
NORTH AYRSHIRE COUNCIL

21 February 2023

Cabinet

Title:	Lease Acquisition – Seabed at the Ardrossan Strategic Regeneration Site
Purpose:	To seek Cabinet approval to lease 1,478m ² of seabed from Crown Estate Scotland to enable the development of the proposed revetment works at the Ardrossan Strategic Regeneration Site.
Recommendation:	That Cabinet approves the lease acquisition of the seabed from Crown Estate Scotland for a period of 99 years at a grassum rent of £38,850, exclusive of VAT.

1. Executive Summary

- 1.1 This report is seeking Cabinet approval to commence with a lease, agreed in principle, with Crown Estate Scotland in relation to 1,478m² of seabed adjacent to the proposed Ardrossan Strategic Regeneration site (see Appendix 1). The proposed lease will enable the development of a revetment works proposed as part of the wider Ardrossan Strategic Regeneration Programme.
- 1.2 The Ardrossan Strategic Regeneration Programme comprises a range of projects, including a new Ardrossan Community Campus, which are set to transform central Ardrossan. To deliver this programme, a series of enabling works are required including construction of a new revetment to protect the site from coastal flooding risk.
- 1.3 The revetment works are due to be situated, in part, on 1,478m² of seabed owned by Crown Estate Scotland.
- 1.4 Following initial negotiations with Crown Estate Scotland, it is recommended that the Council enters a commercial lease, the terms of which have been agreed in principle, of the relevant area of the seabed for a period of 99 years with a grassum (or initial) rental of £38,850 exclusive of VAT. This would be funded from existing budgets. The annual rent thereafter would be £1.00 p.a.
- 1.5 While a decision to formally progress the lease at this stage is in accordance with the updated project programme to enable opening of the Ardrossan Community Campus in August 2026, it is also recommended that Cabinet approves the Council entering into an Early Consent Agreement, should such an Agreement be required. Officers would seek to conclude the lease as efficiently as possible, however, to minimise any risk of delay in the construction of the revetment works, an Early Consent Agreement can be concluded prior to the proposed lease to allow early access to the site.

2. Background

- 2.1 The Ardrossan Strategic Regeneration Programme comprises a range of projects, including a new Ardrossan Community Campus, which are set to transform central Ardrossan and one of the largest vacant and derelict sites in Scotland which is identified as a key strategic location in the Council's recently approved Regeneration Delivery Plan. To deliver this programme, a series of enabling works are required including construction of a new revetment to protect the site from coastal flood risk.
- 2.2 The revetment works are due to be constructed, in part, on 1,478m² of seabed owned by Crown Estate Scotland (see Appendix 1). Following negotiations with the Crown Estate Scotland and their agent, Bidwells, it is proposed that the Council enters into a 99-year lease at a commercial rent to enable the construction of the revetment works. A 99-year period is proposed as it provides the Council with security over the land for a duration that reflects the lifespan of the revetment works and this timescale is also acceptable to Crown Estates Scotland.
- 2.3 Approval is sought to progress with a commercial lease for a period of 99 years at a grassum rental of £38,850 exclusive of VAT (a grassum rent is where it is discounted for the period of the agreement and paid in advance). The annual rent thereafter would be £1.00 per annum exclusive of VAT. The lease sums would be funded from existing capital budgets associated with the project.
- 2.4 Crown Estate Scotland have advised that it may take some time to complete the legalities for the lease. Consequently, to progress matters and minimise the risk of any development delays, it is proposed that, if necessary, an Early Consent Agreement is entered into. This will allow the Council to commence works on the land in accordance with the project programme and prior to completion of the lease, whilst the relevant legal procedures are completed. Any agreement for access under an Early Consent Agreement would be aligned with the lease Heads of Terms. The intention of such an agreement is to ensure that there are no delays in relation to the construction of the revetment works.

3. Proposals

- 3.1 It is recommended that the Council enters a commercial lease of the seabed for a period of 99 years with a grassum rental of £38,850 exclusive of VAT. The annual rent thereafter would be £1.00 per annum exclusive of VAT.
- 3.2 It is also recommended that Cabinet approves the Council agreeing to an Early Consent Agreement, if required. Officers would seek to conclude the lease as efficiently as possible, however, to avoid any delays in construction of the revetment works, the Early Consent Agreement would be entered into.
- 3.3 The Early Consent Agreement will permit the Council access to the land to enable works to commence in accordance with the project programme and prior to completion of the lease.

4. Implications/Socio-economic Duty

Financial

- 4.1 The proposed lease will result in the Council paying a grassum rent of £38,850 exclusive of VAT followed by an annual rent of £1.00 per annum exclusive of VAT.

The cost of the grassum rent will be met from the existing capital budget for the Ardrossan project enabling works.

Human Resources

4.2 None.

Legal

4.3 The Lease Documentation and potential Early Consent Agreement would be progressed with Legal Services.

Equality/Socio-economic

4.4 None.

Climate Change and Carbon

4.5 The proposed lease will permit the construction of the revetment works. This will enable remediation works within the wider area and support adaptation to the impacts of climate change by offering the appropriate level of flood protection to the site.

