

TOURISM, COMMUNITIES, CULTURE & LEISURE COMMITTEE**9 March 2023**

REPORT TITLE:	ASSET TRANSFER OF WIRRAL TRANSPORT MUSEUM
REPORT OF:	DIRECTOR OF REGENERATION AND PLACE

REPORT SUMMARY

The Council is proposing to transfer the Wirral Transport Museum to Big Heritage (BH), a locally based non-profit organisation, with a strong background in running museums and visitor attractions across the region. This will be a 25-year lease contracted out of the Landlord and Tenant Act 1954.

The Museum and tramway track in 2021/22 cost the Council £85,000 to maintain and attract a limited number of visitors per year. The proposal by BH would be to create a compelling visitor attraction, drawing in up to 40,000 visitors per year. The Merseyside Tramway Preservation Society (MTPS), who currently run the Museum on behalf of the Council have expressed their full support of the asset transfer to BH, with their board unanimously agreeing to support the proposal.

This Asset Transfer is in line with the Council's approved Asset Strategy 2022-27 approved by Policy and Resources Committee on 9 November 2022. The asset transfer aligns with the Wirral Plan (2021-2026), with the proposal directly supporting the following key themes within that plan:

- A prosperous, inclusive economy where local people can get good jobs and achieve their aspirations.
- A brighter future for all where children, young people and families can break the cycle of poor outcomes regardless of their background.
- Safe, vibrant communities where people want to live and raise their families.

This matter directly affects Birkenhead Ward within the Borough but has implications on all wards as visitors come from across the borough and City Region.
This matter is a Key Decision.

The Heads of Terms document and Big Heritage's plan that are referred to in this report were submitted confidentially for commercial reasons. Therefore, Appendices 1 and 2 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) Approve the Heads of Terms for an Agreement for Lease, Museum Lease, Tramway Operation Agreement and Option Agreement in relation to the landholding of Wirral Transport Museum, East Side of Taylor Street Birkenhead to Big Heritage CIC substantially in accordance with the Heads of Terms as set out in Appendix 1 of this report; and
- (2) Authorise the Director of Law and Governance, in consultation with the Director of Regeneration and Place, to:
 - (a) Negotiate and finalise the legal document associated with this Heads of Terms
 - (b) Seek any necessary regulatory approvals from the Secretary of State in relation to the tramway operation.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 Wirral Transport Museum (Hereinafter referred to as 'the Museum') is costing the Council approximately £85,000 per year and due to its limited opening hours, the visitor attraction welcomes just 6,000 visitors per year. For comparison other Wirral Council heritage assets attracted, pre-pandemic, between 14,000 (Birkenhead Priory) and 50,000 (The Williamson) visitors a year.
- 1.2 Big Heritage (BH) are best placed to take on the Museum for the following reasons:
- They offer a unique provision where BH can link numerous heritage visitor attractions within Central Birkenhead (that on their own are not as compelling) into a single effective package. These attractions are the Battle of the Atlantic Centre (a new attraction due to replace the U-boat story), The Grasshopper (a working example of a giant steam pump used to clear water from the Mersey Railway Tunnel) and the Wirral Transport Museum.
 - BH are a Community Interest Company (CIC), which means the assets and profits must be permanently retained within the CIC and used solely for community benefit, or (in the event of business failure) transferred back to the Council or to another organisation which itself has an asset lock, such as a charity, or another CIC.
 - BH have a strong background in running sustainable business models for museums and visitor attractions across the region, including Western Approaches in Liverpool, Deva Roman Discovery Centre in Chester and will operate The Battle of the Atlantic Centre in Birkenhead.
 - Any profits made to be retained within Birkenhead, by investing back in the Museum itself or in Big Heritage's other Birkenhead visitor attractions: The Battle of the Atlantic Centre and Grasshopper.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 Retain the building as a Council asset.
This option would see the Council continuing to pay maintenance costs and will be liable to any future issues. Visitor numbers would be limited to approximately 6000 per annum, compared to forecasts of 40,000 and would limit the potential of the Museum to expand in years to come as the area undergoes transformation.

There is also a concern of solely relying on volunteer staff (MTPS) to run the Museum, as this may not be sustainable in future years due to risks of a declining volunteer base.

