

Gloucester City Council

Meeting:	Cabinet	Date:	8 November 2023
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:	Melloney Smith Asset Management Officer		
	Email: Melloney.smith@gloucester.gov.uk	Tel: 396849	
Appendices:	None		

FOR GENERAL RELEASE

1.0 Purpose of Report

- 1.1 To consider further the proposed disposal of Barbican House, 31 Commercial Road, Gloucester to Gloucestershire Academy of Music (GAM), further to the Cabinet decision made 8 December 2021.

2.0 Recommendations

- 2.1 Cabinet is asked to **RESOLVE** that authority be delegated to the Head of Finance and Resources, in consultation with the Cabinet Member for Performance and Resources and Investment Manager, to agree terms to dispose of the freehold interest or a long leasehold interest in Barbican House within the next two years.

3.0 Background and Key Issues

- 3.1 A Cabinet Decision was made on 8 December 2021 to agree to the disposal of Barbican House to Gloucestershire Academy of Music at the market value within 18 months of the decision. This deadline has now passed.
- 3.2 GAM have been successful in fundraising a significant amount of money but not sufficient in the given timescale.
- 3.3 It is hoped that within a further two year period GAM will be able to raise sufficient funds to purchase the freehold or a long leasehold interest.

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.

5.0 Environmental Implications

- 5.1 Part of GAM's 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 a 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. It may result in a larger capital sum being received but puts at risk the services GAM provide.

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.
- 8.2 Once funds are in place and terms agreed then One Legal would be instructed
- 8.3 It is recommended that an overage clause be included to protect the Council's interests in the situation if GAM sold the property for more money than they bought it.
- 8.4 An updated valuation of the property will be required.

9.0 Financial Implications

- 9.1 As noted in the report, this property no longer features in the strategic property portfolio, as such disposal will remove future ongoing maintenance costs and generate a capital receipt.

(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.

However, the Local Government Act 1972 General Disposal Consent (England) 2003 permits a local authority to dispose of land for less than market value without specific Secretary of State consent where:

a) the local authority considers that the purpose for which the land is to be disposed is likely to contribute to the achievement of any one or more of the following objects in respect of the whole or any part of its area, or of all or any persons resident or present in its area;

i) the promotion or improvement of economic well-being;

ii) the promotion or improvement of social well-being;

iii) the promotion or improvement of environmental well-being; and

b) the difference between the unrestricted value of the land to be disposed of and the consideration for the disposal does not exceed £2,000,000 (two million pounds).

If the land has the benefit of covenants (either restrictive or positive), legal advice should be sought on how to protect their enforceability on disposal of the land.

(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