

**To:** Cabinet  
**Date:** 10 August 2022  
**Report of:** Head of Corporate Property  
**Title of Report:** Long Lease Regear/Extension of 59 – 69 George Street

<b>Summary and recommendations</b>	
<b>Purpose of report:</b>	To approve the outline terms of the proposed regear of the head lease at 59-69 George Street to provide a capital receipt to the Council
<b>Key decision:</b>	Yes
<b>Cabinet Member:</b>	Councillor Ed Turner, Deputy Leader (Statutory) - Finance & Asset Management
<b>Corporate Priority:</b>	Enable an Inclusive Economy
<b>Policy Framework:</b>	Council Strategy 2020 - 2024
<b>Recommendations:</b> That Cabinet resolves to:	
<ol style="list-style-type: none"> <li>1. <b>Approve</b> the outline terms negotiated in relation to the re-gear of 59-69 George Street as set out in Exempt Appendix 3 - not for publication; and</li> <li>2. <b>Delegate authority</b> to the Executive Director (Development) in consultation with the Head of Financial Services / S151 Officer, the Head of Law and Governance, and the Deputy Leader (Statutory) - Finance and Asset Management to approve the final form of documents and enter into the transaction.</li> </ol>	

<b>Appendices</b>	
Appendix 1	Location Plan
Appendix 2 (Confidential)	Risk Register
Appendix 3 (Confidential)	Background and Options

## **Introduction and background**

1. Oxford City Council owns the freehold interest in 59-69, George Street. The property is leased to Nuffield College on a 99 year lease from December 1957 and comprises ground floor retail uses with first and second floor office accommodation. The plan in Appendix 1 shows Oxford City Council's freehold ownership outlined in red.
2. The lease to Nuffield College expires in December 2056 giving a current unexpired term of c. 34 years. The long lease generates an annual income for Oxford City Council of £2,000 pa. The property is subsequently let by Nuffield College on occupational leases, detail of these are included in the Exempt Appendix 3 – not for publication.
3. Due to the reducing remaining lease term Nuffield College requested to extend the term by 125 years and terms have been subsequently negotiated. This would be documented by way of a new head lease to expire in December 2181.
4. Approval is sought to the outline terms negotiated and to delegate authority to approve the final form of documents and enter into the transaction.

## **Sustainability**

5. Opportunities to modernise lease documentation and include any relevant sustainability clauses will be supported in the legal process.

## **Financial implications**

6. The transaction will provide a capital receipt to support the Council's Medium Term Financial Plan. Further details are in Exempt Appendix 3 – Not for publication.

## **Legal issues**

7. Section 123 of the Local Government Act 1972 requires that where the Council disposes of land, it does so for the best consideration that can reasonably be obtained. Due to the nature of this transaction the interest cannot be openly marketed, however external commercial property valuers have confirmed that the financial terms outlined in Exempt Appendix 3 are in accordance with Section 123 of the Local Government Act 1972.

## **Level of risk**

8. A risk assessment is attached at Appendix 2.

## **Equalities Impact**

9. This is a property transaction with the Equalities Impact being neutral.

## **Environmental Impact Assessment**

10. No Environmental Impact Assessment has been undertaken, this is a property transaction with no physical works linked. Any opportunity to improve the energy efficiency of the buildings through the lease restructure will be explored.

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<b>Background Papers:</b> None
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