

<b>REPORT TITLE</b>	<b>SEACOMBE FERRY TERMINAL – EUREKA</b>
<b>REPORT OF</b>	<b>ASSISTANT CHIEF EXECUTIVE</b>

**REPORT SUMMARY**

This report seeks approval to the replacement of two existing lease agreements of land adjacent to Seacombe Ferry Terminal with two new leases which would enable Merseytravel and Eureka, The National Children’s Museum, to deliver their proposed science and discovery attraction.

The matter affects the Seacombe Ward and is not a key decision.

**RECOMMENDATION**

That the Assistant Chief Executive be authorised to negotiate the surrender of the two existing leases to Merseytravel of the land adjacent to the Seacombe Ferry Terminal, as shown edged red on the plan attached to this report, and to enter into two new leases on the same or similar sites to Merseytravel for a term of 40 years at a peppercorn rent.

## **SUPPORTING INFORMATION**

### **1.0 REASON FOR RECOMMENDATION**

- 1.1 To enable Merseytravel to work with Eureka to develop a world class visitor attraction at the Seacombe Ferry terminal to replace the Spaceport facility.

### **2.0 OTHER OPTIONS CONSIDERED**

- 2.1 This is an opportunity for the Council to further support delivery of this visitor attraction which will benefit the area. The Council could decide not to grant the new leases but this would mean that the new development could not be created.

### **3.0 BACKGROUND INFORMATION**

- 3.1 Merseytravel currently leases two areas of land from the Council adjacent to the Seacombe Ferry Terminal, as shown edged red on the attached plan. Both leases are for a term of 15 years from 2017 at peppercorn rents. The leases currently do not permit charging for parking and are aimed at helping the movement of travellers and commuters in accordance with the Transport Plan.
- 3.2 Currently Merseytravel operates the ferry and until recently its tourist attraction, Spaceport which is located within part of the ferry building. Merseytravel and the Council have been working with Eureka for a while and have developed an agreement to bring the Eureka science and discovery centre to the Spaceport building.
- 3.3 The new attraction, costing in the region of £12m, will be developed and run by Eureka! the educational charity which has operated the National Children's Museum in Halifax, West Yorkshire for 27 years. It is anticipated that it will bring an attraction of national significance to the borough and will extend the footprint of Liverpool's internationally renowned visitor economy offer across the River Mersey. The Eureka! Mersey experience aims to help create the next generation of innovators, creating and encouraging young people's aspirations and joining them up with pathways to skills development and future work. It will have broad appeal encompassing visitors from a whole range of ages, genders, abilities, ethnic backgrounds, and economic circumstances.
- 3.4 To enable the development Merseytravel will be entering an agreement with Eureka which requires the remodelling of the former spaceport building along with the outside space including the car parks. Merseytravel has therefore asked to replace the two existing leases with new leases which would reflect their agreement with Eureka. This will require a variation of the lease areas which are shown on the attached plan, although the areas may be subject to some remodelling as part of the wider scheme. The new leases will remain at peppercorn rents and also need to be extended to 40 years to tie in with Merseytravel's agreement with Eureka.
- 3.5 The leases will need to permit Merseytravel to sublet the car park areas to Eureka and, whilst Merseytravel will still provide free parking to its commuters, Eureka will need to charge its customers for parking in order to generate sufficient income to

meet its projected figures. This presents an element of potential value to the car parks, although Eureka has advised that any operating surplus will be recycled back to the Combined Authority as part of the grant funding agreement or reinvested back into the attraction itself.

3.6 Members will be aware that under s123 of the Local Government Act 1972, except with the consent of the Secretary of State, the Council shall not dispose of land for a consideration less than the best reasonably obtainable, this includes a lease of over 7 years. The Secretary of State has issued a General Consent which applies where:

- a) the Council consider the purpose of disposal is likely to contribute to the achievement of any one or more of the following in respect of any part of its area of any persons resident in its area (i) promotion or improvement of economic well-being; (ii) promotion or improvement of social well-being; (iii) promotion or improvement of environmental well-being and in addition
- b) the difference between the best price as assessed in line with the guidance in the consent and the price to be paid is not in excess of two million pounds.

3.7 Council officers consider that the terms of the disposal meet the terms of the consent. This is because:

- a) the disposal will contribute to the promotion or improvement of economic well-being by creating a world class visitor attraction which will bring financial investment to the Borough and create employment opportunities.
- b) the car parks have a theoretical potential rental income of £36,000 pa, although in reality this figure is unlikely to be achieved on the open market. As such the difference in land value is well within the threshold for the consent.

## **4.0 FINANCIAL IMPLICATIONS**

4.1 Other than the theoretical foregone rent as referred to in paragraph 3.7 b, there are no financial implications, as the proposed leases will continue to generate peppercorn rents.

## **5.0 LEGAL IMPLICATIONS**

5.1 Under Section 123 of the Local Government Act 1972 the Council may not sell land for a consideration less than the best reasonably obtainable except with the consent of the Secretary of State. The Secretary of State has issued a number of consents that apply to transactions meeting certain criteria. One of these is General Consent (the General Disposal Consent ( England ) 2003), which gives a Council permission to dispose of any interest in land at less than best consideration where the Council considers it will help it to secure the promotion or improvement or the economic social or environmental well-being of its area. However this is subject to the condition that the undervalue (i.e. the difference between the consideration obtained and the best consideration that can reasonably be obtained) does not exceed £2 million, Council

Surveyors have confirmed in this report that the terms of the General Consent and the technical guidance that supplements it have been met.

- 5.2 The transaction will require the Council to enter into new leases with Merseytravel. These will be drawn up by legal services to reflect negotiations conducted by Asset Management colleagues. By granting a lease the Council grants the Tenant the exclusive right to occupy the premises. The Council could not recover possession in the period of the lease except in very special circumstances which may require a court order. At the end of the lease, the tenant has the right to stay in the property and the Council cannot recover possession unless it can provide a ground under the Landlord and Tenant Act 1954.

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

- 6.1 There are no IT or staffing implications arising from the disposal of this land.
- 6.2 The implications for assets are as described in the report.

## **7.0 RELEVANT RISKS**

- 7.1 Failure to revise the leases will mean that Merseytravel and Eureka will be unable to deliver this scheme.

## **8.0 ENGAGEMENT/CONSULTATION**

- 8.1 Engagement has been directly with Merseytravel and Eureka.
- 8.2 Engagement with the public will have been undertaken as part of the planning process.

## **9.0 EQUALITY IMPLICATIONS**

- 9.1 There is no relevance to equality at this time.

## **10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS**

- 10.1 The legal transaction to lease the land will have no environment or climate implications.

## **11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

- 11.1 The land is designated as Urban Greenspace and as part of a Primarily Industrial Area in the Wirral Unitary Development Plan. The ferry/bus terminus buildings are also identified on the National Heritage List as grade II listed buildings.
- 11.2 Planning permission and listed building consent has been granted for the scheme including alterations and refurbishment at the listed buildings and for the reconfiguration and alteration to the car park, bus terminus and landscaping. subject to compliance with conditions set out on the decision notices made on 29 October 2019 (planning ref: APP/19/00969 & LBC/19/00970).

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## **APPENDICES**

Site plan

## **BACKGROUND PAPERS**

Negotiated heads of terms

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

<b>Council Meeting</b>	<b>Date</b>