Key Priorities

4.6 The proposals support the Council Plan priorities that North Ayrshire's children and young people have the best start in life, and that North Ayrshire is well-connected with effective infrastructure

Community Wealth Building

4.7 There are no specific implications arising from this report, however the proposed lease will support the overall objectives of the Ardrossan Strategic Regeneration Programme which will contribute to the Community Wealth Building objective of making the best use of our land and assets by bringing back into economic use one of the largest vacant and derelict sites in North Ayrshire.

5. Consultation

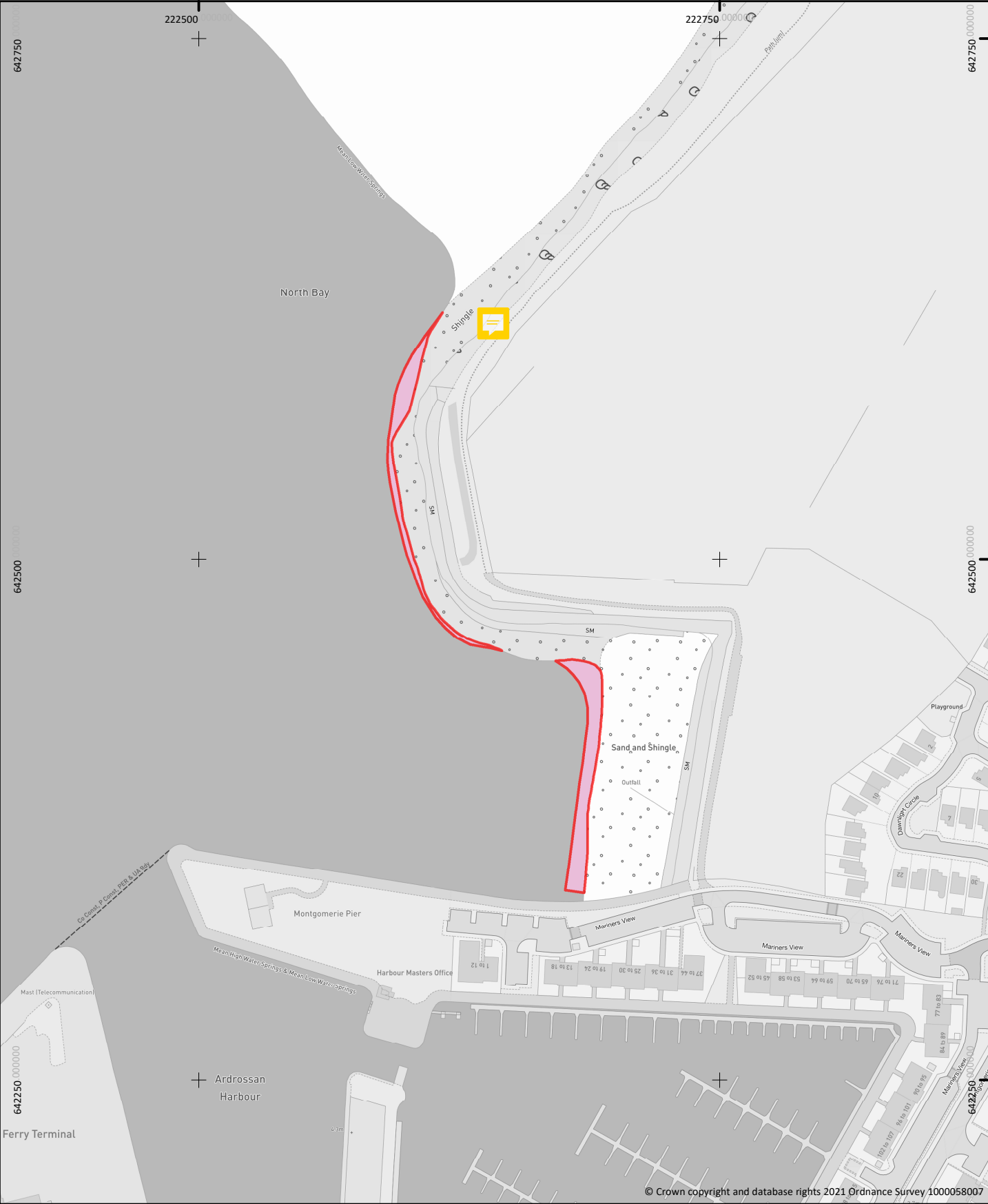
5.1 Consultations have taken place with Legal Services and a number of services within the wider Place Directorate in arriving at the recommendation contained in this report.


RUSSELL McCUTCHEON
Executive Director (Place)

For further information please contact **David Hammond, Head of Sustainability, Corporate Property & Transport** on **01294 324514**.

Background Papers

1 – Site Plan



 Revetment

FOR INFORMATION ONLY