

Agenda

www.oxford.gov.uk



Delegated Decisions of the Board Member, Finance and Efficiency

Date: **Friday 2 December 2011**

Time: **5.00 pm**

Place: **Town Hall, Oxford**

For any further information please contact:

William Reed, Democratic Services Manager

Telephone: 01865 252230

Email: wreed@oxford.gov.uk

If you would like help to understand this document please call William Reed, Democratic Services Manager or in advance of the meeting.

Delegated Decisions of the Board Member, Finance and Efficiency

Membership

Chair

Councillor Ed Turner

Finance and Efficiency

The quorum for this meeting is three members. Substitutes are not permitted.

HOW TO OBTAIN AGENDA

In order to reduce the use of resources, our carbon footprint and our costs we will no longer produce paper copies of agenda over and above our minimum internal and Council member requirement. Paper copies may be looked at in our Town Hall and Ramsay House (St. Ebbe's Street) reception areas and at public libraries.

A copy of the agenda may be:-

- Viewed on our website - www.oxford.gov.uk/councilmeetings
- Downloaded from our website
- Subscribed to electronically by registering online at www.oxford.gov.uk/ebulletins
- Sent to you in hard copy form upon payment of an annual subscription.

AGENDA

PART ONE PUBLIC BUSINESS

Pages

1 DECLARATIONS OF INTEREST

Guidance on personal and personal prejudicial interests is attached to these agenda pages.

2 PUBLIC ADDRESSES

Members of the public may, if the Board Member agrees, ask a question of the Board Member on any item for decision on this agenda (other than on the minutes). The full text of any question must be notified to the Head of Law and Governance by no later than 9.30 am two clear working days before the meeting. Questions by the public will be taken as read and, at the Board Member's discretion, responded to either orally or in writing at the meeting. No supplementary question or questioning will be permitted.

The total time permitted for this item will be 15 minutes.

3 COUNCILLOR ADDRESSES

City Councillors may, at the Board Member's discretion, ask a question or address the Board Member on an item for decision on the agenda (other than on the minutes). The full text of any question and the nature of any address must be notified to the Head of Law and Governance by no later than 9.30 am two clear working days before the meeting. Questions by councillors will be taken as read and, at the Board Member's discretion, responded to either orally or in writing at the meeting. No supplementary question or questioning will be permitted. If an address is made, the Board member will either respond or have regard to the points raised in reaching her or his decision. If the address is by the Chair of a Scrutiny Committee or her or his nominee then the Board member will be required to say as part of their decision whether they accept the Scrutiny recommendations made.

4 RAMSAY HOUSE, ST EBBE'S STREET - LETTING

1 - 8

Lead Member: Councillor Turner

Report of the Head of Corporate Assets

This report concerns the letting of the second floor of Ramsay House, St Ebbe's Street. It recommends approval of the letting on certain terms and seeks a delegation of authority to the Head of Corporate Assets to finalise terms and conditions.

5 MATTERS EXEMPT FROM PUBLICATION

If the Board member wishes to exclude the press and the public from the meeting during consideration of any of the items on the exempt from publication part of the agenda, it will be necessary for the Board member to pass a resolution in accordance with the provisions of Paragraph 21(1)(b) of the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 on the grounds that their presence could involve the likely disclosure of exempt information as described in specific paragraphs of Schedule I2A of the Local Government Act 1972.

The Board member may maintain the exemption if and so long as, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

DECLARING INTERESTS

What is a personal interest?

You have a personal interest in a matter if that matter affects the well-being or financial position of you, your relatives or people with whom you have a close personal association more than it would affect the majority of other people in the ward(s) to which the matter relates.

A personal interest can affect you, your relatives or people with whom you have a close personal association positively or negatively. If you or they would stand to lose by the decision, you should also declare it.

You also have a personal interest in a matter if it relates to any interests, which you must register.

What do I need to do if I have a personal interest?

You must declare it when you get to the item on the agenda headed "Declarations of Interest" or as soon as it becomes apparent to you. You may still speak and vote unless it is a prejudicial interest.

If a matter affects a body to which you have been appointed by the authority, or a body exercising functions of a public nature, you only need declare the interest if you are going to speak on the matter.

What is a prejudicial interest?

You have a prejudicial interest in a matter if;

- a) a member of the public, who knows the relevant facts, would reasonably think your personal interest is so significant that it is likely to prejudice your judgment of the public interest; and
- b) the matter affects your financial interests or relates to a licensing or regulatory matter; and
- c) the interest does not fall within one of the exempt categories at paragraph 10(2)(c) of the Code of Conduct.

What do I need to do if I have a prejudicial interest?

If you have a prejudicial interest you must withdraw from the meeting. However, under paragraph 12(2) of the Code of Conduct, if members of the public are allowed to make representations, give evidence or answer questions about that matter, you may also make representations as if you were a member of the public. However, you must withdraw from the meeting once you have made your representations and before any debate starts.

