

1st September 2008

Our ref: R00057

Freedom of Information request – Oxford Castle Project

Your request is:

Could you answer the following questions?

1. You state, "invested £6 million in the project - £4.5 million to support The Osborne Group's development of the hotel and neighbouring public spaces," Does this mean that the Osborne Group did not pay for the development of the hotel and that it was funded by public money?
2. You state, "that the project fully realises its potential in respect of enhancing the local economy." Can this statement be quantified?
3. You state, "provide new homes". How many new homes were provided, what sort of homes and who actually funded them?
4. You state, "create some 200 new jobs". How many jobs have been created?

SEEDA's detailed response is set out below.

Information requested

- 1. You state, "invested £6 million in the project - £4.5 million to support The Osborne Group's development of the hotel and neighbouring public spaces," Does this mean that the Osborne Group did not pay for the development of the hotel and that it was funded by public money?**

The Oxford Castle and Prison project, which includes the new hotel, was delivered by SEEDA in partnership with Oxfordshire County Council and the Trevor Osborne Property Group by way of a number of funding and development agreements. SEEDA investment was on the basic principle that it was the minimum to make this regeneration project happen, and was only part of the total development cost. Most of the funding (approximately 77% overall) came from the private sector / Trevor Osborne Property Group who delivered the scheme on site.

2. You state, "that the project fully realises its potential in respect of enhancing the local economy." Can this statement be quantified?

As part of our commitment to continuous improvement, the project was evaluated for SEEDA by specialist consultants Grant Thornton in April 2008. This included an assessment and quantification of benefits, including jobs and businesses created, and also the overall impact of the project. The measurement of these outputs, and consideration of wider outcomes is an important part of the evaluation of the success of our projects. The Grant Thornton evaluation report concluded that the project was a success.

The report made it clear that in the absence of SEEDA's intervention, it is unlikely that the site and buildings would have been brought back into economic use. The report shows that the project has resulted in an additional net expenditure of £1 million per annum by visitors and the actual hotel occupancy – in excess of 80% - has exceeded projections. 10 businesses have been created and a quicker and more direct access to the town centre provided. In addition, the project is expected to have an ongoing positive impact on efforts to revitalize the run down West End of the city.

3. You state, "provide new homes". How many new homes were provided, what sort of homes and who actually funded them?

The completed project has provided 40 residential apartments, which in effect were jointly funded by the public and private sectors as part of the development agreements outlined above. These are a mixture of homes for sale and serviced apartments (which are available for rental on a short-term basis). Originally it was projected that 33 of these apartments would be serviced but we believe that this mix may have changed. We do not hold the revised number of serviced apartments.

4. You state, "create some 200 new jobs". How many jobs have been created?

The Grant Thornton evaluation report showed that for the whole project so far around 330 new jobs have been created.