby, Wallasey Village). Woodchurch Library and Hoylake are showing no funding requirement subject to the recommendations of this report being agreed. These sums will be reviewed and confirmed as these matters progress.

3.8 **Pensby Library**

Heads of Terms for a transfer of this asset have now been agreed with Pioneer People along with agreement of the capital and revenue sums to support that transfer. It is now recommended that this asset is transferred on the terms set out in Appendix 1 of this report. The alternative use for this asset would be a small residential development following demolition of the asset, but this would not result in the community benefits which will result from a transfer of this asset.

3.9 **Prenton Library**

St. Stephen's Church submitted a business plan to provide a range of community facilities in the library building. The outcome of the assessment is that this asset should proceed to transfer based on the business plan and the community benefits. In doing so, Committee are reminded that this asset is not owned by the Council but leased from Magenta Living by the Council and further discussions around these matters have been held with Magenta Living. The capital and revenue sums to support this transfer have now been agreed with St, Stephens Church. Discussions have taken place with Magenta Living regarding assignment of the lease to St. Stephen Church and this matter is progressing positively. It is therefore recommended that this asset is transferred on the terms agreed in Appendix 1 of this report. The alternative would be for the Council to exercise its power under the Lease to give notice of termination to Magenta Living so that the latter can negotiate directly with the Church.

3.10 **Woodchurch Library**

Positivitree, the organisation that submitted the original business plan have now withdrawn from the CAT process.

The Council has therefore had further discussions with the school and the school are bringing forward proposals to use this asset as a warm hub and then for pupils with special educational needs. This appears to be a very beneficial use for this building and therefore it is recommended that this asset is removed from CAT so that these other uses can be taken forward.

3.11 **Irby Library**

The Friends of Irby Library (FOIL) submitted a business plan for a range of community uses and a cafe in this building. While there are positive community benefits, the business plan was not viable.

Following further discussions with FOIL, they have submitted a revised business plan which is viable and therefore it is recommended that negotiations commence with them regarding a transfer of this asset based on the business plan at appendix 2 of this report.

As the former toilet block, adjacent to the library building, is secured and not causing any issues, it is recommended that this remains in place as it may be of some use in the future for community purposes if the transfer is successful. This will also save the CAT resources being used for demolition. The alternative option for this asset is a small residential/commercial development following demolition of the asset. The community benefit resulting from a transfer of this asset will bring greater community benefits.

3.12 Higher Bebington Library

The Co-op academy submitted a revised business plan (Appendix 2 of this report) which is now assessed as viable. They also confirmed, in writing, that the Co-op would meet, in full, the capital cost of the building and that they were only seeking revenue funding support. On this basis, it is recommended that negotiations commence for a transfer of this asset. The alternative use for this asset would be for a single residential development subject to planning permission and the agreement of Leverhulme Estates in relation to the covenant. The community benefits resulting from the transfer would outweigh the alternative use of this site.

3.13 Hoylake Library

The Life Tree submitted a revised business plan but, unfortunately, following assessment by officers, this is still unviable. The detail is set out at Appendix 3 of this report.

As no viable business plan has been produced it is recommended that the property should be marketed for commercial purposes given its location in the retail area of Market Street in Hoylake.

3.14 Wallasey Village Library

A revised business plan has been submitted and the details of this are contained in Appendix 2 of this report. This has been assessed by Officers as viable and it is recommended that negotiations commence for a transfer of this asset. The alternative use for this asset following its demolition would be a small residential development. The financial benefits of this would not outweigh the community benefits resulting from a transfer for the local community.

3.15 Brackenwood Golf Course

As Members may recall it was not possible to report on this asset to the December meeting of this committee, as further information and clarifications were required from Love Golf Manchester and Brackenwood Community Golf Limited (This is a new company that has been set up for the transfer of the golf course as advised in the latest clarification from R&M Estates/Brackenwood Golf Club. Details of this and the company structure are set out in Appendix 4 of this report), the organisations that had submitted business plans. This information has now been received and is set out in Appendix 4 of this report.

Officers, after considering the C.co report at Appendix 8 of this report, and informed by the additional information and clarifications received, have now assessed both business plans in line with the CAT policy. In addition, other factors which have been considered in making the officer recommendation are set out in the paragraphs below.

