

### COMMUNITY ASSET TRANSFER – VARIOUS PROPERTIES SUMMARY OF PROPOSALS

#### 1.0 NEW FERRY VILLAGE HALL

##### 1.1 Background

1.2 New Ferry Village Hall was a joint venture between the National Playing Fields Association, Merseyside Playing Fields Association and the Council. It is located in New Ferry Park near to the main shopping centre and is shown edged black on the attached plan. The Centre is a purpose-built village hall offering a large indoor sports facility and has been operated by the JMC since 1988, which has developed a range of services at the centre.

##### 1.3 Transfer Proposal

1.4 The JMC wishes to take a transfer of the community centre building from the Council and will incorporate as a new company to secure the transfer.

1.5 In order to satisfy the Community Asset Transfer process, the JMC has produced a five year business plan which has been assessed and is considered to be sustainable. However, in order to achieve a sustainable position, the business plan identifies the need for support in the first two years of operation, post transfer, totalling £108,970 to cover the operating deficit for the period. The business plan then shows that the Centre would produce a small profit in Year 3, rising again in Years 4 and 5.

1.6 An independent property condition survey of the Centre has been undertaken and identifies a number of items requiring repair which amount to approximately £48,000 ex VAT, plus fees and contingencies.

#### 2.0 WESTBOURNE HALL COMMUNITY CENTRE

##### 2.1 Background

2.2 Westbourne Hall Community Centre, which is shown edged black on the attached plan, is a community hall which has been run as a community centre since 1994. The centre has been operated by the current Joint Management Committee since 1998 and now has in excess of 60 groups using the facility.

2.3 The JMC took a lease of the property in 2001 for a term of 25 years at a peppercorn rent. The terms of the lease make the JMC responsible for all repairs to the building and also requires the JMC to be responsible for all outgoings and running costs with the exception of insurance, the responsibility for which remains with the Council. The JMC entered into the lease primarily as a mechanism to secure funding. Despite the existence of the lease the Council has continued to pay the running costs, staff costs and some repairs. There is however, an agreement which has

been in place for 13 years, and therefore pre-dates the lease, for the group to pay the Council for running costs and repairs in a sum which averages around £4,000 per year and was £4,500 last year.

## **2.4 Transfer Proposal**

2.5 The JMC wishes to take a transfer of the community centre building from the Council and has established Westbourne Hall Ltd, a company limited by guarantee, to secure the transfer.

2.6 In order to satisfy the Community Asset Transfer process, the JMC has produced a five year business plan which has been assessed and is considered to be sustainable. However, in order to achieve a sustainable position, the business plan identifies the need for support in the first two years of operation post transfer, in the sum of £52,477, to cover the operating deficit for the period. The business plan then shows that the Centre would produce a small profit in Year 3, rising again in Years 4 and 5.

2.7 A condition survey of the centre has been undertaken which identified a number of items of repair at a total cost of £211,879 ex Vat plus fees and contingencies, the most significant of which is the need for a replacement roof. In addition to the repairs, the JMC has requested a number of improvements to the building which will enable the facility to be operated in a more flexible manner which will give the group the best chance of succeeding. These improvements include soundproofing of a wall to enable the two halls to be let at the same time, alterations to the office to free up further lettable space, and improvement to the toilet and kitchen which have a total cost of £65,000 ex Vat plus fees and contingencies. In addition the group has identified the need for new, lightweight furniture to enable them to operate in a manner which will enable user groups to set up the hall and as a consequence will reduce the need for employed staff, and has asked for a contribution of £19,500 towards this equipment.

2.8 Members will be aware that the situation regarding the liabilities within the existing lease at Westbourne Hall is similar to the situation at Hoylake Community Centre, where terms have recently been approved for the Hoylake JMC to contribute towards the additional works from its accrued reserves. The Westbourne Hall JMC has, however, advised that its reserves are needed to contribute towards staffing costs prior to transfer and also for its planned maintenance post transfer. The group also submits that its contribution towards the running costs of the centre has had an impact on its reserves. As a consequence the group is unable to contribute towards any of the works.

## **3.0 KYLEMORE COMMUNITY CENTRE**

### **3.1 Background**

3.2 Kylemore Community Centre, which is shown edged in black on the attached plan, is a purpose-built single storey community centre that has been operated by the Joint

Management Committee since 1995 which has developed a range of activities at the centre.

- 3.3 Part of the centre is a former caretaker's bungalow which has not been used as a residential facility for some time, but has been used as part of the centre, including occasional Council office use, for a number of years.

