

Ballymoney Social Centre	9th August 2016
To: Leisure and Development Committee For Decision	

Linkage to Council Strategy (2015-19)	
Strategic Theme	Resilient, Healthy & Engaged Communities
Outcome	Council will work to develop and promote stable and cohesive communities across the Borough
Lead Officer	Julie Welsh - Head of Community & Culture Louise Scullion – Community Development Manager
Cost: (If applicable)	Est £350k (subject to business case / procurement).

The Purpose of this report is to ask members to consider the options relating to the ownership the Social Centre in Ballymoney.

Background

At the May Leisure and Development Committee meeting, Members agreed that Council officers would liaise with the Evergreen Club and NICVA to identify and explore options in relation to the Social Centre in Ballymoney and bring these back to Council for consideration. Members also agreed that Council maintain the existing operating arrangements for the Social Centre in Ballymoney for an interim period of 6 months in order to allow this to happen.

As has been previously reported, legal ownership of the Ballymoney Social Centre lies with the Evergreen Club, and the legal title to the Centre is held in a Declaration of Trust (Nov 1963) by Northern Ireland Council for Voluntary Action NICVA 'for and on behalf of the Ballymoney Evergreen Club'.

Identification of options

Meetings took place on 31st May and 29th June with the Evergreen Club, NICVA and Council officers in order to identify and explore options for the future of the Centre. Two options have been identified:

1. Council acquires legal ownership of the asset and in doing so takes responsibility for the refurbishment/ rebuild and operation.
2. The Evergreen Club retains legal ownership of the property and Council supports the operation of the centre until 30th November 2016 as previously agreed.

Consideration of options

There are a number of considerations in relation to these 2 options:

1. Council acquires legal ownership of the asset and in doing so takes responsibility for the refurbishment/ rebuild and operation.
 - a) Capital Cost. As stated above, the building is currently in a poor state of repair. A full refurbishment or rebuild would be required in order to justify the capital investment in terms of the lifespan of the building. Major refurbishment of the building was

previously priced by Ballymoney Borough Council at a cost of £290,000 (not incl. professional fees) in Jul 2014. A demolition and rebuild option, at an estimated cost of £350,000, may prove to be a more cost effective option.

- b) The identification of Need. The investment for refurbishment or rebuild would require the application of Council's policy; the 4 stage capital investment process, including preparation of an outline business case. An audit of facilities available for community use in Ballymoney (Audit of Need and Options Appraisal in relation to Community Facilities in Ballymoney. Blu Zebra Ltd Nov 2015) shows an overprovision of facilities available for community use in Ballymoney. The business case would conclude that the need for the facility does not exist.
- c) Legal Advice. Legal advice received by the legacy Ballymoney Borough Council advised that *"acquiring the legal title to the premises from NICVA may not, in fact, be a course of action which the Council would particularly wish to pursue as it would invest in the Council all the duties and responsibilities of acting as Trustee without any of the benefits of beneficial ownership of the premises."*

More recent legal advice from Council's solicitor (David J Hunter, ongoing 2016) concurs with this advice. *"Council could purchase the property from the Evergreen Club for a nominal sum and NICVA would consent to this. However NICVA have made it clear that they would at all times enforce the terms of the trust deed whereby they will ensure that the property is used for similar purposes as the Evergreen club was established for. This would mean that Council's hands could be tied if they did take on the building and wanted to use it for some other purpose, should the Evergreen club wind up"*.

- 2. The Evergreen Club retains legal ownership of the property and Council supports the operation of the centre until 30th November 2016 as previously agreed.
 - a) Refurbishment. The building, which was constructed in 1965, is in a poor state of repair and the Evergreen Club would need to secure funding for renovation of the building. At a most basic level, the costs of renovation, to include new electrical installation, new kitchen, stage lift and decoration, would be approximately £150,000. The Evergreen Club has significant experience of securing funding for small social activities; however they have confirmed themselves that they do not have the capacity to secure such large capital funds and to oversee such a significant project.
 - b) Operating Costs. Net annual running costs for the building are approximately £3,000 excluding caretaker costs, with an additional £10,000 approximate annual maintenance costs. Through its Community Development Grant Programme a small grant of £2,000 would be available to contribute towards running costs of the Centre. However due to the nature of the Evergreen Club committee, they state that they do not have the necessary resources or capacity to operate and manage a community building.
 - c) Asset Realisation. In the event that responsibility for the building reverted back to the Evergreen Club, the option of selling the building is available to them. The Evergreen Club would need to find another venue to use for their activities as well as funding for venue hire, however proceeds from the sale of the building could be used for costs associated with the provision of services for older people, and could therefore be offset against expense of alternative venue hire.
 - d) Alternative Viable Premises. Council has offered alternative facilities i.e. Ballymoney Town Hall and it is understood that another local organisation has offered alternative facilities for the use of the Club.

Recommendation

Council considers the options of:

1. Acquiring legal ownership of the asset and in doing so take responsibility for refurbishment/ rebuild and operation;
2. Not acquiring legal ownership and supports the operation of the centre until 30th November 2016 as previously agreed.