

**To GLOUCESTER CITY COUNCIL  
Property Commissioning Manager (acting). (Ref: Blackbridge)**

**Local Government Act 1972, Section 123 (2A)  
The Land at Laburnum Road, Podsmead Gloucester**

I wish to object to the disposal by way of a lease of the land at Laburnum Road, Podsmead Gloucester which forms part of public open space, (comprising approximately 6.6 hectares/16.2 acres).

1. The Role of Gloucester City Council

Presumably there is some arrangement between Gloucestershire County Council and BCCBS in respect of the land held as a public open space at/off Laburnum Road, Gloucester. What role Gloucester City Council has in this arrangement is unclear.

It is essential that the City Council shows that it is acting with all due propriety for the community benefit in its dealings and disposal of the land at/off Laburnum Road. It is unknown whether the City Council was already involved with BCCBS when it granted controversial planning consent to BCCBS to develop the land at/off Laburnum Road. Land in public ownership that the City Council now plans to dispose of to BCCBS for a nominal rent. There is a lack of transparency as to how the City Council and BCCBS are acting at arms length in regard to the disposal of the land at/off Laburnum Road.

2. There has been no procurement process for this disposal.

Section 123(1) of the Local Government Act 1972 gives a local authority power to dispose of land held by it. A local authority exercising that power is subject to a duty under section 123(2) to obtain the best consideration that can reasonably be obtained. That is commercial, economic or monetary value only. Gloucester City Council has not complied with this duty.

The City Council has not gone to the market with a competitive bidding process to show that it has achieved the best consideration reasonably obtainable. It is not stated whether an independent valuation of the land has been undertaken. The City Council has clearly not secured a price which is equivalent to the market value shown in that valuation if it is disposing of the land at "nominal" value. It is not stated what sum BCCBS is providing.

There is no fixed financial benefit to the taxpayer of this disposal. BCCBS is in principle being “gifted” a valuable asset by the City Council. In disposing of the public land at/off Laburnum Road, the City Council appears to be providing a subsidy to BCCBS. A search on the BEIS website did not return any results for the City Council publishing details of the subsidy amount. Although the market value of the transaction is not stated, common sense says it will exceed £100,000.

### 3. Disposal of Public Open Space at an Undervalue

Gloucester City Council is well aware of the strong community opposition to the proposed sports facility complex though its approval of planning permission. BBC Gloucestershire <https://www.bbc.co.uk/news/uk-england-gloucestershire-65831119> reported that 600 residents signed a petition opposing the sports facility hub plans plus 48 letters of objection. Members agreed it was a "difficult and contentious application". The BBC reports that cries of "it's absolutely scandalous" could be heard coming from the packed public gallery as the plans were approved.

By granting planning permission for the land at/off Laburnum Road, the City Council has turned it from an open public space into development land. Obviously this will have hugely increased its hope value. It is incredulous that the City Council now intends to “give away” this hope value to a developer. BCCBS appears to have access to significant amounts of central government funding. If it wants the land at/off Laburnum Road it should be paying full market value rather than being subsidised by the City Council.

The community benefit of the sports facility at Blackbridge is acknowledged by the City Council to be “contentious”. There is strong community dissent to the development. There are already two underperforming sports hub facilities in Gloucester. In September 2023 it was reported that Gloucester's GL1 leisure centre and Oxstalls Sports Park had closed down suddenly with more than 150 job losses.

It is noted that the views of groups outside the City administrative area were taken into account in the planning decision. Those and other groups supporting the proposed development will not be burdened with the high financial risks that failure of the scheme or of the tenant bring to the City Council and taxpayer.

#### 4. The Proposed Leaseholder/Tenant

It is unclear upon what fair and impartial criteria BCCBS was chosen by Gloucester City Council to exclusively benefit from the disposal of the public open space at/off Laburnum Road given the lack of a procurement process.

BCCBS appears to have been recently formed with a principal activity of operating a (non-existent) sports hub facility. From its published financial information on its website, it seems to have little by way of capital or assets. It is unclear as to its trading experience and track record to deliver on the proposed complex development and operation of a large sports hub facility.

BCCBS's "aspirational" principal activity of developing and operating a sports hub facility seems to rely on taxpayer funding, grants and receipt of a "free gift" of public open space to build upon. If BCCBS brings no money of its own to the table, the financial risks born by BCCBS appear minimal if the sports hub facility does not go ahead or subsequently fails - yet it will have acquired for nominal value a valuable long leasehold of a tract of publicly owned "development" land.

The inherent risks arising from the proposed disposal of the public open space for development by a 3rd party appear to sit with the residents of Gloucester and the taxpayer generally.

#### 5. Financial Risk to City Council from Tenant Failure

The City Council has publicly stated in July 23 that "There is the risk that the lease may not complete or the tenant may fail, leaving the Council with the financial responsibility for the maintenance and outgoings of the property."

This risk appears to be significant given-

- There have been two notable failures of tenants at sports hub facilities in Gloucester City in recent months,
- The proposed leaseholder, BCCBS, is a recently formed, small company with no apparent track record of developing or operating a large sports hub facility.

At its July 2023 Cabinet Meeting, the City Council reported that BCCBS Board members "have experience of delivering community building projects and of running them". The material to support this statement is not detailed. There is a paucity of information on the BCCBS website. BCCBS has just six employees of which four are also its Directors.

BCCBS seems to run a drop in centre and hold pop up activities in Podsmead. Its 2023 financial records, its first year of reporting, detail a turnover of only £66,799 of which just £18,136 came from services it provided. BCCBS seems to have reported a year end operating loss.

BCCBS ability to deliver what it proposes is unknown. There is clearly a significant risk of failure. The City Council has already acknowledged that it will bear the financial responsibility for such failure if BCCBS cannot deliver its aspirational plans or operates at a loss.

#### 6. Enforceability of County Council Restriction and Liability for Leaseholder Breach

Gloucester City Council details it has entered into a restriction with Gloucestershire County Council as to the permitted use of the land at/off Laburnum Road.

It is proposed that BCCBS be granted a 125-year lease at a nominal rent. It is unclear how the restriction upon the City Council will be enforceable against the leaseholder. How will the leaseholder be restricted from selling on/disposing of the leasehold to a 3rd party or subletting for purposes other than a sports hub facility?

There are already two under performing sports hub facilities in Gloucester. There is an inherent risk upon disposal of the land at/off Laburnum Road that other development options such as housing become more commercially attractive to the leaseholder. If the sports hub facility is abandoned, the City Council will presumably remain liable to the County Council for the financial consequences of any breach of the usage restriction by the leaseholder or its successors in title. It is unclear whether the City Council is prepared for such an occurrence.

In conclusion, for the above reasons, I wish to object to the disposal by the Gloucester City Council by way of a 125 year lease of the land at/off Laburnum Road, Podsmead Gloucester which forms part of public open space, (comprising approximately 6.6 hectares/16.2 acres).

13th December 2023

(4 pages)