

Joint Report of the Assistant Director (Property Services) and Assistant Director (Leisure Services)

The Barbican – An Update

Summary

- 1 This report is an update on the progress of the development of the Barbican's component parts

Background

- 2 The Development of the Barbican site incorporates the following component parts:
 - a. The Barbican Auditorium
 - b. The residential development site
 - c. The 4* hotel development site
 - d. The Kent Street hotel site
 - e. The Kent Street car park

Information

The Barbican Auditorium

- 3 Current position with Absolute Leisure Limited
- 4 Following meetings between CYC Officers and Absolute Leisure (ALL), that have dealt with outstanding planning and legal issues, their programme is now to complete the refurbishment and re-open the facility in August 2009
- 5 Absolute Leisure have committed to the Barbican Auditorium being used as a performance venue for public entertainment. The capacity of the facility will be for up to 1200 people and Absolute Leisure will look to provide a minimum of 50 performances per year with an attendance in excess of 800 people.

The residential development site

- 6 Persimmon owns the residential site and has a planning approved scheme to deliver apartments on the Barbican site. They have intimated that it is their intention to sell on the development site and are currently undertaking a marketing exercise.

The 4* Hotel Site

- 7 The hotel development site was purchased by WG Mitchell (Twelve) Limited, which simultaneously entered into a development agreement with Pilot Hotels to build a 4* star hotel by March 2012. In the sale transfer and by a separate deed both Mitchell and Pilot Hotels gave the above development covenants to the Council. The Whitbread Group has purchased Pilot Hotels and renamed the company Premier Inn Holdings Limited. Premier Inn Holdings informal offer is to provide a hotel under the Premier Inn brand, although this is not a classified 4* hotel, they say they would build a hotel as the consented scheme and incorporating both conference and public restaurant facilities. The council is still awaiting a written offer, sketch floor layouts and a development timetable.

Kent Street hotel site

- 8 The Council has a development contract to sell the Kent Street site to Indominto Properties subject to the developer receiving a satisfactory planning consent. The developer has reported however, additional development costs resulting from an archaeological investigations planning condition and therefore the developer may run an argument that a satisfactory planning consent has not been received.

Kent Street car park

- 9 Indominto Properties holds a long lease from the Council and in turn have they have Q Park as an operating tenant.

Options

- 10 None. This briefing note is for information only.

Consultation

- 11 Consultation and discussion continues between the officers of City Strategy, Property Services, Legal Services and the council's external advisers to ensure the best solution possible from this development and protect the council's interests.

Corporate Priorities

- 12 To improve economic prosperity

Implications

- 13 The following information is provided:

- **Financial**

There are no changes in the financial position of this development at this time.

- **Human Resources (HR)**

There are no HR implications.

- **Legal**

Implications are included within the report.

- **Crime and Disorder (C & D)**

There are no C & D implications.

- **Information Technology (IT)**

There are no IT implications.

- **Property**

Potential impact from the recent downturn in the housing and construction market as a consequence of the 'credit crunch'.

Risk Management

- 14 The current state of the property and construction market may increase the risk of not achieving an early completion of the outstanding parts of this development, or amendments to the development obligations, or realisation of the overage payment.
- 15 The development agreements may not now be as viable as they were consequently there is a risk that the development obligations with the agreements may cease to be viable in the current financial climate.

Recommendation

- 16 The report be noted

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Specialist Implications Officer(s)

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Wards Affected: Guildhall

For further information please contact the author of the report

Background Papers: None Annexes: None