



## Items for Decision

### 1. Declarations of Interest

See guidance below.

### 2. Questions from County Councillors

Any county councillor may, by giving notice to the Proper Officer by 9 am two working days before the meeting, ask a question on any matter in respect of the Cabinet Member's delegated powers.

The number of questions which may be asked by any councillor at any one meeting is limited to two (or one question with notice and a supplementary question at the meeting) and the time for questions will be limited to 30 minutes in total. As with questions at Council, any questions which remain unanswered at the end of this item will receive a written response.

Questions submitted prior to the agenda being despatched are shown below and will be the subject of a response from the appropriate Cabinet Member or such other councillor or officer as is determined by the Cabinet Member, and shall not be the subject of further debate at this meeting. Questions received after the despatch of the agenda, but before the deadline, will be shown on the Schedule of Addenda circulated at the meeting, together with any written response which is available at that time.

### 3. Petitions and Public Address

*Members of the public who wish to speak at this meeting can attend the meeting in person or 'virtually' through an online connection.*

*Requests to speak must be submitted by no later than 9am four working days before the meeting. Requests to speak should be sent to [committeesdemocraticservices@oxfordshire.gov.uk](mailto:committeesdemocraticservices@oxfordshire.gov.uk).*

*If you are speaking 'virtually', you may submit a written statement of your presentation to ensure that if the technology fails, then your views can still be taken into account. A written copy of your statement can be provided no later than 9 am 2 working days before the meeting. Written submissions should be no longer than 1 A4 sheet.*

### 4. Supported Transport Fleet (x71 Vehicles) (Pages 1 - 6)

Cabinet Member: Finance

Forward Plan Ref: 2024/208

Contact: Chris Douglas, One Fleet Senior Programme Manager  
([Chris.Douglas@oxfordshire.gov.uk](mailto:Chris.Douglas@oxfordshire.gov.uk))

Report by Executive Director for Resources and Section 151 Officer (**CMDF4**).

**The Cabinet Member is RECOMMENDED to:**

- (a) **Endorse the approach and proposals to provide Supported Transport with new leases for 71 vehicles engaged in home to school transport for children with special educational needs**
- (b) **Authorise Officers to prepare and commence the procurement of the leases for those 71 vehicles.**
- (c) **Approve delegated authority to the Director of Property and Assets, to award, following a compliant procurement process, of 71 new leases for Supported Transport accessible minibuses, providing essential home to school transport for children with special educational needs.**

## **5. Vehicle Hire Solution (Pages 7 - 12)**

*Cabinet Member: Finance*

*Forward Plan Ref: 2024/209*

*Contact: Chris Douglas, One Fleet Senior Programme Manager*

*([Chris.Douglas@oxfordshire.gov.uk](mailto:Chris.Douglas@oxfordshire.gov.uk))*

Report by Executive Director for Resources and Section 151 Officer (**CMDF5**).

**The Cabinet Member is RECOMMENDED to authorise the Director of Property and Assets to award, following completion of a compliant procurement process, new contract(s) for vehicle hire to support staff business travel needs across the County Council.**

### **EXEMPT ITEM**

In the event that any Member or Officer wishes to discuss the information set out in the annex to Agenda Item 6, the Cabinet Member will be invited to resolve to exclude the public for the consideration of the annex by passing a resolution in the following terms:

"that the public be excluded during the consideration of the annex since it is likely that if they were present during that discussion there would be a disclosure of "exempt" information as described in Part I of Schedule 12A to the Local Government Act, 1972 and specified below the item in the Agenda".

NOTE: The report does not contain exempt information and is available to the public

THE ANNEX TO THE ITEM NAMED HAS NOT BEEN MADE PUBLIC AND SHOULD BE REGARDED AS 'CONFIDENTIAL' BY MEMBERS AND OFFICERS ENTITLED TO RECEIVE THEM.

## **6. Purchase of 20-23 Bridge Street, Banbury (Pages 13 - 22)**

*Cabinet Member: Finance*

*Forward Plan Ref: 2024/210*

*Contact: Henry White, Operational Manager Property Strategy*

*([Henry.white@oxfordshire.gov.uk](mailto:Henry.white@oxfordshire.gov.uk))*

Report by Executive Director of Resources and Section 151 Officer (**CMDF6**)

The information in this case is exempt in that it falls within the following prescribed categories:

3. Information relating to the financial or business affairs of any particular person (including the authority holding that information)

and since it is considered that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

The annex containing exempt information under the above paragraph is attached.