- 2.2 Close the museum and sell the site.
This option would result in the cost, risk and liabilities no longer sitting with the Council. However, this option was discounted as it would likely result in the loss of a visitor attraction and historical asset for Birkenhead, at a time when Birkenhead 2040 Framework is aiming at attracting more people to spend time in Birkenhead. In addition, the MTPS would have to be disbanded and would give rise to complexities surrounding the heritage tramway.

3.0 BACKGROUND INFORMATION

- 3.1 The Wirral Transport Museum, a heritage tramway and transport museum, is an existing Council asset and includes a 1km heritage tramway that runs as a visitor attraction taking passengers by historic tramcars from the Woodside Ferry Terminal to the Museum.

Currently the Museum's day to day activities are run by volunteers from the Merseyside Tramway Preservation Society (MTPS). The Museum operates a limited opening hours schedule, open for visitors in the afternoon on weekends, bank holidays and during school holidays three additional weekdays. The Museum receives approximately 6000 visitors per year. The budget for the Museum and tramway is £45,000 for 2022/23, however in 2021/22 cost the Council approximately £85,000 a year to maintain.

The Museum building has undergone maintenance works in the past few years but will require continuing work to ensure its safe and secure for visitors and volunteers. The Museum and tramway reopened to visitors in October 2021, following the covid-19 pandemic. The tramway is due to undergo some safety repair works in the early 2023, following recommendations from track specialists. The section of track at Woodside Ferry Terminal remains closed, with this section subject to a highway/public realm redesign at Woodside as part of Waterfront Programme.

- 3.2 The Birkenhead Framework 2040 seeks to re-connect the revitalised town centre with the opportunities along the Mersey waterfront, making the most of the town's iconic heritage and buildings. The plan includes the redevelopment of the area surrounding Woodside Ferry Terminal and the creation of a new urban park, termed Dock Branch, which will serve as an active travel route connecting the developments in Wirral Waters to the centre of Birkenhead. Dock Branch will directly border the Museum, with the heritage tramway providing a visitor attraction that will link the newly developed waterfront to the Museum and to Dock Branch Park.

The Museum and tramway are not only an important part of Birkenhead's heritage but also form an integral part of the connectivity of cultural and heritage assets within the regeneration plan.

- 3.4 The proposal is to transfer the Museum asset across to Big Heritage CIC (see section 1.2 for reasons for recommending the proposal). The aim would be to create a sustainable business model for the Museum, working in partnership with the MTPS with an aim to attract 35,000 - 40,000 visitors within 18 months of taking on the site. This would be achieved by utilising the connectivity of the heritage attractions in Birkenhead (see Appendix 2). For instance, visitors could arrive either by Ferry or via train/bus/cycle/walk to Woodside, visit the Battle of the Atlantic Centre and then hop on a heritage tram which takes you to the Museum – with all three attractions combined to create a multi ticket offer.
- 3.5 Any one of the visitor attractions within Birkenhead might be in themselves a compelling experience but having them interconnected, all within the same area, provides an unparalleled visitor experience. And when combined with a revitalised waterfront (including food and drink provision at Woodside Ferry Village, new public art and new public realm) and a new urban greenspace at Dock Branch it creates a

compelling visitor attraction package that maximises visitors to Birkenhead's attractions.

Ultimately the aim is that instead of a 1-2 hour visit, families, tourists and enthusiasts can spend an entire day exploring the different attractions and the local area. They will stay longer in Birkenhead, stimulating the local economy as they choose to eat, drink and shop and explore.

