

Gloucester City Council

Meeting:	Cabinet	Date:	8 December 2021
Subject:	Proposed Disposal of Barbican House, 31 Commercial Road to Gloucestershire Academy of Music		
Report Of:	Cabinet Member for Performance & Resources		
Wards Affected:	Westgate/All		
Key Decision:	No	Budget/Policy Framework:	No
Contact Officer:	Abi Marshall Property Commissioning Manager		
	Email: abi.marshall@gloucester.gov.uk	Tel:	396212
Appendices:	1. Valuation of Property (EXEMPT) 2. Submission by Gloucestershire Academy of Music		

EXEMPTIONS

The public are likely to be excluded from the meeting during consideration of appendix 1 of this report as it contains exempt information as defined in paragraph (3) of schedule 12A to the Local Government Act 1972 (as amended). All sections of this appendix are considered confidential and commercially sensitive.

1.0 Purpose of Report

- 1.1 To consider the proposed disposal of Barbican House, 31 Commercial Road, Gloucester to Gloucestershire Academy of Music (GAM).

2.0 Recommendations

- 2.1 Cabinet is asked to **RESOLVE** that the Property Commissioning Manager be delegated authority in consultation with the Cabinet Member for Performance & Resources and the Head of Policy and Resources to dispose of the freehold interest in Barbican House to Gloucestershire Academy of Music (GAM) within the next 18 months at best consideration (disregarding tenant's improvements if appropriate) and upon such other terms as the Property Commissioning Manager in consultation with the Council Solicitor considers reasonable and appropriate.

3.0 Background and Key Issues

- 3.1 The property was purchased in 2014. It was previously Probation Service offices. It was bought to rehouse tenants in 75/81 Eastgate Street which was a larger property the Council was selling. It was felt to be a strategic purchase in case it could be utilised for the Blackfriars/Barbican development.

- 3.2 The property was in fact used to relocate GAM from the Fleece site where they were in unheated premises and it gave vacant possession of that site.
- 3.3 The Council undertook works to remove asbestos and to install a new boiler. GAM undertook some redecoration works and installed a new floor to the main performance area.
- 3.4 Original lease was for 5 years. This was then renewed until September 2022 at low rent to allow GAM to fund raise for the purchase of the building.
- 3.5 Gloucestershire Academy of Music have provided the submission in appendix 2 to give details on what they do, what they would like to do if they purchased the building and to give details of fund raising to date and future strategy to raise funds.
- 3.6 The Council has already expressed its support for this disposal through relevant Cabinet Members.
- 3.7 Alder King have undertaken an open market valuation of the property. See appendix 1. GAM will be obtaining their own valuation. Property Commissioning Manager will negotiate and agree a price having regard for both valuations.

4.0 Social Value Considerations

- 4.1 This disposal will continue to allow GAM to provide the social value they already do, to give them a secure base to be able to build on what they already provide. Details of what they provide is in appendix 2.

5.0 Environmental Implications

- 5.1 Part of GAM intentions if they acquire the building is to make it “greener” with this being a project that their young musicians could participate in.

6.0 Alternative Options Considered

- 6.1 Retain the property and continue to rent the property to GAM. The property is no longer needed for strategic purposes as the Blackfriars/Barbican site has been disposed of for student accommodation. The car park land is not required for access to the prison site. Under the terms of the lease the Council as landlord is responsible for external repairs so we would lose this liability.
- 6.2 Sell the property on the open market, this may mean that GAM is not successful in acquiring the property

7.0 Reasons for Recommendations

- 7.1 It is recommended that Barbican House is disposed to support the good work of GAM and to allow them to further invest in the building and be in a better position to apply for more grant monies.
- 7.2 The Council no longer require the building and by disposing of it the Council would receive a capital receipt.

8.0 Future Work and Conclusions

- 8.1 If the disposal is agreed, GAM will need to confirm when they have sufficient funds to purchase the building. Depending on the length of time this takes the valuation may need to be updated
- 8.2 Once funds are in place and the price agreed then One Legal would be instructed
- 8.3 Consideration be given to an overage clause to protect the Council's interests in the situation if GAM sold the property for more money than they bought it.

9.0 Financial Implications

- 9.1 The proceeds of the disposal will be capital receipts and will be utilised to support the Councils ongoing capital programme.

(Finance were consulted in the preparation of this report)

10.0 Legal Implications

- 10.1 The Council has a legal obligation to obtain best consideration when disposing of land. "Best consideration" refers to monetary value and the social or educational impact cannot be taken into account when assessing best consideration. In order to ensure best consideration, regard should be had to advice in respect of the method of marketing to ensure that the statutory requirement is met.

(One Legal have been consulted in the preparation of this report.)

11.0 Risk & Opportunity Management Implications

- 11.1 There are no adverse risks associated with proposed course of action.

12.0 People Impact Assessment (PIA) and Safeguarding:

- 12.1 The PIA Screening Stage was completed and did not identify any potential or actual negative impact; therefore, a full PIA was not required.

13.0 Community Safety Implications

- 13.1 None

14.0 Staffing & Trade Union Implications

- 14.1 None

Background Documents: None