### **3.4 Transfer Proposal**

- 3.5 The JMC is keen to pursue a transfer of the facility and wishes to take a greater role in its future, however, the group is not confident that it would be able to pursue a successful transfer on its own. Consequently the group has explored a number of avenues to identify a partner group to jointly progress a transfer.
- 3.6 WPH owns and has responsibility for a significant number of houses in the vicinity of the community centre and is keen to provide community support for the residents in the area. Consequently, WPH and the JMC have developed a proposal for the transfer of Kylemore Community Centre based on a model which WPH aims to develop in its other community centres.
- 3.7 WPH proposes to take a transfer of the Community Centre and also to develop an agreement with the existing JMC to enable them to continue in occupation. This proposal would give the JMC more responsibility in the running of the centre and at the same time, give them some security for their future. This proposal would also enable WPH to strengthen its community provision in the area. WPH also proposes to refurbish the former caretaker's bungalow to enable it to be returned to residential use for inclusion within its housing stock.
- 3.8 To continue to occupy the centre, the JMC will form a company which will eventually seek charitable status. The proposal will require the group to adopt a more autonomous approach which will require them to be responsible for all running costs. To achieve this, the group has developed a business plan, which will enable them to operate on this basis. The business plan shows that, with revenue support in years one and two, in the sum of £18,131, it will achieve a profitable position in year three with profits rising again in years four and five. WPH proposes to support the group in its operation of the facility and has offered to provide funding, equivalent to the income generated, whilst occupied, by the bungalow, to aid the sustainability of the community activities.
- 3.9 An independent property condition survey of the Centre has been undertaken and identifies a number of items requiring repair which amount to approximately £17,570 ex VAT, plus fees and contingencies.
- 3.10 As WPH will incur substantial refurbishment costs to bring the bungalow back in to a habitable condition, and will acquire an asset which will produce no real income, but will involve liabilities, they have requested that the transfer be of the freehold interest, rather than leasehold, which has been typically used in other transfers. Such a transfer would include an obligation for the bungalow to be used only as part of WPH's housing stock and for the Community Centre only to be used for community activities. The transfer would be at a nil consideration, but would include

provision, in the event that either property is sold in the future, that the sale proceeds would be shared equally between WPH and the Council.

#### **4.0 WOODCHURCH COMMUNITY CENTRE**

4.1 Woodchurch Community Centre, which is shown edged in black on the attached plan, is a purpose-built single storey community centre, opened in 1985, which is operated by a Joint Management Committee which has developed a range of activities at the centre.

#### **4.2 Transfer Proposal**

4.3 The JMC is keen to pursue a transfer of the facility and wishes to take a greater role in its future, however, the group is not confident that it would be able to pursue a successful transfer on its own. Consequently the group has explored a number of avenues to identify a partner group to jointly progress a transfer.

4.4 WPH owns and has responsibility for a significant number of houses in the vicinity of the community centre and is keen to provide community support for the residents in the area. Consequently, WPH and the JMC have developed a proposal for the transfer of Woodchurch Community Centre based on a model which WPH aims to develop in its other community centres.

4.5 WPH proposes to take a transfer of the Community Centre and also to develop an agreement with the existing JMC to enable them to continue in occupation. This proposal would give the JMC more responsibility in the running of the centre and at the same time, give them some security for their future. This proposal would also enable WPH to strengthen its community provision in the area.

4.6 To continue to occupy the centre, the JMC will retain its charitable status and update its constitution. The proposal will require the group to adopt a more autonomous approach which will require them to be responsible for all running costs. To achieve this, the group has developed a business plan, which will enable them to operate on this basis. The business plan shows that, with revenue support in years one and two, in the sum of £124,389, it will achieve a profitable position in year three with profits rising again in years four and five.

4.7 An independent property condition survey of the Centre has been undertaken and identifies a number of items requiring repair which amount to approximately £113,400 ex VAT, plus fees and contingencies.

#### **5.0 PENSBY COMMUNITY CENTRE**

5.1 Pensby Community Centre is a purpose built community centre located in the park off Fishers Lane in Pensby. It is shown edged black on the attached plan. The property was previously operated by a Joint Management Committee, but became vacant after it had difficulty operating. Pioneer People came forward with a proposal to operate the building as a community facility and entered in to a 21 year lease, on 26 January 2009, at a peppercorn rental with the group being responsible for all repairs.

- 5.2 The lease was completed shortly after the Strategic Asset Review, and was identified in that review as a property suitable for transfer to the community. The transfer completed prior to the Council adopting its Community Asset Transfer policy and also before the allocation of monies from the Community fund. Pioneer People therefore took a transfer without the support which was subsequently offered to other groups pursuing transfers.
- 5.3 The transfer was informed by the Council's in-house stock condition survey which excluded mechanical and electrical elements, but identified, amongst other things, that the roof would need attention in the short term. Transfers within the CAT process are now informed by independent condition surveys which, as the process has developed, are more focussed on asset transfer. The group has now advised of other outstanding works and the need for an overhaul of the heating system.
- 5.4 It should be noted that Pensby Community Centre was not advertised as suitable for transfer in accordance with the Council's policy and Pioneer People were not invited to compete with other interested parties. They have however, comprehensively refurbished the interior of the building, using their own funding.
- 5.5 Pioneer People have now asked for financial assistance for capital works to the building in line with the Council's Community Asset Transfer policy, but have not yet quantified the amount which is the subject of further discussion. They are aware of the extent of support being given via the Community Fund allocation to other transfers (in some cases for similar buildings) and say they are seeking equal and consistent treatment with other transfers.
- 5.6 To support their argument they say that the Council organised and paid for a celebration event to recognise the transfer of the Hope Centre as the first successful transfer under the CAT programme. The event was attended by the former Chief Executive of the Council and a Cabinet member, with other community groups invited to attend by the Council.
- 5.7 It is recommended that further discussions take place with the group to clarify the extent of assistance now being sought, and that this be considered further by Cabinet in the context of available funding.