- 3.7 Big Heritage are committed working as a partner alongside the MTPS, and have committed to the following:
- MTPS members will continue to have the same access rights, tram tickets etc as they currently have. Fees, terms and activities of MTPS membership remain with the trust.
 - BH envision a museum that will eventually be open all year round, but do not expect MTPS volunteers to have to commit any more time to manage this.
 - BH will commit to help grow the membership of MTPS, and actively work with the charity to help continue its legacy by diversifying its membership and encouraging new young local members.
- 3.8 MTPS have written to the Council to express their full support of transferring the asset to BH, with their board unanimously agreeing to support the proposal. See Appendix 3 for the letter of support.
- 3.9 The Council is proposing to lease the Museum to BH, for a 25-year period contracted out of the Landlord and Tenant Act 1954. See Appendix 1 for the draft Heads of Terms (HoT) document. Please note the document is currently still in development and the detail is subject to change. However, the main principles of the transfer are agreed between the two parties. The HoT contains the following: Museum Lease, Tramway Operation Agreement, an Option Agreement for the Tramway and Tramway Lease.
- 3.10 The tramway tracks initially would remain under the Council's control, with MTPS continuing to operate the tramways in the short term. Within a 10-year period BH will take ownership of the tramway from the Council, subject to Secretary of State (SoS) approval. The 10-year period allows BH an opportunity to recruit/train staff needed to increase trams running to multiple days per week and to seek approval from the SoS.

4.0 FINANCIAL IMPLICATIONS

- 4.1 No Council funding is required in the asset transfer. Savings will be generated as existing running costs such as maintenance and insurances (to required agreed cover levels) will be the responsibility of Big Heritage rather than the Council.
- 4.2 The budget for the Museum and tramway is £45,000 for 2022/23. However, in 2021/22 it exceeded the budget and cost the Council approximately £85,000 to run, maintain and repair. This cost varies year by year due to maintenance requirements but is consistently over budget.
- 4.3 Transferring the asset across to BH would save the Council the majority of this cost. The costs retained by the Council following the transfer would be the maintenance,

repairs and insurance costs of the tramway tracks for an initial period (up to a maximum of 10 years) until the tramway tracks are transferred across to BH. For last financial year (2021/22) these costs equated to around £5,500. So, this would have resulted in a net saving for the council of approximately £80,000 in 2021/2022.

5.0 LEGAL IMPLICATIONS

- 5.1 Heads of Terms (Appendix 1) are being prepared and contain the following: Museum Lease (lease of the Museum building itself); Tramway Operation Agreement (see section 5.2); an Option Agreement for the Tramway (gives BH the option, but not the obligation, to call for a lease of the tramway within the first 10 years of the Museum Lease having been granted); and Tramway Lease (which would only come into play once the Option Agreement is called upon by BH).
- 5.2 Simultaneously with completion of the Museum Lease, the Council and BH will enter into a commercial Tramway Operation Agreement that will be co-terminus with the Museum Lease. The Tramway Operation Agreement will codify the obligations of both the Council and BH in respect of the tramway itself, and how the volunteers are to be directed to operate the trams on a day-to-day basis. Formal contractual arrangements between the volunteers and the Council would also be put in place when the Tramway Operation Agreement is entered into, to ensure that service delivery was clear to all parties and to ensure the Council could comply with their obligations to BH under the Tramway Operation Agreement. The Tramway Operation Agreement can be found in the HoTs document (Appendix 1).
- 5.3 If vacant and offered for sale on the open market the property could have a value in the region of £370,000 or the potential to generate a rent of £44,000 pa if made available for rent. Under Section 123 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. The Secretary of State has issued the General Disposal Consent (England) 2003 (“the General Disposal Consent”) which applies where:
- a) the Council consider the purpose of disposal is likely to contribute to the achievement of any one or more 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.

It is considered that that the terms of the disposal meet the terms of the General Disposal Consent because the disposal will secure the longer term use of this asset as a museum which will contribute towards the promotion or improvement of social well-being for residents within the local area.

The lease will include restrictions which will only permit a museum use with ancillary activities. Independent valuation advice has indicated that the typical market rent for museum attractions is a peppercorn, so based on the restricted use, the proposed rent does meet the market rant and therefore would meet the requirements under Section 123.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

- 6.1 There are resource issues with the current working setup of the Museum, as currently the Council are only able to dedicate a limited staffing resource to the Museum. The day-to-day running is operated by the MTPS, and whilst this is currently working, there is a concern regarding the sustainability of this arrangement due to declining volunteer bases.
Resources would be greatly enhanced if a dedicated provider such as BH operated the Museum.

7.0 RELEVANT RISKS

- 7.1 Failure to take the option of the asset transfer (Council to retain asset):

This would see the Council continuing to pay maintenance costs and will be liable to any future issues. There is also a concern of solely relying on volunteer staff to run the Museum, as this may not be sustainable in future years due to risks of a declining volunteer base.

