

To: City Executive Board

Date: 22 January 2013

Report of: Jane Winfield

**Title of Report: LETTING OF BASEMENT, GROUND AND FIRST FLOOR
OF 23-25 BROAD STREET, OXFORD**

Summary and Recommendations

Purpose of report: To seek approval to the letting as detailed herein.

Key decision? No

Executive lead member: David Edwards, Executive Director, City
Regeneration

Policy Framework: Vibrant and Sustainable Economy
An Efficient and Effective Council

Recommendation(s)

1. To approve the proposed letting of 23-25 Broad Street, Oxford on the terms as detailed in the Not for Publication confidential Appendix 4 of this report and otherwise on terms and conditions to be approved by the Service Manager, Regeneration and Major Projects.
2. Give authority to the Service Manager, Regeneration and Major Projects, to vary the proposed letting or tenant party as detailed herein provided the transaction continues to represent best consideration.

Appendices to report:

Appendix 1 - Plan of Site

Appendix 2 - Risk Register

Appendix 3 - Not for publication confidential appendix

Appendix 4 – Not for publication confidential appendix

Background

1. This report seeks approval to the letting of the retail premises shown hatched on the plan attached at Appendix 1, and known 23-25 Broad Street, Oxford
2. The property was vacated in June 2013 when the previous occupier, Blackwells Music, moved out to consolidate the operation into their existing shop. Since this time, the retail element of the building, basement, ground and first floors have been marketed for a new retail occupier by appointed agents KLM Property.
3. Marketing undertaken includes:
 - a. Posters on site
 - b. Brochure
 - c. Mailing
 - d. Email web marketing on Shop Property and Completely Retail as well as Oxford City Council's own web site.
4. Bids were sought for 18 September with the matter being concluded with a best bid deadline of 11 October.
5. The offers received for the site are attached in the not for publication Appendix 3

Planning Implications

6. There are no implications for this retail letting, the retained 2nd and 3rd floors are to be converted for residential use which may require consent.

Risk Implications

7. A risk assessment has been undertaken and the risk register is attached at Appendix 2.

Sustainability and Climate Change Implications

8. No implications; the property was previously occupied for the same use.

Equalities Implications

9. No implications arising

Financial Implications

10. This disposal will generate a significant rental income the details of which are given in the confidential appendix
11. The tenant will pay the Council's reasonable legal and surveyor's fees incurred.

12. Current accounts have been provided by the new occupier to demonstrate its ability to meet the rental commitment.

Legal Implications

13. The lease to be granted is considered to be a disposal of land for the purposes of Section 123 of the Local Government Act 1972. Under Section 123 of the Local Government Act 1972 the Council has an obligation when disposing of property to do so for the best consideration reasonably obtainable.
14. The appointed agent has provided a statement that the requirements of the above Act are met.

Name and contact details of author:-

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List of background papers: none

Version number: 1

Appendix 1 – Plan of Premises



23-25 Broad Street, Oxford

Appendix 2 CEB Report Risk Register – Letting of 23-25 Broad Street

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	
1	Lease does not complete	3	3	Lease terms Changes terms from initial agreement Timings	Aim to complete the legal documentation as quickly as possible. Resolve any queries which arise	3	3								
2	Tenant looks to renegotiate rent	4	3	Tenant takes opportunity to renegotiate rent level close to completion of transaction	Aim to complete the legal documentation as quickly as possible	4	3								

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