**The Cabinet Member is RECOMMENDED to**

- a) **Approve as a key decision the purchase of a property in Banbury Town Centre for the purposes of re-providing Banbury Library and other Oxfordshire County Council (OCC) uses.**
- b) **Delegate authority to the Executive Director of Resources and Section 151 Officer, in consultation with the Director of Property and Assets; Director of Law & Governance and Monitoring Officer; and the Cabinet Member for Finance to consider Officer recommendations and agree the final purchase price and terms.**

## **Councillors declaring interests**

### **General duty**

You must declare any disclosable pecuniary interests when the meeting reaches the item on the agenda headed 'Declarations of Interest' or as soon as it becomes apparent to you.

### **What is a disclosable pecuniary interest?**

Disclosable pecuniary interests relate to your employment; sponsorship (i.e. payment for expenses incurred by you in carrying out your duties as a councillor or towards your election expenses); contracts; land in the Council's area; licenses for land in the Council's area; corporate tenancies; and securities. These declarations must be recorded in each councillor's Register of Interests which is publicly available on the Council's website.

Disclosable pecuniary interests that must be declared are not only those of the member her or himself but also those member's spouse, civil partner or person they are living with as husband or wife or as if they were civil partners.

### **Declaring an interest**

Where any matter disclosed in your Register of Interests is being considered at a meeting, you must declare that you have an interest. You should also disclose the nature as well as the existence of the interest. If you have a disclosable pecuniary interest, after having declared it at the meeting you must not participate in discussion or voting on the item and must withdraw from the meeting whilst the matter is discussed.

### **Members' Code of Conduct and public perception**

Even if you do not have a disclosable pecuniary interest in a matter, the Members' Code of Conduct says that a member 'must serve only the public interest and must never improperly confer an advantage or disadvantage on any person including yourself' and that 'you must not place yourself in situations where your honesty and integrity may be questioned'.

### **Members Code – Other registrable interests**

Where a matter arises at a meeting which directly relates to the financial interest or wellbeing of one of your other registerable interests then you must declare an interest. You must not participate in discussion or voting on the item and you must withdraw from the meeting whilst the matter is discussed.

Wellbeing can be described as a condition of contentedness, healthiness and happiness; anything that could be said to affect a person's quality of life, either positively or negatively, is likely to affect their wellbeing.

Other registrable interests include:

- a) Any unpaid directorships

- b) Any body of which you are a member or are in a position of general control or management and to which you are nominated or appointed by your authority.
- c) Any body (i) exercising functions of a public nature (ii) directed to charitable purposes or (iii) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union) of which you are a member or in a position of general control or management.

### **Members Code – Non-registrable interests**

Where a matter arises at a meeting which directly relates to your financial interest or wellbeing (and does not fall under disclosable pecuniary interests), or the financial interest or wellbeing of a relative or close associate, you must declare the interest.

Where a matter arises at a meeting which affects your own financial interest or wellbeing, a financial interest or wellbeing of a relative or close associate or a financial interest or wellbeing of a body included under other registrable interests, then you must declare the interest.

In order to determine whether you can remain in the meeting after disclosing your interest the following test should be applied:

Where a matter affects the financial interest or well-being:

- a) to a greater extent than it affects the financial interests of the majority of inhabitants of the ward affected by the decision and;
- b) a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest.

You may speak on the matter only if members of the public are also allowed to speak at the meeting. Otherwise you must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation.

## Divisions Affected – All Divisions

### Delegated Decisions by Cabinet Member for Finance

12 July 2024

### Supported Transport – 71 x Vehicle Leases

### Executive Director of Resources and Section 151 Officer

## RECOMMENDATION

1. **The Cabinet Member is RECOMMENDED to:**
  - (a) Endorse the approach and proposals to provide Supported Transport with new leases for 71 vehicles engaged in home to school transport for children with special educational needs
  - (b) Authorise Officers to prepare and commence the procurement of the leases for those 71 vehicles.
  - (c) Approve delegated authority to the Director of Property and Assets, to award, following a compliant procurement process, of 71 new leases for Supported Transport accessible minibuses, providing essential home to school transport for children with special educational needs.

## Executive Summary

2. The Supported Transport Team (ST) fulfil a statutory duty to provide free transport for entitled mainstream and Special Educational Needs (SEN) students to and from their 'allocated' school.
3. The ST fleet currently comprises leased vehicles supplied by Dawsons, London Hire and Enterprise Flex-E-rent, as well as vehicles owned outright by OCC.
4. The majority of the ST fleet's lease arrangements are due to expire by the end of Q4, 2024/25. 24 of the vehicles (supplied by Dawsons) are due for lease expiry in November 2024. There is therefore an urgent business need to secure new lease arrangements with supplier(s), to ensure service continuity and to make sure the service has the vehicles it needs in advance of the lease agreement end dates in November and December 2024 and by the end of

March 2025. This procurement will secure those vehicles and ensure service continuity.

## **Overview**

5. The Supported Transport Team (ST) fulfil a statutory duty to provide free transport for entitled mainstream and Special Educational Needs (SEN) students to and from their 'allocated' school. The current fleet consists of 97 vehicles.
6. This decision relates to a procurement tender will cater for procurement of a total of 71 of those vehicles, through lease agreements, in 3 sequential Lots, at an estimated £4.5m total contract value, over a 3 year lease.
7. No further lease extension is available on 24 of these vehicles, based on current lease arrangements. There is no compliant method to substantially extend the current arrangement for vehicles on which the service depends. Therefore, the procurement will be designed to accommodate the possibility of utilising the existing vehicles, should the incumbent supplier win the tender. It also provides the opportunity to include additional Lots for vehicles due to reach the end of their existing leases in December 2024 and in March 2025.
8. Vehicle Management Services (VMS – formerly One Fleet) will hold and manage the leases on behalf of OCC and will supply the vehicles to the user service, Supported Transport. VMS and Supported Transport have been working together on planning this procurement and the specifications for the vehicles concerned.
9. While the primary purpose of the procurement is to ensure fleet vehicle continuity in service from November 2024 onwards, reflection and review points will be built into the tender to ensure older vehicles can be exchanged with new(er) electric vehicle alternatives, subject to market availability. This new lease arrangement also provides time for new/nearly new EV to be purchased to support OCC fleet transition to net zero tailpipe alternatives.
10. Many of the vehicles within this procurement do not currently have suitable EV alternatives, so the lease approach provides time for market maturity, as we transition to outright purchase of EVs. There are also significant lead times for outright purchase of these types of electric vehicles (recently experienced 12 months from award of contract to initial wave of vehicle delivery for 9 seater electric minibuses for Adult Services), meaning that route is not suitable currently for this particular part of the OCC fleet

## **Financial Implications**

11. The monthly lease charges due to the external lease company(ies) will be paid by Vehicle Management Services (VMS). The budget holder is The Head of Business Services and Operations for Property.



VMS will then cross-charge Supported Transport for the lease cost, with a management fee applied.

The spend has been approved by the Supported Transport and VMS senior leadership teams.

Expected direct costs (estimated) - composite monthly figure per vehicle	Expected direct costs (estimated) - composite annual 12 months figure per vehicle	36 months total figure per vehicle (estimated)	71 vehicle total cost over 36 months (estimated)
£1,833.33	£22,000	£66,000	£4.686,000

Expected composite rates above are based on current service spend.

12. Monthly direct costs will be paid by VMS, with the service then incurring a monthly on-charge, consisting of the direct lease cost, plus a VMS management charge, for looking after all fleet management aspects of the vehicle and its supporting lease. The VMS on-charge banding for vehicle management volume of this size is planned to be 5%. ST will therefore incur the lease charge plus 5% management. The principle of the VMS on-charge is covered in previous approved One Fleet vision papers and in models applied by Finance Team at year end 2023/24.
13. Cost savings are not expected to be significant through this procurement, compared to the existing arrangement, although all efforts will be made to optimise leases secured.
14. Until completion of tender process there is an inherent risk against current service spend levels.
15. VMS will proactively manage costs to ensure compliance with procurement process and contract arrangements.
16. Risk through lease arrangement is expected to be very low on an ongoing business as usual basis.

Comments checked by:

Drew Hodgson, Strategic Finance Business Partner,  
[Drew.Hodgson@Oxfordshire.gov.uk](mailto:Drew.Hodgson@Oxfordshire.gov.uk)

**Procurement process**

17. The procurement will be conducted via mini competition through the TPPL vehicle hire framework. Bids will be evaluated on a combination of cost, quality and social value, exact weightings to be confirmed.
18. The standard evaluation and moderation process will be followed, ensuring conflict of interest is assessed for all evaluators and a thorough moderation of scores is completed, led by the procurement team.
19. Further detail of the procurement process will be detailed within the Award Recommendation Report.

## **Legal Implications**

20. The vehicles will be leased following a mini competition process under the above-named framework. This is compliant with the Public Contracts Regulations. The framework and Call Off process are currently being reviewed by Legal Services with a view to ensuring that the terms comply with the specific operational requirements of the Council. Minimum service levels will be used to ensure that the service meets the Council standards.
21. As the Council has a statutory duty to provide free transport for entitled mainstream and Special Educational Needs (SEN) students to and from their 'allocated' school, the procurement of these vehicles is essential to ensure that Oxfordshire County Council meets its obligations including under section 509 of the Education Act 1996.

Comments checked by:

Busola Akande, Solicitor, Busola.Akande@Oxfordshire.gov.uk (Legal)

## **Staff Implications**

22. The procurement process to secure the vehicle leases will involve procurement team working with both VMS and the Service. Once procured, the vehicles will be managed by staff from VMS with the Service acting as an internal customer. There will be ongoing communication between VMS staff and staff members from the Service. Day-to-day use of the vehicles will occur within the Service. Asset management will be provided by VMS staff.

## **Equality & Inclusion Implications**

23. There are no noteworthy equality and inclusion implications from this procurement.

## Sustainability Implications

24. This procurement presents positive sustainability implications in that the new leases will include reflection and review points, to assess ongoing market availability of zero emission alternatives to the fleet currently operated. The market does not currently provide suitable alternatives to diesel vehicles required for some operations but technological developments are fast-paced and continual, so these reflection and review points will ensure our fleet can take advantage during the term of the leases.

## Risk Management

25.

Risk	Impact	Likelihood	Mitigation
Procurement timeline slip	New contract(s) not in place by the current contract expiry, leaving service without compliant vehicle for statutory duties	Possible – now working to a tight timeline	Pre-planning/drafting of documents etc. Pre-engagement with award report signatories to avoid delay. Vehicle specifications already completed and ready to go with tender pack
Low bidder response	Insufficient interest from the market to ensure provision of vehicles required	Possible but unlikely as multiple lease companies already involved in vehicle provision to ST and known interest expressed	Liaison (not in breach of procurement regs) with market and soft market testing of interest and awareness of procurement timescales and programme

NAME

Lorna Baxter, Executive Director of Resources and Section 151 Officer

Annex:

Nil

Contact Officer:

Chris Douglas  
Senior Programme Manager – Vehicle Management Services (VMS)

Property Services  
Resources Directorate  
Oxfordshire County Council  
Tel: 07388 006145  
chris.douglas@oxfordshire.gov.uk

July 2024

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## Divisions Affected – All Divisions

### Delegated Decisions by Cabinet Member for Finance

12 July 2024

### Vehicle Hire Solutions

### Executive Director of Resources and Section 151 Officer

## RECOMMENDATION

1. **The Cabinet Member is RECOMMENDED to**

Authorise the Director of Property and Assets to award, following completion of a compliant procurement process, new contract(s) for vehicle hire to support staff business travel needs across the County Council.

## Executive Summary

2. Oxfordshire County Council (OCC) operates a fleet of approximately 400 leased and owned vehicles, deployed across services. In addition to these more 'permanent' vehicles, there is an ongoing, daily need for hire car use, to enable staff from multiple services to carry out their various duties. This ranges from contracts managers carrying out site visits with suppliers to social workers undertaking statutory visits outside of the county boundary. Vehicles are hired on a short to medium term basis, using an online portal (currently provided by Enterprise Mobility Ltd), accessible to all staff.

Future plans are to suppress the level of short term spot hire car use, through provision of a wider menu of options for staff across services, including dedicated and shared pool cars as well as car clubs, in addition to encouraging staff to consider public transport use and active travel options. These additional options (pool cars and car clubs) are under development and early implementation and are not yet at the stage to reduce staff demand for hire cars.

Currently, the Council is out of contract and on a 'rolling' arrangement with Enterprise Mobility Ltd.

The key aims and objectives are therefore to put in place a compliant and value for money contract, as soon as possible and to improve quality and reduce spend, through optimised arrangements.

## Overview

3. Council staff have an ongoing, daily operational need to access hire vehicles to undertake their duties both within and beyond the county boundaries. While other forms of mobility are promoted and available (and others under development), hire car use is a key element of current provision for services, accessible to all staff through an online booking portal hosted by Enterprise. The value of bookings is currently approximately £350,000 per annum.

The contract with Enterprise has expired and, as such, the Council urgently needs to put a compliant and more cost effective value for money arrangement in place with a supplier or suppliers to meet the continual demand for hire vehicles across services.

Moving forward, any online booking portal provided by a supplier would be managed by Vehicle Management Services (VMS) and VMS staff would monitor use by colleagues and liaise with the supplier(s) to ensure quality of delivery and value for money. This would be much more proactive management than has been the case with the hire car arrangements historically. It will also mean we can drive efficiencies and rationalise use (types of vehicles hired, durations, pre-existing damage control, on hire/off hire liabilities), giving the Council a much better commercial deal than has previously been the case.

We can also begin to stipulate electric vehicle provision and use, which has not been the case previously, to contribute to our decarbonisation targets, year on year, to 2030. This aligns with our overall fleet strategy, with its 'electric by default' mantra.

The need for this vehicle hire solution exists across the Council. It will be managed by VMS but helps ensure business continuity and service delivery countywide, across all services.

## Financial Implications

4. Currently, hire cars are arranged by individual staff members, booking through the online Enterprise portal. The cost of hire cars is applied to individual services across the Council, on a use-by-use basis, rather than from a single central budget. Damage control is managed by VMS and where 'at fault' damage is agreed, the cost is applied to the respective service. Moving forward, VMS will manage the booking portal provided by the supplier, centrally. This will improve visibility and transparency of bookings, nature of use, hire durations, pre-existing damage risks and other on hire/off hire liabilities.

The monthly rental charges due to the supplier will be paid by VMS. The budget holder is The Head of Service for VMS, The Head of Business Services and Operations for Property. VMS will then cross-charge the

respective service, with a management charge added. The spend has been approved by the VMS senior leadership team.

The existing approximate annual spend with Enterprise is £350,000. It is anticipated that with centralised management of bookings and proactive cost management, a closer working relationship with the supplier and more scrutiny on charges applied – including pre-existing damage and on hire/off hire liabilities, as well as with other mobility options becoming available to suppress hire car demand, that this figure will reduce.

Expected direct costs (estimated) - composite monthly for hires across all services paid by VMS and recovered	Expected direct costs (estimated) - composite annual 12 months figure for hires across all services	4 years total expected direct costs (estimated) - composite figure across all services
£29,166.67	£350,000	£1,400,000

Monthly direct costs will be paid by VMS, with the services then incurring a monthly on-charge consisting of the direct hire cost plus a VMS management charge, for looking after all bookings and contract management. The VMS on-charge percentage is to be agreed. The principle of the VMS on-charge, as VMS acts as an internal lease company, is covered in the One Fleet Vision paper and supporting models produced and applied (initially at year end 2023/24) by Finance team.

Cost savings are expected to be realised through this procurement, compared to the existing arrangement, by securing commercial rates and more proactive centralised management of bookings and hire vehicle use, which will cover the VMS on-charge percentage.

Risk through the hire arrangement is expected to be low on an ongoing, business as usual basis. Risk of over-inflated damage charges and those for pre-existing damage at time of on hire will be scrutinised proactively, through the centralised VMS role. This will further drive down risk.

Budget vs spend comparison is not possible in this instance as services across the Council will make use of this contract on an ad hoc basis. The nature of vehicle hire as opposed to lease or purchase, is that it is unplanned and short notice, however it is expected that individual services will continue to use their existing budget arrangements to fund use of the contract.

The centralised model will aim to reduce this unplanned/ad hoc use of vehicle hire and instead utilise staff usage data to implement longer terms solutions such as car clubs, lease and purchase. These solutions will go through their own governance process where budget can be scrutinised accordingly.

Comments checked by:

Drew Hodgson, Strategic Finance Business Partner,  
Drew.Hodgson@Oxfordshire.gov.uk

## Legal Implications

- The procurement process will be conducted in compliance with the Contract Procedure Rules and the Public Contracts Regulations 2015.

Comments checked by: Jayne Pringle, Head of Law & Legal Business Partner  
– Contracts and Conveyancing, [Jayne.pringle@oxfordshire.gov.uk](mailto:Jayne.pringle@oxfordshire.gov.uk)

## Staff Implications

- The procurement process to secure the vehicle leases will involve procurement team working with VMS. Once procured, the vehicles will be managed by staff from VMS with the Services (across the Council) acting as internal customers. There will be ongoing communication between VMS staff and staff members from the Services. Day-to-day use of the vehicles will occur within the Services. Asset management will be provided by VMS staff.

## Equality & Inclusion Implications

- There are no noteworthy equality and inclusion implications from this procurement.

## Sustainability Implications

- This procurement presents positive sustainability implications in that the new arrangements will stipulate provision of electric vehicles, in full alignment with our fleet decarbonisation plans.

## Risk Management

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Risk	Impact	Likelihood	Mitigation
Procurement timeline slip	New contract(s) not in place, leaving Council and services without compliant hire vehicles for statutory duties	Possible – current position is non-compliant and Council is currently at risk without valid contract in place	Pre-planning/drafting of documents etc. Pre-engagement with award report signatories to avoid delay. Effort to expedite contract tendering to bring



			Council out of exposed risk position
Low bidder response	Insufficient interest from the market to ensure provision of hire vehicles required	Possible but unlikely as multiple hire companies have expressed interest	Liaison (not in breach of procurement regs) with market and soft market testing of interest and awareness of procurement timescales and programme

Lorna Baxter  
SLT Member

Annex: Nil

Contact Officer: Chris Douglas  
Senior Programme Manager – Vehicle Management Services (VMS)

Property Services  
Resources Directorate  
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July 2024

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## Divisions Affected – Banbury Grimsbury and Castle

### DELEGATED DECISIONS BY CABINET MEMBER FOR FINANCE

12 JULY 2024

### PURCHASE OF A PROPERTY IN BANBURY TOWN CENTRE AS A SITE FOR A NEW BANBURY LIBRARY AND OTHER OCC USES

Report by Executive Director of Resources and Section 151 Officer

#### RECOMMENDATION

The Cabinet Member is RECOMMENDED to

- a) Approve as a key decision the purchase of a property in Banbury Town Centre for the purposes of re-providing Banbury Library and other Oxfordshire County Council (OCC) uses.
- b) Delegate authority to the Executive Director of Resources and Section 151 Officer, in consultation with the Director of Property and Assets; Director of Law & Governance and Monitoring Officer; and the Cabinet Member for Finance to consider Officer recommendations and agree the final purchase price and terms.

#### Executive Summary

1. The current Banbury Library is in a building leased by the Council, which is too small, in a poor location, listed, in poor condition and is considered unsuitable for the delivery of a modern library service. It is considered imperative by the service to move into more viable space. Out of all 45 branch network sites, and following the extensive, evidence-based Libraries Asset Development Plan (2023), Banbury Library has been identified as having the highest strategic priority, in terms of requiring development to make it fit for purpose.
2. An opportunity was previously considered to locate the library on the first floor in Castle Quarry Shopping Centre, owned by Cherwell District Council (CDC). In September 2022, Cabinet approved a Final Business Case (FBC) for a new Banbury Library. This option was discounted in late 2023.
3. From a fresh options appraisal carried out in late 2023 a new opportunity has been identified in an alternative building in the town centre. The building would have enough room to house the library, as well as additional space to fulfill other OCC needs.

4. The property is not actively being marketed for sale and an off-market purchase price has been negotiated with the current property owner, supported by independent valuation. In addition to the purchase price there will be fit out costs and decarbonisation costs. These costs will be offset by revenue savings, income and income potential, creating a payback period of approximately 13 years on the total cost and 7.5 years on the works.

## Exempt Information

5. The price agreed is considered exempt information. This is an ongoing negotiation which could be jeopardised if the specific details were available in the public domain.

## Background

6. The current Banbury library is in a building leased in by the Council.
7. The Council is secure in its tenancy under the Landlord and Tenant Act; however, the current building is too small, in a poor location, it's Grade II listed, the condition is poor, and it is widely considered unsuitable for the delivery of a modern library service, with issues around the heating system creating Health and Safety concerns. It is considered imperative to move colleagues into a more viable space.
8. The library provides a key community service and is open to the public 52.5 hours a week. The library had almost 79,000 visitors in 2023/24 and over the same period, the library issued c.100k books and provided c.5k individual ICT access sessions for customers. Banbury Library is also a busy validating library providing a key service to OCC residents; this includes, Blue Badges, Parking permits and the EU Settlement supported service. It is the Library Service's fifth busiest library.
9. The library receives class visits from the local primary schools, independent primary schools, and special schools for children with learning disabilities. Public access to computers is provided via 10 adult and 1 children's PC. 10 study tables are in frequent use, more so during the run-up to exams.
10. The decision was made to seek alternative premises in 2021. An opportunity was previously identified to locate the library alongside other facilities in a first-floor unit within Castle Quay shopping centre owned by Cherwell District Council (CDC). In September 2022, Cabinet approved the FBC for a new Banbury Library based on a £3.2m total capital project cost (of this £166k has been spent on the previous scheme). An increase in revenue costs of £176k per annum (from £112,831 per annum to £289,500 per annum). Only £150,000 of these revenue costs were allocated.

11. A recent service decision was taken to complete a fresh options appraisal to identify other opportunities in the Banbury area that would be suitable as a library and flexible OCC space. As part of this work, a suitable property was identified. The building has been inspected by the service and the property team and was considered suitable to pursue further as an alternative option.
12. The property would be the new Banbury Library, but other OCC service needs could be accommodated. These include, but are not limited to, office space for the registration team having to re-locate out of Bodicote House, agile working space for OCC staff including social services, community uses and potential solutions to the current and growing OCC need for storage space.
13. As part of the options appraisal, consideration was also given to staying at the current location. This was discounted as a long-term option as the required maintenance and investment would cost more than £2.0m due to the listing and physical limitations of the property. This option would also retain a leased property, which OCC would have to improve with no long-term benefit, which is not aligned to OCC's property strategy.

### **Alignment to Relevant Strategy**

14. In 2022, OCC developed a three-year Strategic Plan (updated in February 2023) which sets out its vision "to lead positive change by working in partnership to make Oxfordshire a greener, fairer and healthier county".

The Strategic Plan sets out nine cross-cutting priorities and commitments to support this vision's achievement.

15. Priority two is "Tackle inequalities in Oxfordshire". Banbury library supports the population of Banbury and is aligned to priority two. It is extremely important to the service to have a library in Banbury which is currently the fifth busiest library in Oxfordshire due to the social and economic issues the town has.

Banbury has the highest concentration of Black and Minority Ethnic residents in the County, along with Oxford City. Ruscote ward has a notable South Asian community which expanded in the 1950's because of the growth of the town due to the London overspill. There is also high proportion of Eastern European migrants.

16. Priority seven is to "Create opportunities for children and young people to reach their full potential". A flexible and modern library will support local children and residents with spaces for learning.

Cherwell area has the highest number of children who do not speak English as their primary language in Oxfordshire. Banbury includes some of the more deprived areas of Oxfordshire and has 4 areas ranked within the 20% most deprived areas nationally and 6 areas within the 10% most deprived on Education, Skills, and Training.

17. Areas in Banbury are statistically worse than the national average on several public health indicators, including emergency admission to hospital for under 5's, under 15's and under 24's, emergency admissions for stroke/COPD/self-harm and heart attack. The prevalence of diabetes, dementia and depression is also above the Oxfordshire and national average.
18. There are 1,720 children under 16 in low-income families. Banbury's Ruscote ward has 28% child poverty, where the national average is 20.1%. Income deprivation, child development, GCSE achievement, older people in deprivation and poverty, deaths from all causes are significantly worse than the national average.
19. Priority one is "Address the climate change emergency". The current library is in an energy inefficient building and one where we don't have full control as a tenant, meaning there are limitations on what improvements can be undertaken. Moving to a new premises will provide the ability to improve the energy efficiency of the property to meet carbon reduction targets.
20. The release of the existing library is aligned with the OCC Property Strategy approved in 2023, in that it removes an expensive leased in property, especially one that will be difficult to bring up to the standards required to hit OCC's carbon targets by 2030. In addition, due to the size of the property, there will be further opportunities for the release of other OCC buildings as part of the continued asset rationalisation process.

## Options

21. Remaining in the current property has been considered however the existing building is Grade II listed and very energy inefficient. In the last four years over £100,000 has been spent on reactive maintenance and this level of expenditure will need to be required in the future. Currently the property has no heating on the top floor where the staff offices are, and the staff have had to relocate to a small room on the ground floor in the winter.

Decarbonisation of the building has been considered and it has been concluded that due to the listing of the building and its physical restrictions, the relevant improvements to provide a carbon neutral property are uneconomical at a potential cost exceeding £2m.

22. Alternative options in the town have been considered and suitable opportunities reviewed. From this work an opportunity has been identified to acquire a building currently not on the market for sale.

The property once acquired will sit on the Councils balance sheet as an asset and will have an exit value. It is also considered that an acquisition now is at a relatively low point in the market, so there should be a potential capital uplift in value over time.

The purchase of new premises also means the sum needed to be spent on the current building, in excess of £2.0m, on a leased in building, can be avoided.

The result of acquiring this space will be a building that OCC own, providing a much needed, fit for purpose, new library space as well as additional, flexible accommodation to meet the needs of the community as well as OCC's internal needs. The purchase of the property is in accordance with the service strategy, property strategy, and OCC policy.

## Corporate Policies and Priorities

23. The existing premises falls short of the Council's aims to be an Employer, Partner, and Place shaper of choice, with unfit and costly premises for staff to work and the community to visit. The current site has highly limited co-location potential, and a new proposal provides refurbished premises that would transform customer delivery and partnership (and income) development opportunities. It would provide improved staff morale and increase staff retention; and, most importantly, it will provide a modern, accessible site for the community, far closer to public transport links in the centre of town.
24. This proposal also meets a commitment that we made to CDC to work with them to promote footfall in the town centre. Having the new library opposite Castle Quay shopping Centre and next to the Town Hall will promote foot traffic to this part of the town.

## Financial Implications

25. On top of the purchase price there will be additional works required to the property in terms of fit-out, refurbishment and decarbonisation works.
26. We are currently holding Section 106 money which will offset part of the capital cost,
27. The project creates positive revenue implications:
  - The rent paid for the current library space can be saved.
  - The property we are buying generates rental income from a sub-let.
  - The first-floor storage space could be used to replace the leased in file storage unit at Nuffield Way in Abingdon, making further potential saving. This would be in line with not just the property strategy and asset rationalisation strategy, but also the emerging storage and agile working strategy.
  - There is a further area on the first floor, previously used as a cafe, that can be brought back into use, reducing a future revenue pressure of an estimated £40,000 to £50,000 per annum.

- The annual running costs will be similar to those in the current building. Estates hold a further revenue budget for a new library that can therefore be offered back to provide a saving.
- There are also likely to be less reactive maintenance costs, although this cannot be quantified at this stage.

28. The income generation and revenue savings generate a payback of 13 years on the total project cost and 7.5 years on the physical works.

Comments checked by:

Graham Clare, Senior Planning and Reporting Accountant  
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## Legal Implications

29. The legal process for the purchase of the property could be handled by OCC in house. As with any purchase transaction, it would involve OCC checking the legal title (including the terms of the sub-let shop lease) then entering a contract with the seller. Normally OCC would want to be confident that the property had the necessary planning permissions for its proposed use (or that they could easily be obtained) before entering the contract. If there was doubt about this, the contract might have to be conditional on obtaining satisfactory planning permission. There is likely to be Stamp Duty Land Tax payable on the transaction.

Comments checked by:

Richard Hodby, Solicitor, Legal Services ([richard.hodby@oxfordshire.gov.uk](mailto:richard.hodby@oxfordshire.gov.uk))

## Staff Implications

30. The service revenue/staffing budget that was approved for the Castle Quay proposal is still held by service and it is proposed to move this across onto this project. There is no additional ask from service at this stage.

## Equality & Inclusion Implications

31. This report concerns the replacement of the existing library in a more modern and suitable building. The new building will be more accessible with a town centre shop front and better parking as well as better connections to public transport.



## Sustainability Implications

32. The current building has a poor EPC rating and has restrictions on what can be done to improve the situation. The new building has a better EPC rating and with the works proposed the rating be improved further.
33. Grant funding will be sought by the decarbonisation team for works to further improve the property in this regard.
34. Overall, this purchase and the subsequent release of the existing building will assist the council's ability to meet its climate and ecological commitments.

## Risk Management

35. The Initial Business Case, which has been through both the Property Capital Board and the Strategic Capital Board has a full, albeit high level at this stage, risk assessment, concluding in a recommendation to proceed with the purchase.

### **Lorna Baxter**

#### **Executive Director Resources and Section 151 Officer**

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