

To: Cabinet
Date: 09 December 2020
Report of: Tom Bridgman, Executive Director - Development
Title of Report: Redevelopment of Boswells Department Store, 1-5 Broad Street

Summary and recommendations	
Purpose of report:	To seek approval to enter into an agreement to enable the redevelopment of the Boswells department store to create a new 4* hotel.
Key decision:	Yes
Cabinet Member:	Councillor Ed Turner, Cabinet Member for Finance & Asset Management
Corporate Priority:	Foster an Inclusive Economy
Policy Framework:	Council Strategy 2020-24
Recommendations: That Cabinet resolves to:	
<ol style="list-style-type: none"> Approve the terms negotiated in relation to the redevelopment of the Boswells Department Store as set out in Exempt Appendix 2 - not for publication; and Delegate authority to the Executive Director – Development, in consultation with the Section 151 officer, Head of Law and Governance and the Cabinet Member for Finance and Property, to vary those terms on condition that the revised terms continue to represent the best consideration reasonably obtainable 	

Appendices	
Appendix 1	Appendix 1
Appendix 2	Exempt Appendix 2 – Not for publication
Appendix 3	Exempt Appendix 3 – Not for publication
Appendix 4	Exempt Appendix 4 – Not for publication

Introduction and background

1. Oxford City Council owns the freehold interest in 1-5 Broad Street. This property was leased to Boswells on a 99 year lease, from 1959. The leased property forms part of the Boswells Department Store.
2. The lease to Boswells expires on 23rd June 2058, giving a current unexpired term of less than 38 years. This lease generates an annual income for OCC of £1,950pa. The plan in Appendix 1 shows OCC's freehold ownership outlined in red. The property outlined in blue is owned Freehold by Boswells and together with red and blue land make up the whole of the Boswells site.
3. Boswells undertook to sell its interest in the building and selected developers Reef as part of this process. Reef have now exchanged contracts to acquire Boswells' freehold (shown blue) as well as the Long Leasehold interest over the Councils land (shown red), subject to both planning and agreement with the Council in relation to the matters described in the Exempt Appendix 2.
4. The core of the proposal is to convert the building into a hotel, with flexible café/bar and co-workspace on the ground floor and top floor. As identified in the Oxford Local Plan 2036, Oxfordshire Industrial Strategy and the council's emerging Economic Strategy, proposals which facilitate longer stays will assist in increasing spend in Oxford's shops and restaurants which will in turn boost their viability and Oxford's economy. This is increasingly important in the context of the city's economic recovery from the current pandemic. In addition to tourists, the short-stay accommodation market has been and is expected to continue to be very strong for business travellers in Oxford. As identified in the Local Plan, there is significant unmet demand and potential for growth in all varieties of short-stay accommodation, particularly when compared with those of comparable cities. Although this information pre-dated the current pandemic it remains an important objective to ensure there is sufficient quality accommodation to support business in the city. Increased investment in areas such as high grade hotel stock could be important in our economic recovery, complement Oxford's global brand, and create more accessible, permanent jobs for the wider community. The Local Plan identifies the City Centre as an appropriate location for hotels and short stay accommodation.
5. Reef has submitted its planning application and is anticipating determination in January 2021.

Financial implications

6. These are set out in exempt appendix 2 to this report.

Legal issues

7. These are set out in exempt appendix 2 to this report.

Level of risk

8. Detail of risk management and mitigation is set out in the confidential Appendix 1 to this report. A confidential risk register is attached as Appendix 3 to this document.

Equalities impact

9. This transaction will generate a return to the General Fund, enabling the Council to provide discretionary services which delivers benefit to the most vulnerable.

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Background Papers: None

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