

LIVERPOOL CITY REGION COMBINED AUTHORITY

To: The Metro Mayor and Members of the
Combined Authority

Meeting: 26 July 2019

Authority/Authorities Affected: All

Key Decision

EXEMPT/CONFIDENTIAL ITEM: Appendices 1-2 are exempted by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

REPORT OF THE PORTFOLIO HOLDER FOR INCLUSIVE ECONOMY AND THIRD SECTOR AND DIRECTOR OF COMMERCIAL DEVELOPMENT AND INVESTMENT

EUREKA! THE NATIONAL CHILDREN'S MUSEUM, SEACOMBE

1. PURPOSE OF REPORT

- 1.1 This report seeks Combined Authority approval to commit up to £6.642m of Strategic Investment Fund grant funding to support the development of the Eureka! Mersey museum at Seacombe Ferry Terminal.

2. RECOMMENDATIONS

- 2.1 It is recommended that the Liverpool City Region Combined Authority:

- (a) Agree to determine the decision in accordance with the requirements set out in Part 4, Section B, paragraph 14 of the Combined Authority Constitution, namely Notice of a Key Decision Special Urgency. Members are referred to Section 3 below which provides the circumstances of the request.
- (b) Approve grant support of up to £6,642,000 for the Eureka! Mersey project.
- (c) Delegate authority to the Director of Commercial Development and Investment to finalise negotiation of detailed funding terms and associated agreements in consultation with the Combined Authority Monitoring Officer and Combined Authority Treasurer.

3. KEY DECISION/FORWARD PLAN NOTIFICATION

- 3.1 The report members are considering is a key decision as defined in the Constitution (Part 4, Section B, paragraph 11) and would ordinarily require forward plan notification (Part 4, Section B, paragraph 12).

Officers request that members consider this item under part 4 Section B, paragraph 14 Notice of a Key Decision – Case of Special Urgency.

This decision was originally forecast by officers to be considered at the September meeting of the Combined Authority. To that end a forward plan notification was prepared to alert interested parties to the fact that this item would be considered at that September meeting. Following the consideration of the full business case at the Investment Panel on 11 July 2019, it came to light that the applicant would greatly benefit from the Combined Authority considering this application for SIF funding in July 2019 and not waiting until September 2019. The applicant has advised that other funding streams are conditional upon the SIF funding being agreed and will this will bring forward the receipt of other funding streams. Early decision by the Combined Authority will also facilitate greater confidence in the programme eliminating the risk of any delay which would have implications for achieving the agreed programme timeline and opening date.

It is in these circumstances, that the Chair of the Overview and Scrutiny Committee has been consulted (Cllr Tom Crone). Cllr Crone's views are that he is content for the item to be included on the July agenda.

4. PROJECT SUMMARY

- 4.1 Since 2005, Merseytravel has operated a museum, Spaceport, in the Seacombe Ferry Terminal on the Wirral. Merseytravel owns the terminal building. Spaceport has seen visitors numbers fall from 96k to 36k p.a. over the last 10 years. The museum has generated an average operating loss of c. £250k p.a. since 2005.
- 4.2 To identify a possible solution to the poor performance of the Spaceport offer, museum operators were invited by Merseytravel to put forward their proposals. Merseytravel selected Eureka! The National Children's Museum ("Eureka!") as preferred supplier.
- 4.3 Eureka! is a company limited by guarantee. The company was formed in 1985 and is registered with the Charity Commission. The charity's objectives are to promote, maintain and advance public education through promoting and running museums for children. The company operates its existing footprint from Halifax and its leadership team has a track record of delivering a high quality and nationally recognised children's museum.
- 4.4 The proposal is to open a new museum in Liverpool based at the Seacombe ferry terminal, Wirral. The museum will focus on promoting Science, Technology, Engineering, Arts and Maths ("STEAM") activities for children in the Liverpool City Region ("LCR"). The proposed science and discovery centre will build on the successful experience of Eureka! National Children's Museum in Halifax. The Museum will target a broad range of visitors and the core audience will be children aged 6-14.
- 4.5 Eureka! has deployed a "co-creation" methodology to plan the museum, developing the offer to ensure that it appeals to the target audience. The co-creation process covers pairing groups from The Hive Youth Zone (Wirral) and pupils from local primary and secondary schools with experts from industry/academia to explore ideas, content and delivery methods for the museum. Delivering the project in this collaborative way helps to ensure that the offering is attractive, engaging and relevant to the target audience.

