

Gloucester City Council

Meeting:	Overview & Scrutiny Committee	5th June 2023
	Cabinet	14th June 2023
Subject:	Blackfriars Business Plan 2023-2028	
Report Of:	Cabinet Member for Culture and Leisure	
Wards Affected:	All	
Key Decision:	Yes	Budget/Policy Framework: Yes
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Appendices:	1. Blackfriars Priory Business Plan 2023-2028	

FOR GENERAL RELEASE

1.0 Purpose of Report

- 1.1 To share the 2023-2028 Blackfriars Business Plan
- 1.2 To gain support to enter the next lease agreement with English Heritage.

2.0 Recommendations

- 2.1 Overview and Scrutiny Committee is asked to consider the information contained in the report and make any recommendations to the Cabinet.
- 2.2 Cabinet is asked to **RESOLVE** that it
 - (1) delegates to the interim Head of Finance and Resources and Head of Culture, in consultation with the Cabinet Member for Culture to enter into negotiations for a new lease agreement with English Heritage.
 - (2) endorses the aims of the business plan and continues to be an advocate for the Blackfriars programme.
 - (3) commits to a continued financial contribution by the authority for the next 5 years to develop Blackfriars Priory.

3.0 Background and Key Issues

- 3.1 Gloucester City Council took on the management of Blackfriars Priory in 2012 through a 10-year lease agreement with English Heritage. The lease expired in 2022 and Gloucester City Council are now operating the business outside of a lease agreement.

- 3.2 A 5-year business plan has been produced to gain support from Gloucester City Council to continue to run Blackfriars Priory under a new lease arrangement. The plan articulates two main aims – commercial activity and cultural activity, broken down into weddings, public programme and hires, education and history and heritage.
- 3.3 Continued financial support is required from the authority for the next 5 years, but the level of subsidy will reduce annually until the business turns a profit.
- 3.4 It would be preferable for the city to negotiate a longer lease of up to 25 years in future, in order that the council may consolidate and build the brand whilst simultaneously growing the business model and increasing the heritage impact of Blackfriars Priory. This may also support future ambitions for capital investment through the development of funding bids for development of the site. This would be done with agreement from English Heritage.

4.0 Social Value Considerations

- 4.1 Blackfriars is an important site for cultural activity within Gloucester. The internal programme, public hires, engagement activity and opening as a visitor attraction supports social value. Without Blackfriars being an accessible site, residents and visitors to Gloucester will miss out on the important role that Blackfriars plays in Gloucester.
- 4.2 Blackfriars is a venue for the Holiday Activity Programme. In partnership with the Museum of Gloucester, Blackfriars delivers vital activities for those in need. Blackfriars is a great space to offer this type of activity and will continue to do so in the next 3 years.

5.0 Environmental Implications

- 5.1 Blackfriars offers a city centre green space and is perfectly located to enjoy an outside space, in historical surrounds in the centre of Gloucester.
- 5.2 Blackfriars city centre location means that it is served well by all modes of public transport.

6.0 Alternative Options Considered

- 6.1 Gloucester City Council could end its agreement with English Heritage. A financial saving would be made but would negatively affect the cultural offer within Gloucester. This is not recommended as the business plan shows substantial growth over the next 5 years.

7.0 Reasons for Recommendations

- 7.1 Blackfriars is an asset to Gloucester City Council. The commercial arm of the business is strong and once it reaches a profit, the business can support other cultural activity across the Councils remit.

- 7.2 Blackfriars is an important heritage venue in Gloucester. Gloucester is an historic city and Blackfriars plays a significant role – if Gloucester City Council does not extend the lease arrangement, then the doors will close to the public.

8.0 Future Work and Conclusions

- 8.1 Gloucester City Council officers will need to enter negotiations with English Heritage to agree the annual sum payable to English Heritage.

9.0 Financial Implications

- 9.1 Financial implications are captured within the Business Plan. The five-year plan forecasts a net income position in year five. All annual figures are within the current budget parameters for Blackfriars. Expenditure and Income targets should continue to be reviewed annually throughout the life of the Plan to ensure successful delivery of the site over the lease agreement.

(Financial Services have been consulted in the preparation this report.)

10.0 Legal Implications

- 10.1 The Business Plan refers to Gloucester City Council investing in Blackfriars which may include funding for improvements to the structure and facilities at the venue. Under the Subsidy Control Act 2022 the Council will need to consider whether the funding amounts to a Subsidy. Once a potential scheme has been identified, officers should contact One Legal for advice on undertaking this evaluation.
- 10.2 Gloucester City Council will also need to ensure that the lease allows for any proposed improvements and that they have all the necessary consents to undertake any works.
- 10.3 Under section 120 of the Local Government Act 1972, a local authority may acquire land by agreement for any purposes connected with the carrying out of its functions as a local authority as defined by that Act or for the benefit, improvement, or development of the area. It is clear from the Business Plan that the lease of the premises will benefit the area and therefore there is nothing to prevent Gloucester City Council from taking the lease.
- 10.4 As Gloucester City Council will be taking a 25-year lease, it will need to ensure that sufficient funds will be available to cover all rents and other moneys payable under the lease for the full 25-year period.
- 10.5 The Business Plan is for a period of 5 years. As the lease is for a period of 25 years, it would be prudent to negotiate a 5 yearly break option in favour of Gloucester City Council to enable the Council to terminate the lease early in the event that the business does not progress as expected.
- 10.6 Before entering into the lease, agreement should be reached with English Heritage as to who will be responsible for repairs and maintenance of the premises, and this should be appropriately documented in the lease in terms that are clear and unambiguous.

- 10.7 It is noted that there is an intention to sell spaces for private hire use, to increase the number of hires on an annual basis and to hire out multiple spaces concurrently to maximise income. Gloucester City Council should ensure that:
- (a) there are appropriate provisions in the lease to permit the Council to hire out parts of the premises on that basis; and
 - (b) all such hires are appropriately documented to ensure that no relationship of landlord and tenant is created, which could potentially result in the Council being unable to take back occupation of the relevant part of the premises.

Legal advice should be sought in relation to points (a) and (b).

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

11.0 Risk & Opportunity Management Implications

- 11.1 The lease arrange will have a break clause every 5 years.
- 11.2 The plan asks to take on the South Range in addition to the spaces in the current lease arrangement. English Heritage has a maintenance plan for each part of the site and will continue to maintain the spaces. Taking on the additional space comes at a low risk due to English Heritage taking a percentage of the programme turnover.
- 11.3 The financials are ambitious, and although they are stretching, with careful management and creative programming, they can be reached.

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 Blackfriars opens to the public for private hires and is staffed by adequately trained staff. Where additional security requirements are needed, the business has an agreement with a security provider.

14.0 Staffing & Trade Union Implications

- 14.1 As the business grows, additional staff will be required where a fair recruitment process will take place.

Background Documents: None