

To: Single Member Decision – Board Member, Finance and Efficiency

Date: 20th July 2012

Report of: Head of Corporate Assets

Title of Report: HARCOURT HOUSE, MARSTON ROAD, OXFORD – SALE OF FREEHOLD INTEREST

Summary and Recommendations

Purpose of report: To seek authority to enter into a sale of the Council's freehold interest, subject to the existing leases. Also to propose that the City Council will take a lease of a site owned by the purchaser and located on Marston Road, to provide car parking on a temporary basis to support the development of St Clement's Car Park.

Key decision? No

Single Member decision: Cllr Ed Turner – Finance and Efficiency

Report approved by: David Edwards – Executive Director, City Regeneration

Finance: Nigel Kennedy
Legal: Lindsay Cane

Policy Framework: A vibrant and sustainable economy, strong and active communities.

An efficient and effective Council.

Recommendation(s): The Board Member, Finance and Efficiency is RECOMMENDED to:

1. Give approval for the sale of the freehold interest as described in this report, and otherwise on terms and conditions to be approved by the Head of Corporate Property.
2. Note that the City Council will enter into a lease of land owned by the purchaser for a period of up to 2 years for the provision of temporary car parking on terms to be agreed.

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| <p>3. Note that the Council will terminate negotiations for the joint promotional agreement which was approved by Single Member Decision on 15th August 2011.</p> |
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Appendices

Appendix 1 – Site plan

Appendix 2 – Site plan of car parking provision

Appendix 3 – Report Risk Register

Appendix 4 – Confidential Not To Be Published Appendix

Background

1. The City Council owns the freehold interest of the property known as Harcourt House, which is edged black on the plan at Appendix 1. The majority of the property is let to the Department for Work & Pensions and managed by Telereal Trillium. The lease is for a term of 75 years, expiring on 29th September 2029 (17 years remaining). The rent is fixed at £135 per annum and the tenant is responsible for all repairs and insurance.
2. In the Sites and Housing Development Plan document (preferred options) published in June 2011, the preferred option is to allocate the site for residential and/or student accommodation. It is also allocated in the Oxford Local Plan 2001-2016 for student accommodation and teaching/administration accommodation for Oxford Brookes University. The Head of Corporate Property is also aware that representations have been made to widen the preferred option to include potential use for educational purposes.
3. The property is currently part occupied by the tenant for vehicle hire purposes, part is also occupied by the army cadets and the majority of the site (which is former public sector offices) is vacant.
4. By way of Single Member decision on 15th August 2011 authority was given to enter into a joint promotional agreement with the tenant, which would bring forward the property for sale. This agreement would see the Council work with the tenant to gain planning consent for student accommodation and then sell both the freehold and leasehold interests jointly with the proceeds being split between both parties. This agreement has not been completed and in order to sell to OXCIS the City Council would withdraw from the promotional agreement. OXCIS may decide to work with the tenant to bring forward development of the land early, however the sale is not conditional on any agreement between OXCIS and the tenant.
5. The City Council has, now, received a commercially advantageous offer to purchase the freehold interest, the terms of which are outlined in the Not For Publication Appendix (Appendix 4).

6. As part of the transaction the purchaser will allow the City Council to enter into a lease on its land on Marston Road, which is edged black on Appendix 2.
7. The original joint promotional agreement included for the use of Harcourt House for temporary car parking to support the development of St Clement's Car Park. The proposed new parking provision provides a better alternative and a planning application will be made shortly. This proposal will nullify the requirement to use the Harcourt House site for short term car parking accommodation.
8. Subject to the consideration of a detailed planning application in due course, Planning Officers have indicated that they believe that this site is a suitable option for the provision of temporary car parking.

Environmental Implications

9. No direct implications arising out of this proposal.

Risk Implications

10. A risk assessment has been carried out and is attached as Appendix 3.

Financial Implications

11. The sale of the freehold interest is commercially advantageous compared to the option of the joint promotional agreement. The disposal generates a significant capital receipt.

Planning Implications

12. Planning consent will be required for the use of the temporary car parking by the public. An application will be submitted shortly.

Legal Implications

13. The power to dispose of land is contained within Section 123 of the Local Government Act 1972 for best consideration. The transaction on the basis contained within the Not for Publication Appendix fulfils the requirement.

Equalities

14. There are no equalities implications arising out of this Report.

Conclusion

15. The sale of the freehold interest of the Harcourt House premises is linked into the ability to lease the proposed temporary car park. The sale of the

site will bring forward a capital receipt and is commercially advantageous.