This page is intentionally left blank

To: Delegated decisions of the Board Member, Finance and Efficiency
Date: 2nd December 2011
Report of: Head of Corporate Assets
Title of Report: **LETTING OF RAMSAY HOUSE, ST EBBES STREET, OXFORD**

Summary and Recommendations

Purpose of report: To seek approval to the letting of 2nd Floor Ramsay House, St Ebbe's Street, Oxford

Key decision? No

Executive lead member: Councillor Ed Turner

Report approved by: Steve Sprason

Finance: Nigel Kennedy

Legal: Steve Smith

Recommendation(s): The Executive member is RECOMMENDED to:-

1. Approve the proposed letting of the second floor of Ramsay House, 10 St Ebbe's Street Oxford to Tenant A on the terms as detailed in the Not for Publication Appendix of this report and otherwise on terms and conditions to be approved by the Head of Corporate Assets.
2. Grant approval to the Head of Corporate Assets to vary the proposed rent as detailed in this report provided the transaction continues to represent best consideration.

Appendices

Appendix 1 - Plan of Site
Appendix 2 - Risk Register
Appendix 3 - Not for publication

Background

1. This report seeks approval to grant a new lease of premises owned by Oxford City Council and hatched on the plan attached at Appendix 1.
2. The property has been occupied by Oxford City Council as an administrative office building and is due to be vacated in March 2012 as a consequence of the Offices for the Future Project.
3. The building has been marketed since March 2011 by the appointed agents, VSL and Partners, on a both a long leasehold and 'to let' basis. The following initiatives have been undertaken:
 - Marketing board on site
 - A4 printed glossy brochure with electronic pdf version
 - Advertisement in the Oxford Times 'In Business' Magazine
 - Online advertisement on EG property link
 - Online advertisement on VSL's web site
4. There has been little interest in a long leasehold sale at a reasonable level and therefore the agents have advised that the Council move forward on the basis of the proposed letting.
5. The transaction will allow for a new lease to be agreed, and allows time for a planning application to be made ahead of the building vacation date to ensure that any void period is minimised.
6. The transaction will ensure that no refurbishment cost will be required by the landlord.
 - In summary, the proposed letting includes granting, on commercial terms, a new lease broadly on the terms as set out in the confidential not for publication Appendix 3.

Planning

7. The letting will be subject to planning consent for a change of use being granted. Informal discussions have been held with the Planning Team and subject to their consideration of a detailed planning application in due course, no issues have been raised to suggest that this will be a bar to the letting.

Issues

8. The letting would allow for the property to be marketed for an investment sale to create capital receipt if required by the Council at a point in the future.

Risk Implications

9. A risk assessment has been undertaken and the risk register is attached as Appendix 2.

Sustainability and Climate Change Implications

10. The vacation of the property by the Council will save 150 tonnes of CO2 per year which will contribute to the Council's current annual target of saving 240 tonnes of CO2.

Equalities Implications

11. No implications.

Financial Implications

12. The terms allow for the building to be refurbished without any capital outlay by the Council.
13. The proposal, as outlined in the confidential not for publication Appendix 3, will provide substantial income after the rent free period has expired. It will also ensure that the costs of holding the building vacant will be minimised.
14. The tenant will pay the Council's reasonable legal and surveyors fees incurred.
15. Appropriate due diligence on the prospective tenants accounts has been undertaken and we have confirmed that the covenant is acceptable to a large range of insitutional investors.
16. The tenant will provide a construction bond for the period of the works.