- 4.6 Expert partners will contribute STEAM expertise, industry knowledge and real-life case studies and examples. They include Unilever, Ørsted (a renewable energy company), Alder Hey Children’s Hospital, SciTech Daresbury Science and Innovation Park and Liverpool John Moores University. Also involved are community partners who will host wider consultation/co-creation events with families and special interest groups e.g. Young Carers, Home Education Networks and Special Educational Needs Schools, to test and refine the emerging ideas and designs.
- 4.7 The total project cost is £11.75m. Eureka! have applied for up to £6.642m from the SIF. The SIF money will be used to co-finance the renovation of the terminal building and the building of the exhibitions. The remaining project costs are being met by a combination of grant support, including £3m won competitively from the national Inspiring Science Fund, and partner/philanthropic sponsorship. The drawdown of these is conditional on Eureka! receiving the SIF grant.
- 4.8 Wirral Council proposed to support the project financially and is assisting Eureka! in delivery.
- 4.8 The project has a strong strategic fit and it will bring a recognised charity to deliver a major new visitor attraction to the LCR. By promoting involvement and awareness of STEAM themes, Eureka! Mersey will help build up the skills of the future workforce of the City Region for four of the six key sectors: Advanced Manufacturing; Digital and Creative; Health and Life Sciences and Low Carbon Energy.
- 4.8 From an operational perspective, the management team are committed to operating, wherever possible, a local procurement policy. As an employer, the company has a positive policy of developing and training their employees. All staff will have access to preferential access to both personal and career development programmes.

5. SUMMARY APPRAISAL

- 5.1 The Combined Authority engaged Hatch Regeneris to conduct an external economic appraisal of the project and review the business case.

The appraisal concludes that the project offers good value for money. The below table provides a summary of the key metrics for the project:

Gross Value Added	£16.1m
Benefit Cost Ratio	2.56
Gross Jobs	161
Net jobs	91.5
Number of visitors p.a (stabilized year)	187,000

Note that the figures above are based on the maximum grant £6,642,000.

A copy of the Investment Panel paper is attached as a confidential and exempt Appendix 1.

6. INVESTMENT PANEL CONSIDERATIONS

- 6.1 At its meeting of 11 July 2019, the SIF Investment Panel endorsed the Project to proceed to Combined Authority consideration. The Panel welcomed the creation of a STEAM focussed museum on the Wirral and noted the scope of the involvement so far with local communities and residents. The Panel noted the substantial experience of the Eureka! leadership team, in delivering a visitor attraction and fundraising by reference to the successful Halifax site.

A copy of the Investment Panel paper is attached as a confidential and exempt Appendix 2.

7. RESOURCE IMPLICATIONS

7.1. Financial

The proposed funding request can be accommodated as part of the overall Strategic Investment Fund allocation.

7.2. Human Resources

The Investment Team and Legal Team will lead the negotiation of the grant agreement and the Programme Management Office will have responsibility for managing the delivery of the Combined Authority's investment.

7.3. Physical Assets

The physical assets to be use in the project are fully detailed in this report.

7.4. Information Technology

The approval of funding will not give rise to Information Technology issues.

8. RISKS AND MITIGATION

- 8.1 A risk assessment and management strategy has been produced as part of the full business case. For the Combined Authority, timely delivery and operational viability is key; both have been tested through the investment process.

9. EQUALITY AND DIVERSITY IMPLICATIONS

- 9.1. Equality and Diversity implications are considered as part of the appraisal process in accordance with the LCRCA's Investment Strategy.

10. COMMUNICATION ISSUES

- 10.1. The project will be subject to the Combined Authority's branding guidelines and publicity requirements placed upon them as part of the Grant Agreement. In addition the Combined Authority will, through its adopted communication protocols, publicise the award of funding to the project and the associated envisaged outcomes.

11. SUMMARY

- 11.1 This report presents the proposed grant funding arrangements in respect of the development by Eureka! The National Children's Museum of a major new visitor attraction for the LCR and seeks delegated approval to the Director of Commercial Development and Investment to proceed with the finalisation of the funding agreement.

MARK BOUSFIELD
Director of Commercial Development and Investment

COUNCILLOR P HACKETT
Portfolio Holder: Inclusive Economy and Third Sector

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Appendices:

Appendix 1: HATCH Regeneris report

Appendix 2: Investment Panel Paper