

To: Cabinet – 10 November 2021
Council – 29 November 2021

Report of: Head of Financial Services

Title of Report: Restructure of the OxWED Joint Venture

Summary and recommendations	
Purpose of report:	OxWED Ltd is a Joint Venture between the Council and Nuffield College, the intention is to facilitate the redevelopment of the land adjacent to the Ice Rink. The current structure of Joint Venture is tax inefficient and therefore a restructure and creation of a new Limited Liability Partnership is recommended.
Key decision:	Yes
Cabinet Member:	Councillor Ed Turner Cabinet Member for Finance and Asset Management; Councillor Alex Hollingsworth Cabinet Member for Planning and Housing Delivery
Corporate Priority:	Enable an inclusive economy
Policy Framework:	Council Strategy 2020-24
Recommendations: That Cabinet resolves to:	
<ol style="list-style-type: none"> 1. Agree the structure of the transaction in relation to the restructure of the Joint Venture between Oxford City Council and Nuffield College in the University of Oxford; 2. Delegate authority to the Head of Financial Services, in consultation with the Head of Law and Governance and the Cabinet Member for Finance and Asset Management, to agree the final documentation, including whether the tax charge payment is made by way of capital payment or loan, and enter into the transaction to create the Limited Liability Partnership; 3. Delegate authority to the Head of Financial Services, in consultation with the Head of Law and Governance and the Cabinet Member for Finance and Asset Management, to agree the Members agreement with the same core principals as the current OxWED shareholders agreement; 4. Recommend to Council, for the sale of shares in OxWED for up to £360,000 along with the purchase of shares in the Limited Liability Partnership and allocate a budget of up to £360,000; 	

5. **Recommend to Council** the novation of the existing loan agreements in the sum of £15.850 million from OxWED to the Limited Liability Partnership on the same terms; and
6. **Recommend to Council** that capital budget of up to £700,000 is established for the tax charge resulting from this transaction.

Appendices

Appendix 1	Exempt Appendix 1 – Not for publication
Appendix 2	Exempt Appendix 2 – Risk Register

Introduction and background

1. OxWED is a 50/50 joint venture (JV) between Oxford City Council and Nuffield College. The objective of the partnership is to facilitate the redevelopment of the land off Oxpens Road, adjacent to the Ice Rink.
2. The current JV structure would lead to disproportionate tax liabilities: as a Local Authority the Council benefits from a complete exemption on Corporation Tax, and as a Charity, Nuffield College benefits from an exemption in relation to Stamp Duty Land Tax (SDLT). As OxWED is currently structured, it does not benefit from these exemptions and would liable to pay both Corporation and SDLT on any future transaction relating to disposal of the land, and any profit generated. A new structure would be better able to reflect the particular status of the City Council and Nuffield College.
3. Please refer to Exempt Appendix 1 – Not for publication for the detail on the recommendation of the structure of the transaction and the financial and legal implications.

Financial implications

4. Please refer to Exempt Appendix 1 – Not for publication

Legal issues

5. Please refer to Exempt Appendix 1 – Not for publication

Level of risk

6. Risk register is attached as Exempt Appendix 2 – Not for publication.

Equalities impact

7. An equalities impact assessment is not required for this restructure.

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Background Papers: None

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