

## APPENDIX 2

### 7. OPTIONS FOR FUTURE OWNERSHIP AND MANAGEMENT

7.1 This section describes the options for the future ownership of the Centre, and its development, in particular:

- advantages and disadvantages of each option
- a risk assessment of each option
- the preferred option

#### 7.2 Analysis of the four options for future ownership and management

7.2.1 The following table set out four options for the future of the Centre. It identifies the advantages and disadvantages of each option and includes a basic risk assessment rating. For the sake of clarity and simplicity, the options assessments have been drafted from the Council's perspective, but the impacts on WHA should be evident.

7.2.2 There are, of course, other permutations and degrees of change available to the Council. The four options set out below would seem the most likely set of possible outcomes and are designed to focus thinking, act as a stimulus for further development work and assist the decision-making process.

**Table 3. Analysis of the four options**

<p><b><u>Option 1 – Retention by NWDC with changes to internal layout and bid for external funding to develop a social enterprise</u></b></p>
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**Advantages**

- NWDC retains the asset
- The building becomes more lettable
- The Council's reputation is enhanced by attracting external funding
- The Council controls the development plan and the link to Potley and Pockeridge Community Centre
- 'Reaching Communities' funding is available to the Council

**Disadvantages**

- NWDC may lack the capacity/commitment to see the plan through

**Risk assessment – low**

- The Council is well positioned to lead a partnership funding bid, and has the in-house project management expertise. There is little to be lost by launching a robust and imaginative bid. But there is no guarantee of funding, and there may be little support for further revenue funding if the bid fails.

### **Option 2 – Retention by NWDC with changes to internal layout, no external funding**

#### **Advantages**

- NWDC retains the asset
- The building becomes more lettable
- The Council controls the development plan

#### **Disadvantages**

- No revenue funding for a development post
- No evidence to suggest the Centre is sustainable without changes to the constitutional and business models

#### **Risk assessment - high**

- It is difficult to see a sustainable future for the Centre without a development post and funding for marketing and advertising
- The local audits have not demonstrated a ready market for the Centre's rooms

### **Option 3 – Disposal to Westlea Housing Association**

#### **Advantages**

- WHA has the expertise and experience to deliver the objective
- The association is a not-for-profit social business with a mission to deliver neighbourhood regeneration and sustainability
- WHA has a history and track-record in the area
- It has an asset management function and its own maintenance service
- The association can apply for Reaching Communities funding

#### **Disadvantages**

- Loss of an asset
- Loss of direct control over the development plan
- The community may oppose the disposal

#### **Risk assessment – medium**

- The disposal depends on WHA's willingness to meet the asking price, but the association would take on the liabilities
- The Council would be handing responsibility for development to a well-respected local agency with a track-record in community development and the resources to see the project through
- The proposal may face opposition from the community, and the reasons for disposal would need to be clearly communicated

#### **Option 4 – Open market disposal**

##### **Advantages**

- Competitive sale may achieve a higher price
- The sale process could introduce alternative service providers
- The Council divests itself of the liabilities

##### **Disadvantages**

- Strong possibility of damage to the Council's reputation as a body committed to neighbourhood renewal and social inclusion
- Loss of a community resource – increased community isolation

##### **Risk Assessment – High**

- The sale of the Centre on the open market would be at odds with the Government's floor targets for neighbourhood renewal and would call into question the Council's commitment to the social inclusion agenda
- Disposal could be perceived as an attack on one of the poorest, most socially excluded communities

### **7.3 Conclusions**

- **This section offers four options for the future ownership of the building – in our view only options 2 and 3 would provide a sustainable future for the Centre**
- **Decisions about future ownership need to be reached by NWDC, which are beyond the remit of this study**