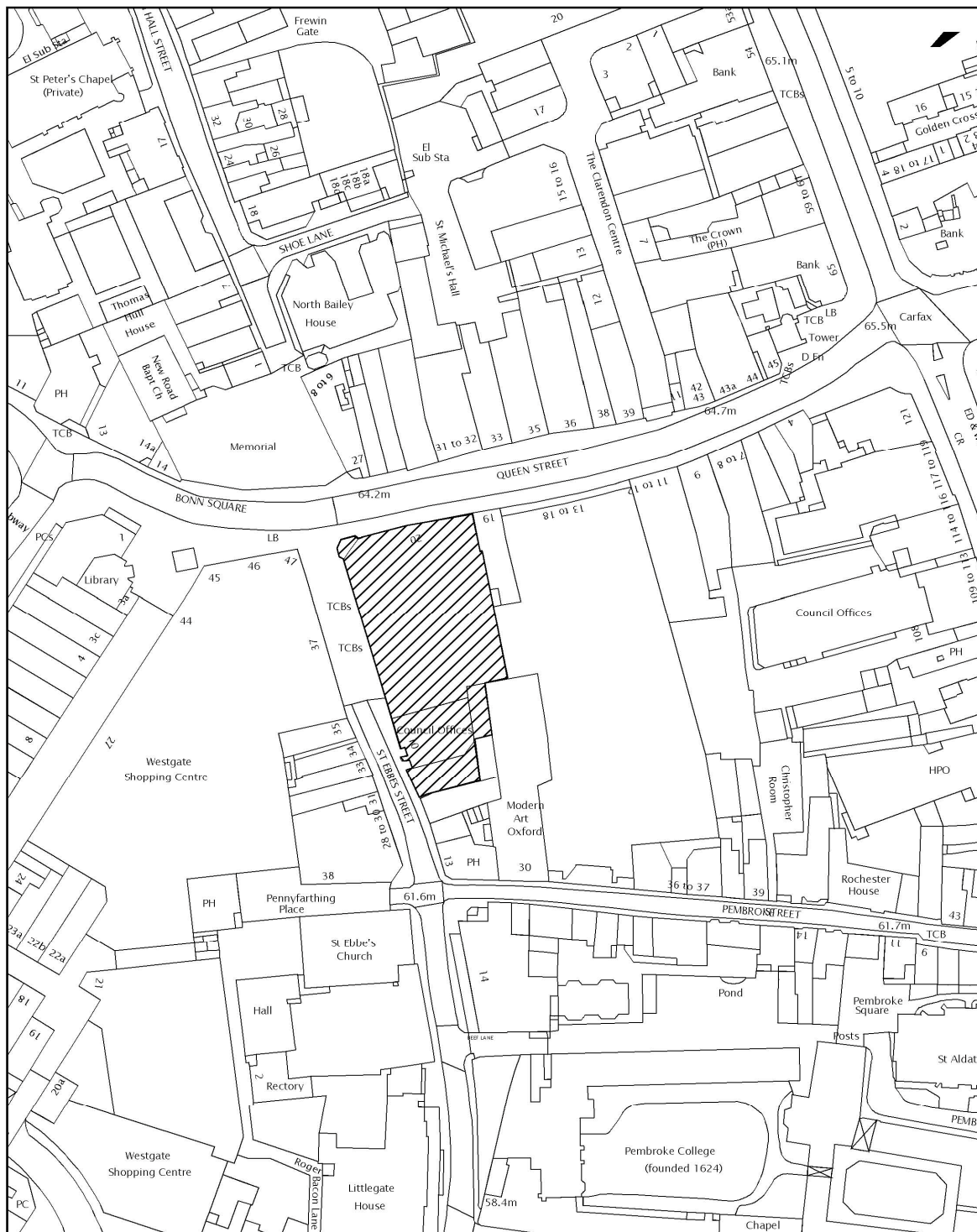
Legal Implications


17. The power to let the premises is contained within S123 of the Local Government Act 1972 for best consideration. The property has been fully marketed with appropriate certification from the Council's advisors being provided.

Name and contact details of author: Julia Castle
Corporate Assets
jcastle@oxford.gov.uk
Extension: 2223

Version number: 2

Appendix 1 – Plan of Premises



<p>Ramsay House, St Ebbe's Street, Oxford</p>	
<p>Scale: 1:1,250</p>	
<p>© Crown Copyright and database right 2011. Ordnance Survey 100019348.</p>	

Corporate Assets

www.oxford.gov.uk

Appendix 2 CEB Report Risk Register – Approval to grant a lease on Ramasy House, St Ebbes Street, Oxford

Risk Score **Impact Score:** 1 = Insignificant; 2 = Minor; 3 = Moderate; 4 = Major; 5 = Catastrophic
Probability Score: 1 = Rare; 2 = Unlikely; 3 = Possible; 4 = Likely; 5 = Almost Certain

No.	Risk Description Link to Corporate Objectives	Gross Risk		Cause of Risk	Mitigation	Net Risk		Further Management of Risk: Transfer/Accept/Reduce/Avoid		Monitoring Effectiveness				Current Risk	
		I	P			I	P	Action:	Outcome Required:	Q	Q	Q	Q	I	P
1.	Negotiations fail with proposed Tenant A	4	3	Tenant/OCC fails to agree legal terms.	Mitigating Control: Close contact during procurement process. Level of Effectiveness: (HML) H	3	2	Action: Ongoing contact throughout process to ensure parties still interested. Action Owner: Julia Castle	Outcome Required: Successful negotiation. Milestone Date: December 2011	Q 1	Q 2	Q 3	Q 4	I	P
2	Negotiations fail with proposed Tenant A	4	4	The tenants structural survey highlights unforeseen issues	Mitigating Control: Close contact during process. Level of Effectiveness: (HML) L	3	2	Action: Liaise with tenant to overcome any issues which may arise Action Owner Julia Castle	Outcome Required: No issues arise. Milestone Date December 2011	Q 1	Q 2	Q 3	Q 4	I	P
3.	Negotiations fail with proposed Tenant A	5	3	Planning consent for change of use is not granted	Mitigating Control: Close contact between tenant, and Oxford City Council internal teams during planning process. Level of Effectiveness: (HML) H	4	2	Action: Ongoing contact throughout process to ensure consent is granted Action Owner: Julia Castle	Outcome Required: Successful negotiation. Milestone Date: March 2012	Q 1	Q 2	Q 3	Q 4	I	P

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank