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<b>Report To:</b>	<b>Environment and Regeneration Committee</b>	<b>Date:</b>	<b>3 March 2016</b>
<b>Report By:</b>	<b>Corporate Director Environment, Regeneration and Resources</b>	<b>Report No:</b>	<b>ENV005/16/AF/GM/GF</b>
<b>Contact Officer:</b>	<b>Gordon Fisher</b>	<b>Contact No:</b>	<b>01475 712495</b>
<b>Subject:</b>	<b>Proposed Lease of Land to Ferguson Marine Engineering Limited</b>		

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## 1.0 PURPOSE

1.1 The purposes of this report are to:

- a) advise the Committee of the responses to the public consultation as approved by the Committee at its meeting of 29 October 2016 on the proposal to dispose of an area of ground comprising part of Coronation Park, Port Glasgow, shown outlined on the attached plan, Appendix 1, to Ferguson Marine Engineering Limited; and
- b) having regard to the public consultation, to ask the Committee whether it approves a disposal by way of a lease on terms undernoted.

## 2.0 SUMMARY

2.1 As was reported to the Committee on 29 October 2015, Ferguson Marine Engineering Limited ("Ferguson") has approached the Council seeking to acquire the areas of ground, to accommodate car parking as part of their expansion programme, with its resultant increase in the area of buildings and proposed increase in workforce.

2.2 Following completion of single party negotiations and the public consultation, if the disposal is approved, officers will negotiate the details of long term lease to Ferguson on terms as more fully described in Appendix 3 of this report.

## 3.0 RECOMMENDATIONS

It is recommended that the Committee:

3.1 Considers the responses and objection received to the public consultation in terms of Section 27 of the Town and Country Planning (Scotland) Act as detailed in Appendix 2.

3.2 If a disposal is approved, grants delegated authority to the Corporate Director Environment, Regeneration & Resources to complete negotiations and enter into a lease of areas of land at Coronation Park, Port Glasgow as identified on the attached plan, Appendix 1, with the adjoining land owner Ferguson (or such other company as may be nominated by Ferguson and is satisfactory to the Head of Legal and Property Services and to the Chief Financial Officer), on the basis of the Heads of Terms referred to in this report, and otherwise on terms and conditions acceptable to the Head of Legal and Property Services and to the Chief Financial Officer.

**Gerard Malone**  
**Head of Legal and Property Services**

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## 4.0 BACKGROUND

- 4.1 The Council has a large land holding in and around Ferguson's shipyard in Port Glasgow, part of which comprises Coronation Park. The recent acquisition of the shipyard by Ferguson Marine Engineering Limited and the new owner's expansion plans currently underway have identified a shortage of space for car parking. Ferguson has approached the Council seeking to acquire the areas of land shown outlined on the attached plan, Appendix 1.
- 4.2 The Council usually advertises ground on the open market for competitive tender. In certain circumstances, it is possible to negotiate on a single party basis with immediately adjacent owners. This Committee granted consent for such negotiations regarding this proposed lease at its meeting of 29 October 2015, granting delegated authority to the Corporate Director Environment, Regeneration & Resources to enter into single party negotiations for said proposal.
- 4.3 It is proposed to lease the land to Ferguson on the basis of a long lease at a peppercorn rent with payment of an initial grassum as determined by the District Valuer (Appendix 3), equivalent to the capital value of the land. The proposed lease will contain provision that the land will revert to the Council at the date of expiry or earlier termination of the lease should the land not be used for car parking for shipyard workers or no longer be required for the purpose for which it is being let, that is car parking for shipyard workers. There will also be a re-instatement clause obliging Ferguson to return the land as park land.
- 4.4 The District Valuer was instructed to provide valuations of the land on two bases, firstly as existing, that is as amenity park land, and secondly reflecting development value given Ferguson's proposals. These figures are specified in Appendix 3. The Open Market Value of land and a grassum for the long lease at a peppercorn rent command the same figure.
- 4.5 Given that the Council is proposing to lease park land to Ferguson, and obliging them to return it in the same condition, officers are of the view that the appropriate level of value to apply to this transaction is the value of the land as park land only.
- 4.6 In that the Council, if it is so decided, is therefore disposing of the land at full market value for the purpose for which it is intended, officers do not consider that there is any requirement to refer to the terms of the Disposal of Land by Local Authorities (Scotland) Regulations 2010. Similarly, there is no requirement to have regard to the EU State Aid rules.
- 4.7 In addition to the grassum, any legal fees and costs incurred by the Council, including those associated with advertising and the consultation process, will be met by Ferguson. Appendix 3 is a private appendix as it includes exempt information relative to potential negotiations which will be undertaken, if approved, and also refers to financial information affecting third parties

