

**To:** Cabinet  
**Date:** 26 January 2022  
**Report of:** Executive Director (Development)  
**Title of Report:** Exploring future options for Council owned land in the City Centre

<b>Summary and recommendations</b>	
<b>Purpose of report:</b>	To seek approval to delegate to officers the process and selection of a preferred commercial partner for the potential redevelopment of Council owned land in the city centre (see Confidential Appendix 1 for more details). This will enable the Council to make an informed choice about its next moves.
<b>Key decision:</b>	Yes
<b>Cabinet Member:</b>	Councillor Ed Turner, Cabinet Member for Finance and Asset Management
<b>Corporate Priority:</b>	Inclusive Economy
<b>Policy Framework:</b>	Oxford Local Plan
<b>Recommendation(s): That Cabinet resolves to:</b>	
1.	<b>Delegate authority</b> to the Executive Director Development, in consultation with the Council's Section 151 Officer, the Head of Law and Governance, and the Cabinet Member for Finance and Asset Management, to agree the terms, route to market, and then select a preferred commercial partner for the potential redevelopment of council owned land in the city centre (see Confidential Appendix 1 for more details); and
2	<b>Note</b> that any decision to enter into contract with the preferred commercial partner for the redevelopment of the land would require a separate Cabinet decision. This would be taken in the round with consideration of other options, including the potential to renew the lease with existing lease holder.

<b>Appendices</b>	
Appendix 1	Confidential – Officer Report
Appendix 2	Confidential - Risk Register

## **Introduction and background**

1. The Council has a responsibility to effectively manage assets it holds in order to maximise income returns for the Council, and bring about wider public benefits.

## **Options considered to date**

2. A high level review of the site's redevelopment potential has been undertaken by external commercial agents. Due to commercial sensitivity, findings on options are summarised within Appendix 1 – Confidential Officer Report.

## **Proposed strategy moving forward**

3. A number of shortlisted options are set out in the Appendix 1 – Confidential Officer Report. To move these forward three workstreams now need to be explored in parallel to help reach a decision in terms of financial return and other factors.
4. This approach will help the Council guard against adverse risks as detailed in Appendix 1– Confidential Officer Report.
5. The three workstreams are:
  - A. Appointing a commercial agent to market the site for redevelopment, to advise on the most advantageous leasing or redevelopment options; and to negotiate the detail of the proposed transaction.
  - B. Continuing to pursue talks with existing tenant on an acceptable lease renewal proposal.
  - C. Exploring any other opportunities to maximise income and other benefits on the site.
6. These three workstreams will allow the Council to understand what is achievable and viable, and whether comprehensive redevelopment should be pursued. The funding for the initial phase of these three workstreams has been approved by an officer delegated decision.
7. Workstream A (exploring options for comprehensive redevelopment), once completed, will help inform decisions about whether it is a more suitable option than those being considered through Workstream B (lease renewal) and C (other opportunities).
8. However, in order for us to adequately progress Workstream A in a timely fashion, it is necessary to seek delegated authority to Director for Development, in consultation with the Lead Member for Finance and Asset Management, to agree the terms, route to market and seek a preferred commercial partner.
9. The Council's officer level Development Board, in consultation with the Cabinet Member for Finance and Asset Management, will review the outcome of the work across the three workstreams, and make a recommendation in regard to the best option for the Council. This will then be brought forward in the line with the Council's Scheme of Delegation.
10. As noted above, should the comprehensive redevelopment option be recommended, this will need to come back to Cabinet for final decision, along with a recommendation to Council for further budget to take this forward.

## **Milestones and Programme**

11. In order to best secure the Council's interests for the site, and minimise risks; all options need urgently progressing in parallel.
12. It is expected that Development Board will consider the initial outcome of the three workstreams in April or May 2022, which could then inform a potential Cabinet decision in June or July 2022. This programme is subject to further work with the appointed commercial agent and consultants, and as such is indicative at this stage.

## **Financial implications**

13. This report is seeking an officer delegation from Cabinet to explore the comprehensive redevelopment option for the land, and is not seeking approval for any additional budget at this point. This delegation is necessary to allow the Council to explore this option in a timely fashion, for reasons explored further in Appendix 1 – Confidential Officer Report.
14. An overall budget approval has already been agreed as an Officer Delegated Decision. The budget allocation will be staged, and reviewed by the Council's officer level Development Board at key gateways. The costs associated with the work to take forward the three workstreams outlined above will come from the R&D capital feasibility allocation within the capital programme. The costs include the commercial agent to advise on delivery options, market site and negotiate the transaction; consultants to review other options, internal project management, property and legal advice, and contingency.

## **Legal issues**

15. The Council's legal team has advised on this Report, see Appendix 1 – Confidential Officer Report.

## **Level of risk**

16. Refer to the attached Appendix 2 – Confidential Risk Register.

## **Equalities impact**

17. Not required at this stage.

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**Background Papers:** None

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