

**CABINET**  
**14 JULY 2026**

**Governance for Oxford Castle Apartments Limited**

**Report by the Director of Financial and Commercial Services**

**RECOMMENDATION**

1. The Cabinet is **RECOMMENDED** to
  - a) Note that the acquisition of the Oxford Castle Quarter site has now completed and that the related acquisition of Oxford Castle Apartments Limited (OCAL) for the nominal consideration of £1 will be concluded, subject to final due diligence, in August 2026
  - b) Agree that the Council will exercise its shareholder function through the Shareholder Committee, consistent with existing arrangements for council-owned companies.
  - c) Delegate authority to the Deputy Chief Executive (S151 Officer), in consultation with the Director of Law and Governance and Monitoring Officer, and the Cabinet Member for Finance, Property and Transformation, to:
    - approve the Articles of Association; and
    - appoint the initial Company Directors,with these decisions to be ratified by the Shareholder Committee at its earliest available meeting.

**Executive Summary**

2. Cabinet approved the acquisition of Oxford Castle Quarter on 17 March 2026. Part of that transaction included potential acquisition of Oxford Castle Apartments Limited (OCAL), a special purpose vehicle associated with the residential long leasehold elements of the site.
3. The acquisition of OCAL was separated from the land transaction and made subject to further due diligence. This report confirms the intention to acquire

OCAL in August 2026 for £1, at which point it will become a wholly owned subsidiary of the Council.

4. This report also sets out the purpose of OCAL, the statutory requirements under the Companies Act 2006, and the proposed governance arrangements for the wholly owned company.

## **Background**

5. Cabinet approved the acquisition of the long leasehold interest in Oxford Castle Quarter in March 2026, recognising its strategic importance for regeneration and place shaping in Oxford. The Cabinet decision delegated authority to the Deputy Chief Executive (S151 Officer) to conclude negotiations and complete the acquisition, subject to satisfactory due diligence. The overall acquisition has now completed.
6. As part of the transaction structure, a special purpose vehicle (OCAL) was identified that creates a buffer lease arrangement for the residential leasehold elements within the site.
7. The acquisition of OCAL was a condition of the land purchase subject to satisfactory due diligence of the company. The final due diligence will be concluded by the end of July 2026 enabling the acquisition of the company to be concluded in August 2026. At which time the company be transferred, wholly owned by Oxfordshire County Council.

## **Purpose of OCAL**

8. OCAL is a private company limited by shares, incorporated under the Companies Act 2006. Its purpose is to act as a special purpose vehicle (SPV) to hold the buffer lease arrangements associated with the residential long leasehold interests within the Oxford Castle Quarter. This structure separates residential leasehold interests from the commercial estate, providing legal clarity and risk segregation to enable efficient management of the residential long leaseholder relationships. OCAL is therefore a passive asset-holding company, not an operational trading entity.

## **Nature of the Company**

9. OCAL is intended to operate as a low activity company. It will not:
  - Trade commercially
  - Employ staff
  - Generate material income beyond its structural function
10. Its role is limited to holding the relevant lease interests and to act as a legal counterparty where required.

11. This limited scope underpins the proposed proportionate governance approach set out in this report.

## **Governance Arrangements**

12. As a company governed by the Companies Act 2006, OCAL must:
  - Have Articles of Association
  - Have at least one Director
  - Maintain statutory registers
  - File annual accounts and confirmation statements
  - Ensure Directors comply with statutory duties
13. The Council, as sole shareholder, will exercise ultimate control of the company.
14. The following actions are required to complete the acquisition and establish the company under Council ownership:
  - Finalisation of Articles of Association
  - Appointment of Directors
  - Transfer of ownership to the Council
  - Updating Companies House records
15. It is proposed that two Directors are appointed being two officers from the Council's Senior Leadership Team to ensure senior oversight while maintaining proportionate governance.
16. It is recommended that the Council acts as the sole shareholder through the Shareholder Committee. This aligns with existing governance arrangements for council-owned companies.
17. Draft Articles of Association are being prepared and will be finalised to reflect the Council's sole ownership and the passive nature of the company. It would usually be the responsibility of the Shareholder Committee to approve the Articles of Association, but the meetings timetable does not align with the requirement to update Companies House records. It is therefore recommended that the approval of the initial Articles of Association is delegated to the Deputy Chief Executive (S151 Officer), in consultation with the Monitoring Officer and the Cabinet Member for Finance, Property and Transformation, before they are considered by the Shareholder Committee at their earliest available meeting. The Articles of Association will include reserved matters, i.e. decisions that reserved for the Shareholder Committee. These will include:
  - Approval of Articles of Association
  - Appointment and removal of Directors
  - Approval of any business plan (if required)
  - Significant financial decisions (e.g. borrowing or asset disposal)
  - Changes to the company's purpose

18. Given the limited business and low-risk nature of the company it is likely that the Shareholder Committee would only need to consider OCAL annually, with additional meetings should reserved matters arise.

## **Financial Implications**

19. The acquisition cost of OCAL is £1. The acquisition introduces no material additional financial risk and will support risk management through the structural separation of residential lease arrangements.

Comments checked by:

Kathy Wilcox, Head of Corporate Finance

## **Legal Implications**

20. The Council has instructed specialists property and legal representatives in relation to the acquisition of Castle Quarter including in respect of all due diligence enquiries. Under the property acquisition contract, the Council is under a further obligation to acquire the shares in OCAL (subject to satisfactory corporate due diligence) from Land Securities Properties Limited.
21. OCAL is the tenant under the underleases of residential blocks at B-wing and Tidmarsh Lane, and is a passive asset-holding company, not an operational trading entity. OCAL entered into a buffer lease arrangement in 2012 associated with the residential long leasehold interests within the Oxford Castle Quarter. This structure separates the end-occupier residential leasehold interests from the commercial estate, thereby managing potential risk.
22. The acquisition of OCAL will therefore support legal risk management through the continued structural separation of residential lease arrangements, following Land Securities' full exit from the Castle Quarter estate.

Comments checked by:

Esma Basbaydar, Principal Solicitor (Litigation)

## **Staff Implications**

23. There are no staffing implications arising from this report.

## **Equality & Inclusion Implications**

24. There are no equalities implications arising from this report.

## **Sustainability Implications**

25. There are no equalities implications arising from this report.

## **Risk Management**

26. The acquisition represents a low-risk transaction given the nominal purchase price, the limited activity of the company and its role in improving clarity and separation of legal interests.

**Ian Dyson**  
**Director of Financial and Commercial Services**

Annex: Nil

Background papers: Nil

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