Members will be aware that following a review of the Council's municipal golf offer and as part of the 2022/23 budget process, Policy and Resources Committee on 22 March 2022 took a decision to close Brackenwood and Hoylake Municipal courses

from 1 April 2022 and to focus the Council's municipal golf offer on the two courses at Arrowe Park and The Warrens.

These decisions have resulted in the municipal golf offer, which has operated at a significant deficit for many years (£423,000 per annum between 2015-20), now operating at a profit projected to be £56,000 this financial year. The increased income targets have been exceeded and the surplus is currently supporting the Council's adverse variance in year and will continue to support budget savings in 2023/24 and beyond.

Most of the golf clubs previously operating from Hoylake have successfully re-located to Arrowe Park Golf course. The clubs formerly playing at Brackenwood have relocated out of Borough to the course at Hooton.

With the investment that has now been made at Arrowe Park and The Warrens, and with the capacity available at these courses, there are further opportunities to improve the performance and income generation at these sites which will support the Council's financial position.

It is also the case that Wirral has a significant number of golf courses in private ownership which are available to golfers in the Wirral.

Alongside these decisions, Members agreed to consider a Community Asset Transfer of Brackenwood Golf Course and Hoylake Municipal Golf Course following the 2022/23 budget setting process. (Hoylake Municipal will be the subject of a future report to this committee and therefore the comments below just relate to Brackenwood Golf Course).

For Brackenwood Golf Course, both business plans submitted, are seeking to re-open the course and they outline community benefits that could result from this. The business plans and additional details and clarifications on the business plans are in Appendix 4 of this report. Both organisations have been given the opportunity to provide any additional information on Biodiversity Net Gain associated with their proposals and any information received will be circulated to Members prior to the meeting.

From the business plans submitted by both organisations it is clear that re-opening Brackenwood Golf Course would bring a competitor back into the golf market which would have a direct impact on the Council's golf courses and also on private courses both in Wirral and Cheshire West and Chester. In terms of the impact on the Council courses there would be a direct adverse financial impact which would create significant risks to the decisions previously taken by the Council. In summary it is considered that Wirral is adequately endowed with golf courses that are available to the relevant communities and that the re-opening of Brackenwood Golf Course would not bring sufficient community benefits to offset the likely adverse financial impact on the Council's remaining municipal courses. The likely outcome would be that all three courses would run at a loss, the situation that the Council sought to avoid by closing two out of its four courses. That outcome would benefit nobody.

In March 2022, Full Council resolved to submit its Local Plan for examination. This follows a brownfield first strategy. To support the delivery of this option, the Council

must identify sites for Biodiversity Net Gain and playing pitch provision. Currently, there is a significant deficit of playing pitches for all sports, of all types, in all areas of the Borough as identified in the Playing Pitch Strategy and limited sites on which they can be provided. Without identified sites for pitches, the delivery of brownfield housing in the Borough would be put at significant risk. It should be noted that representations have been made to the Local Plan consultation stating that there is no evidence that the larger brownfield regeneration sites can meet the requirements to provide land for playing pitches and this matter will need to be addressed in the examination hearings taking place later this year.

In addition, in November 2022, the Council agreed its Asset Strategy for 2022 to 2027. As part of this work, the significance of Council sites to support the above objectives of the Council became clearer.

In December 2022, the Council received seven major planning appeals against its decisions to refuse residential development on various Green Belt sites.

Unfortunately, there are competing priorities and uses for limited Council owned land assets and therefore decisions must be made in relation to maximising the objectives of the Council. While a CAT of Brackenwood Golf Course would meet certain objectives of the Council, it is considered on balance, that the higher priority is supporting the delivery of the Local Plan and the brownfield first strategy to enable housing delivery and protection of the Green Belt. Therefore, it is recommended that Brackenwood Golf Course should be used to provide playing pitches and Biodiversity Net Gain in order to deliver Local Plan objectives. If Members support this approach funding is available from developer contributions and external organisations to deliver on this priority and a report could be brought back to the June committee for consideration.

3.16 Bromborough Civic Centre

This asset was put into consideration by Policy and Resources Committee at their meeting on 9 November 2022.

Expressions of interest were invited by 20 December 2022. Two were received. One from Neo and the other from Bromborough Local Community Group Limited and these are at Appendix 5 of this report. Officers have assessed these based on the CAT policy and the outcome is also included in Appendix 5. In overall terms, the Neo submission scored 74.6 out of 100 and the other 39.6 out of 100. There is a significant difference in the scores because (1) the Neo bid is very detailed, (2) it confirms the financial and staffing resources they have immediately available to support a transfer, (3) they have set out in detail the community benefits, (4) they are proposing to use the whole of the building and (5) they have indicated their commitment to including the Friends of Bromborough Library in the proposal.

