

**To:** Cabinet  
**Date:** 13 March 2024  
**Report of:** Executive Director (Development)  
**Title of Report:** Authority to spend additional budget at 38-40 George Street, Oxford OX1 2BL

<b>Summary and recommendations</b>	
<b>Purpose of report:</b>	To seek delegated authority for a designated officer to spend additional budget for the regeneration of 38-40 George Street, if the parameters included in this report are met.
<b>Key decision:</b>	Yes
<b>Cabinet Member:</b>	Councillor Ed Turner, Deputy Leader (Statutory) - Finance and Asset Management
<b>Corporate Priority:</b>	Enable an Inclusive Economy Pursue a Zero Carbon Oxford
<b>Policy Framework:</b>	Oxford Local Plan, Oxford Economic Strategy and City Centre Action Plan, Asset Management Strategy

<b>Recommendations:</b> That Cabinet resolves to:	
1.	<b>Delegate authority</b> to the Head of Corporate Property 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 final scheme submitted in any planning application and authorise spend up to the maximum budget if parameters set out are met, and enter into any property agreements required in connection with 38-40 George Street (see Confidential Appendix 1 for more details).

<b>Appendices</b>	
Appendix 1	Confidential - Officer Report
Appendix 2	Confidential - Risk Register
Appendix 3	Confidential - Equalities Impact Assessment

## Introduction

1. In July 2023, Cabinet approved the appointment of the preferred developer and operator consortium led by Marick Real Estate (MRE) for the regeneration of the council asset 38-40 George Street with an aparthotel scheme with community hub on the ground floor. MRE were the successful preferred bidder arising from a procurement process brought about by the Council's lease to the current tenant expiring in September 2024.
2. Following that decision, significant progress has been made on the project, including signing the necessary legal contract documents with the developer and operator in October 2023; and then work with our development partner on a public press release and early engagement with key stakeholders. MRE's appointed design team have progressed further detail of the scheme design since their tender proposal as a result of survey work and engagement with stakeholders and initial pre-application sessions have commenced.
3. This report sets out the recommendation to delegate authority to utilise the approved increased budget allocation included in the February 2024 Budget Report at this stage to cover the maximum parameters of scheme design should they meet key parameters included within Confidential Appendix 1. As it is not clear at this stage what the number of rooms will be; authority to utilise the budget allocation for the maximum parameters identified within the contract documents is required in order to give security to the Council's appointed development partner and enable maximum benefits to be fully explored.
4. The Council's planning function as Local Planning Authority is separate and will fulfil its duties under its statutory obligations.
5. Backstop limits and commercial parameters are set within the contract documents and summarised in the confidential appendix. The delegation would require the Head of Corporate Property to ensure in consultation with the S151 officer that these are met.

## Milestones and Programme

6. The programme is dependent on authority to spend up to the maximum budget being delegated by Cabinet March 2024. This is to give the necessary assurance to the Council's development partner to enable them to progress project work in line with the milestones below:

Funding for maximum parameters Cabinet approval	13 March 2024
Approval of additional funding allocation at Full Council	17 July 2024
Public exhibition of scheme design	April 2024
Target planning application submission	May/June 2024
Complete planning approval process	Dec 2024
Construction works on site	2025-2027

### **Financial implications**

7. The budget is already included in the Council’s MTF5. Confidential financial details are provided in the Confidential Appendix 1 including the financial parameters required to allow authorisation of the additional budget.
8. The Council has to comply with PWLB lending criteria for all of its capital projects in order to be able to access PWLB finance. This project involves the regeneration of a large building in the City Centre and also delivers a number of other policy objectives as outlined in the report. The scheme therefore complies with PWLB criteria as fulfilling both the regeneration activity criteria and service delivery through the other policy objectives that are delivered.

### **Legal issues**

9. Specific legal advice on this matter is contained within the Confidential Appendix 1.

### **Level of risk**

10. Please refer to the attached Appendix 2 – Confidential Risk Register.

### **Equalities impact**

11. This regeneration project will involve the creation of a new building to be leased out to support the City Centre and to generate additional revenue income for funding Council services. An assessment of the foreseen direct and indirect impacts on protected groups is shown in the EQIA at Appendix 3.

### **Carbon and Environmental Considerations**

12. This key decision will assist delivery of the Council’s priority to pursue a zero carbon Oxford and the council’s environmental sustainability team have been engaged through the procurement process in feedback through dialogue stages. The bidders explored options to retain the building but this was not economically feasible and would not have delivered the wider regeneration benefits. However, the preferred bidder has set out how they will seek to minimise the environmental impact of the building through reuse of materials where possible. The proposal meets the adopted Local Plan policies and seeks to exceed them in some areas.

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**Background Papers:** None

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