Name and contact details of author:

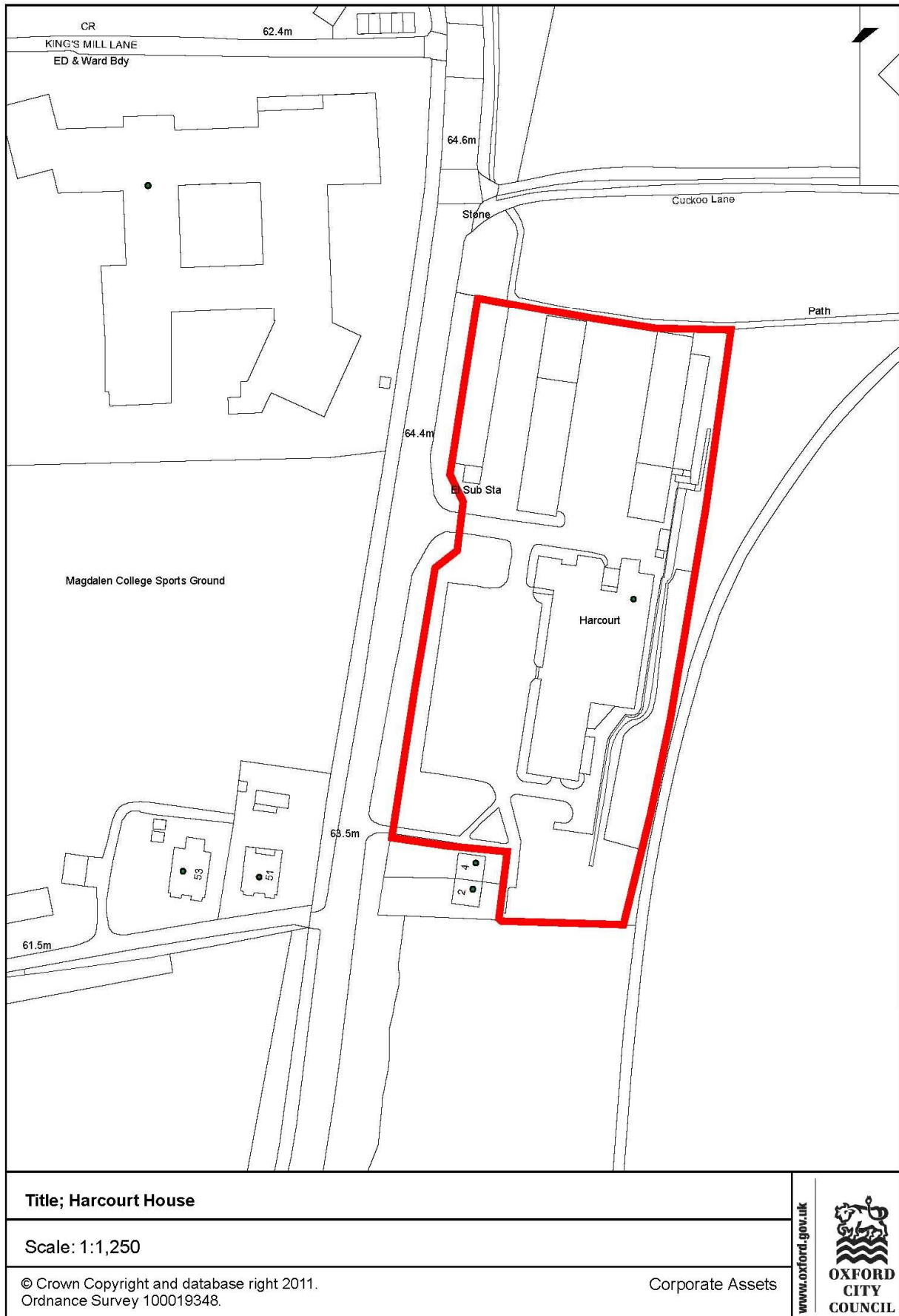
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Background papers: None

Version number: 2

Appendix 1 – Site Plan



Appendix 2 – Site plan of car parking provision



NOTES:
 1. © Crown Copyright and database right 2011. Ordnance Survey 100019346
 2. Do not scale off this drawing

KEY:

-  Site Boundary Limits
-  Existing parking bays
-  Existing Vegetation / trees

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Client: _____

Project title
**OXCIS CAR PARK
 MARSTON ROAD, OXFORD**

Drawing title
EXISTING SITE LAYOUT

Drawn by S.T.	Scale 1:250 at A2	Checked by -	Approved by -
Date May 2012	Drawing number C0514/05/01	Rev .	

Appendix 3

CEB Report Risk Register

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	Q	Q	Q	Q	I	P		
1.	Failure to complete the sale and leasing of car park	3	3	Purchaser attempts to renegotiate or title issues come to light	Mitigating Control: Detailed Heads of Terms agreed and close liaison throughout the sale Reduce transaction to be legally documented as a matter of urgency.	2	2	Action: Further management of risk – Jane Winfield	Outcome Required: The transaction successfully completed	Q	Q	Q	Q	I	P
								Instruct external solicitors to negotiate documentation – Jane Winfield	Milestone: August 2012	1	2	3	4		
2.	Failure to gain planning consent for temporary car parking	2	2	Local planning authority failed to gain consent.	Pre application consultation with local planning authority	1	1	External consultants to prepare planning application – Jane Winfield	Outcome planning consent granted						
					Mitigating control: Close liaison with local planning authority – Jane Winfield				Milestone: July 2012						

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