Based on the information submitted, it is recommended that a business plan is invited from Neo approval (a period of 8 weeks is allowed to develop the business plan in the approved CAT policy) and assessment by officers (approximately four weeks), it is reported to a future meeting of this Committee for consideration.

As part of that report, Officers will provide information on the commercial opportunities for the site as this will need to be considered by Members as part of the Council's duty and fiduciary responsibilities prior to any decisions being made about the future of the asset.

If Members of this committee are minded to recommend a transfer of this asset, at a future point, the final decision must be taken by Policy and Resources Committee as the value of the asset is above £500,000.

3.17 Former Public Toilets in Moreton

This asset was declared surplus by this Committee at its meeting on 25 October 2022.

Following the approval of the Asset Strategy by Policy and Resources Committee on 9 November 2022, this matter can now be considered for transfer under the Asset Transfer category.

Moreton in Bloom have submitted an expression of interest in this asset which is at Appendix 6 of this report. They want to use it for storage for their Christmas lights and environmental work in the area. They have the financial resources to take on this asset on a full, repairing and insuring lease for a term of 25 years. There are no alternative uses for this asset apart from demolition and landscaping the site.

4.0 FINANCIAL IMPLICATIONS

4.1 The following table sets out the capital value of each asset

ASSET	Estimated Asset Value	Estimated Capital Investment Costs
Hoylake Library	£250,000	£224,000
Irby Library	£400,000	£95,475
Pensby Library	£175,000	£141,000
Prenton Library	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
Brackenwood Golf Course	£500,000-£1,000,000	Nil
Higher Bebington library	Nominal value as the restriction on use potentially	Not assessed

	negates any value.	
Woodchurch Leisure Centre	Nominal value	Up to £330,000
Moreton Toilets	£40,000	N/A
Bromborough Civic Centre	£600,000	Not yet assessed

4.2 This table provides information on the estimated value of each asset.

4.3 The estimated capital investment cost come from previous surveys which have been updated. Such investment is required over several years. It is given for information purposes.

Indicative Funding Table for the former libraries				
Area	Capital - Condition	Capital - Change of Use	Total Capital	Revenue
Higher Bebington	0	0	0	60,000
Hoylake	0	0	0	0
Irby	20,000	0	20,000	20,000
Pensby	67,000	0	67,000	44,583
Prenton	28,000	24,000	52,000	21,000
Wallasey Village	53,500	24,000	77,500	22,000
Woodchurch	0	0	0	0

Total

216,500 167,583

Available **500,000 282,000**

Difference **283,500 114,417**

4.4 Post any decision of this Committee, to transfer an asset, there will be a period of negotiation around the Transfer Agreement along with a period required for any capital works to be undertaken. During this period, for the libraries, there will be continued basic security and insurance costs as the libraries referred to in this report closed on 31 October 2022.

4.5 Costs will continue to be incurred by Asset Management from 1st November 2022 in relation to the libraries whilst the CAT process is finalised. At present there is uncertainty around how long this will be, and costs have been estimated at £0.062m up to the end of March 2023. However, there are risks associated with this figure and costs will continue into next financial year for some sites. Costs could also increase depending on utility bills and additional security requirements. The estimated sum post 1 April 2023 is £52,000. It is proposed that this is funded by using some of the surplus revenue resources currently allocated to the CAT process so that it does not put any unfunded pressures on the Council budget for 2023/24. This would leave £62,417 of revenue funding for the Bromborough library element of Bromborough Civic Centre should this be required if Members decide at a future point to transfer this asset.

4.6 If Brackenwood golf course is not transferred, there will be no additional cost for the Council as the course does not need to be maintained as it is closed. Alternative options will be considered, and these are likely to be funded by grant and/or developer contributions which will require no Council funding.

4.7 Any transfers will be on a full repairing and insuring lease ensuring there are no future costs for the Council. Leases will be monitored on an annual basis to ensure that repairs and maintenance are being undertaken. Evidence will be required that the asset is being insured.

5.0 LEGAL IMPLICATIONS

5.1 The terms of reference for the Tourism, Communities, Culture and Leisure Committee are to consider applications for transfers of assets to organisations that will provide community benefits e.g., main uses which would further the social well-being and interests of the local community. Examples would include cultural, recreational and sporting uses. Outside the definition would be use that was predominantly educational. Any appropriation of land from use as a library to educational use would require the approval of Policy and Resources Committee. The Tourism, Communities, Culture and Leisure Committee should refer to Policy and Resources Committee surplus assets for which the Committee saw no alternative community use.

5.2 In general the Committee in reaching a decision must consider all relevant considerations and disregard irrelevant considerations and come to a reasonable conclusion. That would include considering any potential uses for the assets which are alternative to those being proposed by the applicants for CAT transfers. Not to consider alternative uses would expose any decision to legal challenge.

- 5.3 A relevant consideration is the Council's fiduciary duty to the Council Taxpayer to take account of their interests in maximising income or savings and obtaining the best price reasonably obtainable for the disposal of any asset. The Committee should therefore take into account any income or capital receipt forgone as a result of donating an asset for community use. Any financial loss would have to be clearly outweighed by the strength of the community benefits. The Council's current financial position is a relevant factor.
- 5.4 If the community benefits are unlikely to be realised by a CAT transfer because, for example, of a lack of financial viability or necessary expertise, then they should be given little or no weight in the decision-making process, particularly if the CAT transfer would commit the Council to capital or revenue support which would be wasted if the community benefits were not realised.
- 5.5 The Council is under an additional duty to obtain the best price reasonably obtainable for the disposal of any interest in its land unless the disposal is for a lease for less than seven years. If the proposed lease is for a longer term, then a less than market rent would be lawful if the value of the community benefits outweighed any loss of income. If, however, the value of the land free of any restrictions imposed by the Council would be £2million or more, then the Secretary of State's consent would be required.
- 5.6 A further consideration is the Subsidy Control Act 2022 which prohibits subsidies by public bodies to an enterprise (even if not for profit) that offers goods or services on a market. If the financial assistance (e.g. charging a below market rent in a lease) conferred an economic advantage on the selected enterprise that might distort competition with other providers, it would be unlawful unless the advantage were below the "de minimis" level of £315,000 (measured over the length of the proposed lease) or the rigorous requirements for a lawful subsidy under the Act were satisfied.
- 5.7 Any proposed disposal by the Council of an interest in land that is public open space (i.e. land held for the purpose of public recreation such as public parks or golf courses that are open to the public and not restricted to a private membership) must be advertised in local newspapers for two successive weeks. Any objections received would have to be considered by the Committee before any decision were made on the disposal.
- 5.8 The grant of a lease to a CAT transferee would confer exclusive possession of the land to the organisation. The Council could impose covenants on the lessee e.g. to keep the property in good repair or not to use it for any purposes other than those specified. Those covenants would be enforceable but any decision by the Council to forfeit the lease for non-compliance could be overturned by the Court in its discretion if the lessee sought relief from forfeiture. The Council would in effect lose control of the land for the duration of the lease (and the lessee would have the right to a renewal of the lease on its expiry unless its right were excluded pursuant to the Landlord and Tenant Act 1954).
- 5.9 Any disposal of the land for a different use than the one formerly established by the Council would have to be compliant with any legally enforceable covenants imposed

by previous owners or current landlords and with any requirements for planning permission.

- 5.10 If the Committee were to agree in principle to a CAT transfer, Asset Management would negotiate heads of terms with the transferee. Those terms would then be referred to the Tourism Committee for approval and to Policy and Resources Committee if the value of the land exceeded £500,000) whereupon the legal documentation and processes would be undertaken. Any capital works by the Council would have to be completed prior to the grant of the lease. Pending completion of the CAT transfer, any costs incurred in maintaining the asset would have to be met by the Council.
- 5.11 If the Committee decided not to proceed with a CAT transfer, the property would either be considered for an alternative use by the Council or put on the market for sale or rent in accordance with the Council's Asset Disposal Strategy.
- 5.12 If the Director of Resources considers that a viable business plan for educational use of the Higher Bebington library is submitted, then the report proposed that the matter would be referred to the Policy and Resources Committee with a recommendation that the site be appropriated by the Council for educational purposes but subject to the prior consent of the Leverhulme Estate in accordance with the covenant imposed on the land when it was purchased.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

- 6.1 The Council has existing resources in place to progress the recommendations set out in this report.
- 6.2 However, as new surplus assets are added to the CAT process and as it becomes "business as usual" activity, the Council will need to address specific resource requirements in terms of staffing, project management support and any financial resources that Members may wish to make available to support the transfer of any assets.

7.0 RELEVANT RISKS

- 7.1 Transferring any asset carries a risk that it may not be successful. To reduce this risk, the Council has undertaken a very thorough process in terms of assessing each business plan, the funding required and considering all other relevant factors as detailed in this report.
- 7.2 In addition, under the CAT proposals the Council would be leasing the assets to the relevant organisation and if any transfer failed the asset would return to the Council but only after possible litigation and the Court or the lessee agreeing to the forfeiture of the Lease. Consideration could then be given to the options. Most of the assets have a prospect of an alternative use, so the Council could market the sites to realise a rent or capital receipt after any court process has been completed.
- 7.3 There are individual risks associated with the different CAT options, taking each in turn these are:

Library Transfer

- 7.4 Former library assets are continuing to incur holding costs to ensure the buildings remain in a safe satisfactory standard before transfer. Any delay in the transfer of libraries past the assumed date will incur additional holding costs that are not budgeted and put the council's 2023/24 financial position at risk. This would mean that alternative savings from elsewhere in the Council would need to be found next year, within an already difficult financial scenario.

Brackenwood Golf Course Transfer

- 7.5 As part of the 2022/23 budget process, a £382k saving was agreed by full Council on 28 February 2022 to review the Council's golf offer. This saving included the closure of Hoylake and Brackenwood Golf Courses and included an element of displacement income into Arrowse Park Golf Club from members of the closed clubs moving there to play.
- 7.6 The rationale for the two golf course closure included within the business case was stated as 'in terms of municipal golf provision, the two remaining golf courses should provide adequate facilities for the demand in the area based on current and historic footfall. Reducing the number of facilities will also allow the authority to focus resources and much needed investment in the remaining sites to ensure long term sustainability of a municipal golf offer'.
- 7.7 If either of the two courses currently closed were to re-open under an external organisation, there is a risk that there will be an over provision in the Borough. This may mean that additional income targets agreed as part of the 2022/23 budget process would no longer be met as the assumed displacement would no longer be available. The risk to the Council if this happens would be:
- Budget overspends resulting in other savings needed to be made elsewhere.
 - Focus on resources and much needed investment in the remaining sites may no longer be available and may not support the long-term sustainability of a municipal golf offer
 - The operation of the two remaining sites at Arrowse Park and the Warrens may no longer be viable, and they may have to close.
- 7.8 If the Council cannot identify sites to meet the requirements for playing pitches and Biodiversity Net Gain requirements, then there is a significant risk that it will not be able to deliver its Local Plan Brownfield first strategy.
- 7.9 To mitigate these risks, this report recommends not transferring Brackenwood Golf Course and using this site for playing pitches and Biodiversity Net Gain. This would also ensure the sustainability of the remaining two municipal courses.

Other Risks

- 7.10 A communications strategy is in place to manage any reputational risks associated with the CAT project.

- 7.11 Any post transfer risks (e.g. ensuring compliance with the lease, maintaining the property etc) will be dealt with by lease provisions and regular annual monitoring of these matters.
- 7.12 A register of all assets transferred will be kept by the Asset Management Team. The annual report to members on the Asset Strategy 2022-27 will report progress on CAT.

Local Plan Risk

- 7.13 If the Council cannot identify sites to meet the requirements for playing pitches and Biodiversity Net Gain requirements, then there is a significant risk that it will not be able to deliver its Local Plan Brownfield first strategy. To mitigate this risk, this report recommends not transferring Brackenwood Golf Course and using this site for playing pitches and Biodiversity Net Gain.

8.0 ENGAGEMENT/CONSULTATION

- 8.1 Engagement has taken place with each of the organisations as they prepared their business plans. Following the assessment process, further engagement took place with each group to provide feedback and to discuss the issues and options as set out in this report. Each organisation has been advised of the officer recommendation prior to the publication of this report. They have also been offered an opportunity to receive any further information from the lead officer should they require this after reading this report.
- 8.2 Following the decision of this Committee, the outcome will be discussed further with each organisation as appropriate.

9.0 EQUALITY IMPLICATIONS

- 9.1 Wirral Council has a legal requirement to make sure its policies, and the way it carries out its work, do not discriminate against anyone. An Equality Impact Assessment is a tool to help council services identify steps they can take to ensure equality for anyone who might be affected by a particular policy, decision or activity.
- 9.2 As part of the due diligence the Council has checked that each of the organisations recommended to receive a transfer of the asset has all the relevant policies in place or will have them in place prior to any Transfer Agreement being signed.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

- 10.1 The assets referred to in this report are existing and vary in age and construction. In considering the business plans consideration was given to reduce carbon emissions and securing environmental improvements where this was possible, Discussions have taken place about the possibilities and benefits of carbon reduction from building retrofit and low carbon heating systems.

10.2 The Council has provided energy certificates and Energy performance Certificates as we are obliged to do when leasing a property. These detail potential interventions to reduce energy consumption.

11.0 COMMUNITY WEALTH IMPLICATIONS

11.1 Transferring the library assets has several community benefits. A number of new organisations will be formed to run the assets and this will provide new opportunities within those communities for community wealth building. The local focus of activity within those communities will complement existing facilities and create new economic opportunities for local groups.

REPORT AUTHOR: David Ball

Assistant Director Special Projects and Interim Assistant Director
for Assets

email: davidball@wirral.gov.uk

APPENDICES

Appendix 1 Pensby Library agreed Heads of Terms (Exempt)
Appendix 1a Prenton Lease Agreements (Exempt)
Appendix 2 Higher Bebington Business Case (Exempt)
Appendix 2a Higher Bebington Cash Flow December 2022 (Exempt)
Appendix 2b Wallasey Village three year Cash Flow Forecast (Exempt)
Appendix 2c Irby FOIL – Cashflow Year 1 (Exempt)
Appendix 2d IRBY FOIL – Statutory Compliance Checks Table (Exempt)
Appendix 2e Irby FOIL Business Plan (Exempt)
Appendix 2f Irby FOIL Capex Request (Exempt)
Appendix 2g Irby FOIL Cashflow Year 1 Assumptions (Exempt)
Appendix 2h Irby FOIL Irby Motors Ltd (Exempt)
Appendix 2i Irby FOIL Library Floor Plan (Exempt)
Appendix 2j Irby FOIL Petition (Exempt)
Appendix 2k Irby FOIL Risk Analysis (Exempt)
Appendix 2l Irby FOIL Statutory Compliance Checks Table (Exempt)
Appendix 3 Life Tree CAT Stakeholder Analysis (Exempt)
Appendix 3a Life Tree CAT Community Need and Support (Exempt)
Appendix 3b Life Tree CAT Cash Flow (Exempt)
Appendix 3c Life Tree CAT SWOT Analysis (Exempt)
Appendix 3d Life Tree CAT Risk Log (Exempt)
Appendix 3e Life Tree CAT Capital Finance (Exempt)
Appendix 3f Life Tree CAT Cost Benefit Analysis (Exempt)
Appendix 3g Life Tree CAT – Hoylake Library Condition List (Exempt)
Appendix 3h Life Tree CAT Bank Account (Exempt)
Appendix 3i Life Tree CAT Business Plan (Exempt)
Appendix 4 Brackenwood – Love Golf MCR – CSR report (Exempt)
Appendix 4a Brackenwood – Love Golf MCR – Resubmission Narrative (Exempt)
Appendix 4b Community Golf – A vision for Community Benefit (Exempt)
Appendix 4c Community Golf – Cash flow 3 Year Amended (Exempt)
Appendix 4d Community Golf – Response to questions submission (Exempt)
Appendix 5 Bromborough CIVIC EOI Scoring and Summary (Exempt)
Appendix 5a CAT Expression of Interest – Bromborough Community Group (Exempt)

Appendix 5b CAT Expression of Interest – NEO (Exempt)
Appendix 5c NEO Community Plan (Exempt)
Appendix 6 Asset Transfer Expression of Interest - Moreton (Exempt)
Appendix 7 Wirral CAT Evaluation Report September 2022 (Exempt)

Appendices 1 to 7 of this report are exempt from publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

BACKGROUND PAPERS

1. Community Asset Transfer Policy 2022

TERMS OF REFERENCE

This report is being considered by the TOURISM, COMMUNITIES, CULTURE & LEISURE COMMITTEE in accordance with Section C of its Terms of Reference, “In considering options and develop proposals for neighbourhood arrangements, including capacity building, use of assets and devolving powers and services to neighbourhoods;”.

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Tourism Communities Culture and Tourism Committee Report on CAT (stage 1)	16 June 2022
Report on CAT	25 October 2022