## 5.0 CONSULTATION

- 5.1 At its meeting of 29 October 2015 the Committee noted the requirement for public consultation on the proposal under Section 27 of the Town and Country Planning (Scotland) Act 1959 ("S27").
- 5.2 S27 requires that a Local Authority, before proceeding with the proposed disposal of any land which can be defined as "common or open space" publish a Notice for at least two consecutive weeks in a newspaper in circulation in the local area. The Local Authority must consider any objections made to the disposal. The term disposal includes either a sale or a lease.
- 5.3 Advertisements notifying the public of this proposal were carried in the Greenock Telegraph on Thursday 3 December 2015 and Thursday 10 December 2015. Appendix 2 details the three

responses received, of which two were in support (but with suggestions on how the proposals should proceed), and one of which was an objection. Subsequent correspondence between officers and the respondents is also included in this appendix. As per the recommendations, the Committee should consider the terms of these responses before reaching a decision on whether and how the disposal should proceed.

## 6.0 IMPLICATIONS

### 6.1 Finance Services – One Off Costs

COST CENTRE	BUDGET HEADING	BUDGET YEAR	PROPOSED SPEND THIS YEAR	VIREMENT FROM	OTHER COMMENTS
Capital fund		2015/16	(£20,000)		Grassum of land
Capital fund	IC – Legal Fees and charges	2015/16	£TBC		Payable by Fergusons

### Financial Services – Annually Recurring Costs / (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From	Other Comments

6.2 **Legal:** The Head of Legal and Property Services has confirmed that the areas of land forming Coronation Park are held within the ownership of the Council and do not form part of the Common Good. He is also of the view that the title contains no restrictions on the proposed disposal of the areas of land. Following on the requirement under Section 27 of the Town and Country Planning (Scotland) Act 1959 for the proposal to dispose of the land to be advertised in local press, the Committee is required to consider the terms of any objections received to that disposal prior to reaching a decision on whether not to proceed. Should the recommendation be approved, officers from Legal and Property Services require to adjust and complete the necessary contract and lease documentation.

6.3 **Repopulation:** As the subjects of this report will assist employment opportunities within Inverclyde this in turn will make Inverclyde a more attractive area to live. This report is therefore considered to be making a positive contribution to the repopulation initiatives.

6.4 **Equality:** Officers have considered any potential equality issues arising from this report and have concluded that there are no such implications.

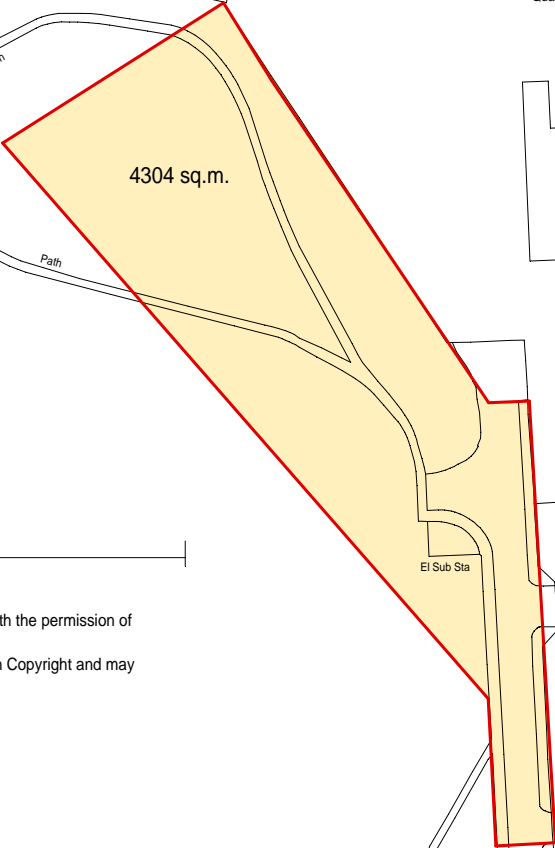
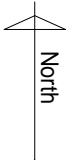
## 7.0 CONSULTATIONS