- 7.2 Whilst a transfer will handover some of the risks to BH it does leave the Council with different risks that need to be managed i.e. contractual and relationship management. How these will be managed are outlined in the Heads of Terms, specifically the Tramway Operation Agreement which details the obligations of both the Council and BH in respect of the tramway itself.

- 7.3 Financial stability of Big Heritage:

This is mitigated against as the terms of the lease include reversion of the asset back to the Council or to a similar CIC if that situation occurs. If the Museum did revert back to the Council, the Council would then be responsible for its repair and maintenance again. However, the lease contains details that BH should carry out all necessary repairs and maintenance, with checks in place to ensure it meets these requirements.

It is worth noting that Council have undertaken due diligence on Big Heritage and have entered into a grant agreement with them as part of levelling up funding grant agreement for the transformation for the U-boat Museum at Woodside.

- 7.4 Health and safety risks regarding the tramway infrastructure:

The Council will retain the tramway infrastructure in the short term, so the risks associated in ensuring the infrastructure is safe and working correctly remains with the Council. This is until the Option Agreement is enacted by BH and the Tramway Lease comes into play. At this point the tramway infrastructure and all risks associated will transfer to Big Heritage.

In the meantime, operating risks will transfer to BH as outlined in Tramway Operation Agreement, which gives clarity on roles & responsibilities and the ownership of these associated risks. Insurance, risk and legal teams have been consulted on this and are happy with this approach.

To ensure the safety of the track in the short term the Council is currently undertaking an exercise to make some minor repair work to the tracks and will be targeting an annual survey of the tracks to ensure they are safe for operation.

8.0 ENGAGEMENT/CONSULTATION

- 8.1 As part of the Wirral Council Budget 2022-23 public consultation “asset reduction” was suggested in the top five suggestions for how the Council can make additional savings.
- 8.2 The Merseyside Tramway Preservation Society (MTPS) have been consulted on consistently throughout the process and are in full support. See Appendix 2 for a letter of support from the MTPS. Local businesses have also been consulted on the proposal.
- 8.2 The Museums Service Strategy consultation included comments such as “the Priory, Williamson and Transport Museum are jewels in the crown of the borough and should be cherished and looked after for future generations”. This proposal seeks to ensure that the Museum is here for future generations.

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 (EIA) 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. An EIA has been conducted for this report, see here for link:
<https://www.wirral.gov.uk/communities-and-neighbourhoods/equality-impact-assessments/equality-impact-assessments-budget-proposals-2023-24>

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

- 10.1 The content and recommendations contained within this report are expected to:
- Have no impact on emissions of Greenhouse Gases

11.0 COMMUNITY WEALTH IMPLICATIONS

- 11.1 The Museum will lead to creation of local employment. Big Heritage propose the creation of at least five full time positions. As a CIC all profits made will be either reinvested into the Museum itself or into other Birkenhead attractions.
- 11.2 The Museum contributes to the wider visitor attractions of Birkenhead. One of the key objectives of The Birkenhead Framework 2040 is to ensure all our communities share more fully in the wealth we generate and in the economic assets that the Council house. Creating a new and improved museum seeks to improve conditions, create jobs and higher skill levels and to ultimately improve the community wealth of all that live and work in the area.

REPORT AUTHOR: Luke Bithell
(Regeneration Project Manager)
telephone: 0151 606 2338
email: lukebithell@wirral.gov.uk

APPENDICES

Appendix 1: Heads of Terms (Exempt)
Appendix 2: Big Heritage Woodside Proposal (Exempt)
Appendix 3: MTPS Letter of Support
Appendix 4: Wirral Transport Museum – Building Plan

The documents in Appendices 1 and 2 were submitted confidentially for commercial reasons and are therefore exempt from publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

The appendix files below may not be suitable to view for people with disabilities, users of assistive technology or mobile phone devices. Please contact Luke Bithell (lukebithell@wirral.gov.uk) if you would like this document in an accessible format.

BACKGROUND PAPERS

Birkenhead Framework 2040
Museums Service Strategy consultation
Big Heritage Woodside Proposal
Wirral Council Budget 2022-23 public consultation
Wirral Plan (2021-2026)

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