

To: Cabinet
Date: 22 January 2025
Report of: Executive Director (Development)
Title of Report: 38-40 George Street Regeneration Project - Appropriation

Summary and recommendations	
Purpose of report:	To seek approval to appropriate land (change the statutory basis on which it is held by the Council) at 38-40 George Street to be held in future for planning purposes to facilitate the 38-40 George Street Regeneration Project. The appropriation relates to land owned by Oxford City Council.
Key decision:	Yes
Cabinet Member:	Councillor Ed Turner, Cabinet Member for Finance and Asset Management
Corporate Priority:	Enable an inclusive economy Pursue a zero carbon Oxford
Policy Framework:	Oxford Local Plan, Oxford Economic Strategy and City Centre Action Plan, Asset Management strategy
Recommendation(s): That Cabinet resolves to:	
1.	Approve the exercise of the Council's powers to appropriate land in its ownership at 38-40 George Street (See plan at Appendices 1 & 2) ("the Land"), for planning purposes under section 122 of the Local Government Act 1972 so as to rely on the use of the Council's powers under sections 203-206 of the Housing and Planning Act 2016.
2.	To authorise the Executive Director of Development in consultation with the Head of Finance/s151 officer and Head of Law and Governance and the Cabinet member (Deputy Leader (Statutory) - Finance and Asset Management) to agree the terms of settlements and any associated fees

Appendices	
Appendix 1	CONFIDENTIAL Officer Report

Appendix 2	38-40 George St Plan
Appendix 3	CONFIDENTIAL Risk Register
Appendix 4	EQIA

Purpose of Report

1. This report seeks approval for the exercise of the Council’s powers to appropriate the Land (that is to transfer how the Council holds the land from the function and purpose for which it is currently held to a new function and purpose) to be held for planning purposes because following the grant of planning permission the Council’s intention is that the Land will be developed as part of the 38-40 George Street Regeneration Project.
2. Appropriating the Land to a planning purpose will allow the Council to utilise section 203-205 Housing and Planning Act 2016 which means that any restrictions on the use or development of Land will be overridden. This is necessary to facilitate 38-40 George Street Regeneration Project which will include a new aparthotel and community space, (Appendices 1-2) (the “Land”).

Introduction

3. In July 2023, Cabinet approved the appointment of the preferred developer and operator consortium led by Marick Real Estate Ltd (MRE) for the regeneration of the council asset at 38-40 George St with an aparthotel scheme with community hub on the ground floor. MRE were the successful preferred bidder arising from a procurement process to appoint a development partner and was as a result of the Council’s lease to the current tenant expiring in September 2024.
4. Following that decision, significant progress has been made on the project, including signing the necessary legal contract documents with the developer and operator Staycity and Makespace Oxford in October 2023. MRE’s appointed design team have progressed further detail of the scheme design since their tender proposal, and submitted a planning application for the scheme, which received a resolution to grant from the Local Planning Authority on 15 October 2024.
5. The Land is currently held for general municipal purposes.

Rationale for appropriation

6. In order to progress the regeneration scheme, officers are of the view that the appropriation of the land will facilitate the development of the land and will contribute to the achievement of the economic and social wellbeing of the area, namely in the delivery of the aparthotel and community hub. Some of the principal benefits of the scheme are outlined in Appendix 1.
7. More detail on the appropriation is given with Confidential Appendix 1.

8. Appendix 2 illustrates the extent of land to be appropriated. It is important to note that the appropriation covers only land owned by Oxford City Council

Legal implications

9. The Council holds land for the statutory purposes for which it was acquired or following acquisition, appropriated. Appropriation is the process by which land held by the Council pursuant to one statutory function is transferred to another statutory function.
10. Section 122 Local Government Act 1972 governs the process of appropriation. Under section 122 (1) of the Local Government Act 1972 a local authority may appropriate for any purpose for which the council are authorised by this or any other enactment to acquire land by agreement any land which belongs to the council and is no longer required for the purpose for which it is held immediately before the appropriation. For example, if a land was previously used for leisure purposes and the land is intended to be used for housing development.
11. Appropriation has the effect of overriding restrictions and third party rights that may affect the use and further development of the Land in return to a right to compensation.
12. Under section 203 of the Housing and Planning Act 2016 a local authority or successor in title has the power to carry out building or maintenance works even if it involves (a) interfering with a relevant right of interest, or (b) breaching a restriction as to the user of land arising by virtue of a contract or an obligation under a conservation covenant. Four tests must be met for section 203 to apply, namely:
 - (1) There is planning permission for the works;
 - (2) The works are carried out on land vested in or acquired by the authority or on land which has been appropriated for planning purposes;
 - (3) The authority could acquire the land compulsorily for the purposes of the proposed works; and
 - (4) The works are for purposes related to the purpose for which the land is vested, acquired or appropriated.
13. Given the nature of the exercise of the powers proposed by the Council it will be necessary for the Council to have regard to its public sector equality duty in reaching a final decision to appropriate the Land to planning purposes.
14. Under section 149 of Equality Act 2010 a local authority when exercising public functions must have due regard to the need to (a) eliminate discrimination, harassment, victimisation and any other conduct is prohibited by or under the Act, (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and (c) foster good relations between

persons who share a relevant protected characteristic and persons who do not share it.

Equalities Impact

15. The officers have carried out an equalities impact assessment, see Appendix 4, and believe that the impact of the section 203 will be minimal and will not have a negative major impact on equality and diversity in the area.

16. Refer to Appendix 3 for the Confidential risk register.

Financial implications

17. The potential compensation payments are set out in Confidential Appendix 1.

Programme implications

18. This will provide a benefit to the regeneration of the site by mitigating a programme and financial risk.

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