7.1 The Chief Financial Officer has been consulted on the contents of this report.

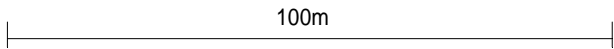
## 8.0 BACKGROUND PAPERS

8.1 None.

# Proposed Disposal of areas of land at Coronation Park, Port Glasgow.

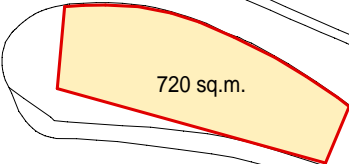


4304 sq.m.



100m

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720 sq.m.



122 sq.m.

GREENOCK ROAD

GREENOCK ROAD

BAY STREET

BM 3.98m

Inverclyde Council  
Regeneration & Planning  
Municipal Buildings  
Greenock

1:1250 Scale Plan A4  
S1000/Z100 - cd - FEB 2016

## APPENDIX 2a

### Initial Objection email

*From: Miss Catherine Mooney,*

*I wish to state my objection to the proposal to sell/lease/rent/or gift public land in the Coronation Park to Ferguson Marine or any other party for use as a car park.*

*The plans for this car park show significant loss of amenity to the town through loss of views and pedestrian access to and enjoyment of the river, spoiling one of the most attractive areas of the park. This area is one which does not flood in bad weather, remaining accessible to people, and it includes a number of the few trees in the park. A car park so close to the river would be unsightly and intrusive, would cause disturbance to wildlife, and the inevitable light pollution would be visible for a considerable distance in all directions.*

*One must assume this proposed car park will have to be lit and fenced or walled off, thus changing the open nature of the park and preventing its use by residents and visitors.*

*Further consideration should be given to siting the proposed car park in a less sensitive area, and requiring that any land identified for this purpose provides for improved tree planting and other natural screening, and includes effective mitigation measures against light pollution, access problems and other nuisance.*

### Response

Dear Miss Mooney

I refer to your email of 9 January 2016 on the proposed disposal of part of Coronation Park in Port Glasgow to Ferguson shipyard. My client service has considered the term of your email and asked that I pass the following comments on in response.

This proposal, if agreed, will result in the development of additional car parking for shipyard workers, required to assist in the expansion of the facilities being offered by the yard. It is expected that the expanded facility will attract increased business, securing existing jobs and encouraging further employment which is much needed in the area.

You have raised the question of impact on amenity at the Park. Officers recognise that there will be such an impact should this disposal proceed, however it is their view that that the above benefits outweigh this impact. As part of the Planning process, it is understood that colleagues in our Planning Service will recommend that should planning permission be granted, conditions should be included to provide for landscaping and screening works by the developer to mitigate such impact, and for paths to be re-routed to ensure no loss of general access.

You have also raised the question of light pollution. Whilst there will inevitably be some increase in light pollution, having regard to existing street lighting and lighting to the shipyard, it is the view of officers that any increase in light pollution would be of minimal effect.

## APPENDIX 2a

You have also raised the question of impact on wildlife. As the river frontage is being excluded from the leased area, it is the view of officers that the effects on wildlife will not be material.

You have suggested consideration be given to other locations. Other areas of land have been considered to provide car parking, but there is nothing available in reasonable proximity which is suitable. No eastward expansion can be considered due to the historic monument.

You can also comment on these matters through the planning process, and I am advised by planning colleagues that you have already commented.

Officers do recognise that the future is never certain, and to safeguard the future interest of the Community of Port Glasgow in the land, will be recommending that the areas of ground be leased to Fergusons, rather than sold, with a clause that the land will revert to the Council should it not be used for the purpose for which it is being leased. There will also be a restoration clause included, requiring the land to be re-instated as park land before being returned to the Council.

If the above explanation addresses your concerns and you wish to withdraw your objection, then please let me know. If I do not hear from you, I will however assume that you wish your objection to be maintained. Your comments, and this response, will be included in the papers to be placed before the elected members so that they may have regard to them in making the decision as to whether or not the lease will proceed.

Further response

15 February 2016

Thank you for your helpful and informative letter, and for commenting on each of my specific concerns.

I confirm that I would wish the papers to go to the planning authority as you outline, to ensure that my concerns are recorded, and with these observations following from your letter:

- We are in complete agreement on the desirability of securing and encouraging further employment in the town and I have absolutely no wish to jeopardise this; I wish only to ensure the best possible protection of an area of considerable amenity to the town
- I note and find some reassurance in your comments on the conditions to be placed regarding landscaping, re-routing of paths, the exclusion of river frontage and in particular the lease of the land with reversion and restoration clauses
- I have some residual concerns about the lack of a specific requirement for the optimum mitigation of light pollution, particularly at night, and also the rather general nature of your comment about the "officers'... view that the...benefits outweigh this impact". It is important that elected members are satisfied that the impact assessment has been formal and thorough.

For these reasons, I would like my concerns to be a matter of record.

## **APPENDIX 2b**

### **Initial Comment**

#### **Re: Disposal of Land at Coronation Park**

With regards to the above, is there a company interested in this land? Who are they? What do they propose to build? Or will it go for sale on the open market?

I have no wish to hinder progress that may bring employment to Inverclyde. Wouldn't it be better to lease the land instead of selling?

If in the future the purchaser was to move on then the land would revert back to the Local Authority

I believe this would be the best option.

I am most interested to hear your views on this proposal.

Regards

Mrs. M Marshall

### **Response**

Dear Mrs Marshall

#### **Disposal of Land at Coronation Park, Port Glasgow.**

I refer to your letter of 13 January 2016, and my acknowledgement of 14 January, on the proposed disposal of part of Coronation Park in Port Glasgow.

My client service has asked that I pass the following comments on to you by way of a fuller response.

You have asked for more background on the proposal. The proposed disposal is to Ferguson Shipbuilders, and if it proceeds, the site will be used to provide additional car parking for shipyard workers, necessitated by the expansion of the facilities being offered by the yard. It is expected that the expanded facility will attract increased business, securing existing jobs and encouraging further employment much needed in the area.

It is noted and welcomed by officers that you do not wish to hinder such progress and benefits.

## **APPENDIX 2b**

You have suggested that the disposal be by way of lease. To safeguard the future interest of the community of Port Glasgow in the land, officers will indeed be recommending that the areas of ground be leased, rather than sold, to Ferguson.

They will further be recommending that the following be included in any lease: a) a clause providing that the land will revert to the Council should it not continue to be used for the purpose for which it is being leased; and b). a restoration clause, requiring the land to be re-instated as park land before being returned to the Council.

Your comments, and this response, will be included in the papers to be placed before the elected members so that they may take them into account when making the decision as to whether or not the lease will proceed.



## APPENDIX 2c

### Initial Comment from Port Glasgow Community Association,

*One of the issues raised was regarding the sale of Coronation Park land to Fergusons.*

*Whilst we welcome and support this new shipyard initiative, members of the public felt that it would be in the best interests of the people of Port Glasgow (and Inverclyde), if the land were leased on a long term agreement, or, if the land has to be sold, then Inverclyde Council should have the first right to buy it .*

*If the shipyard were to wind down in years to come, then this land should be returned to the people of Port Glasgow, through the good offices of Inverclyde Council.*

*I would be pleased if you could put our comments forward to the appropriate meeting, which will make the decision.*

### Response

Dear Tommy

I refer to your email of 7 October 2016 (and to the replies sent to you same day by Aubrey Fawcett and Gordon Fisher) on the proposed disposal of part of Coronation Park in Port Glasgow to Ferguson shipyard.

The Association's support of the proposal is noted and welcomed by officers, as are your comments on the protection of the future interest of the community of Port Glasgow in the land.

To safeguard this interest , officers will be recommending that the areas of ground be leased, rather than sold, to Ferguson with a clause that the land will revert to the Council should it not be used for the purpose for which it is being leased. They will also be recommending that a restoration clause be included, requiring the land to be re-instated as park land before being returned to the Council.

Your comments, and the replies you have been sent, will be included in the papers to be placed before the elected members so that they can take them into account when making the decision as to whether or not the lease will proceed.