

| This report is public | |
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| Castle Quay Banbury – Roof Works | |
| Committee | Council |
| Date of Committee | 15 December 2025 |
| Portfolio Holder presenting the report | Councillor Lesley McLean Portfolio Holder for Finance, Property, and Regeneration |
| Date Portfolio Holder agreed report | 5 December 2025 |
| Report of | Assistant Director Property Mona Walsh |

Purpose of report

That the utilisation of Capital Programme funds of £1.65 Million to undertake landlords works to ensure a fit for purpose watertight roof to mitigate loss of rent and further claims from occupiers at Castle Quay Banbury be approved.

1. Recommendations

Council resolves:

- 1.1 To approve the utilisation of Capital Programme funds of £1.65m to undertake landlords works to ensure a fit for purpose watertight roof to mitigate loss of rent and further claims from occupiers at Castle Quay, Banbury.

2. Executive Summary

- 2.1 To recommend utilisation of Capital Programme funds of £1.65m to undertake roof replacement works at Castle Quay. The budget estimate is inclusive of contingency and fees.
- 2.2 There are a number of areas of the roof fabric that are, due to age, have failed and are at the end of their life with leaks becoming more frequent. As a result of roof part so the roof need replacing.
- 2.3 Customer and tenant complaints are numerous. Wet areas on the tiled floors in mall areas present potential slip/trips and fall hazards and need be managed by the centre management team to ensure public safety. Leaks impact letting of vacant and void units, where CDC are fully liable for all costs incurred.
- 2.4 Works required are of a capital nature to extend the life of the of the asset. The existing roof is now at least 25 years old. The works will have a warranty of between 10 and 15 years.

- 2.6 The plan at Appendix 1 shows the roof of Castle Quay roof with some areas marked up to help with orientation.

Implications & Impact Assessments

| Implications | | Commentary | | |
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| Finance | | The proposed capital expenditure will incur revenue costs associated with financing the project. Minimum revenue provision (MRP) and interest are estimated to amount to c£0.080m per annum. This will need to be built into the council's medium term financial strategy. Joanne Kaye, Head of Finance (D151), 12 November 2025 | | |
| Legal | | The report notes that the contract to undertake the works will be procured, and detailed procurement/legal advice will need to be provided in relation to this procurement exercise and the contract to undertake the works. Legal advice may also be required in relation to the ability to recover some or all of these costs as increased service charge from the existing tenants if that is the Council's intention going forward. Executive approval will be required to enter into the contract once the procurement exercise has been completed. Denzil – John Turbervill, Head of Legal Services, 12 November 2025 | | |
| Risk Management | | There are no risks arising directly from this report. Any arising risks will be managed by the relevant service operational risk register and escalated to the corporate leadership risk register as and when necessary. Celia Prado-Teeling, Performance Team Leader, 4 December 2025 | | |
| Impact Assessments | | Positive | Neutral | Negative |
| | | Commentary | | |
| Equality Impact | | | x | |
| A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality? | | | x | |
| B Will the proposed decision have an impact upon the lives of people with protected characteristics, | | | x | |

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| including employees and service users? | | | | |
| Climate & Environmental Impact | x | | | The proposed works will help extend the life of the asset, will improve insulation in parts and enable future installation of PV solar panels subject to feasibility, budget and approval. |
| ICT & Digital Impact | | | | Not applicable |
| Data Impact | | | | Not applicable |
| Procurement & subsidy | | | | Any procurement activity undertaken must comply with the Council's Procurement Rules and Regulations. All expenditure must be properly recorded using the appropriate forms and go through the relevant approval process. Subject to receiving the necessary approvals and governance, we will look to carry out a procurement exercise under an appropriate framework. Darren Jacobs, Procurement Manager, 11 November 2025 |
| Council Priorities | Economic prosperity | | | |
| Human Resources | Not applicable | | | |
| Property | This report has been written by the AD Property and therefore no further comments are needed. Mona Walsh Assistant Director Property, 10 November 2025 | | | |
| Consultation & Engagement | Not applicable | | | |

Supporting Information

3. Background

- 3.1 The Council as Landlord, are responsible for undertaking repair and maintenance to the structure of Castle Quay, subject to a Service Charge mechanism allowing recovery of qualifying expenditure. Undertaking a timely programme of necessary replacement of the roof fabric maintains the structure and reduces overall expenditure in the long term by avoiding the need for emergency repair. In addition, a structured replacement programme creates an attractive environment necessary to attract occupiers and consumers to the Centre.
- 3.2 The proposed works and the associated capital investment demonstrate the Council's ongoing commitment not only to Castle Quay but the wider town of Banbury by supporting the wider economy and protecting the continuing effective function of the Centre and Banbury Town Centre.

- 3.3 The proposed replacement works to the roof fabric are required to address works needed to areas of the roof fabric that are, due to age, deteriorating and leaks are becoming more frequent.
- 3.4 The procurement will be carried out by CDC Capital and Special Projects team, and they will oversee the works. Competitive Tenders will be obtained to ensure the works are delivered at best value.

4. Details

- 4.1 To undertake works in the sum of £1.65 m, inclusive of contingency and fees, comprising: -
- Removal of redundant equipment from the roof areas and capping of redundant apertures.
 - Strip back existing roof coverings to a sound substrate and localised replacement of insulation where this has been damaged due to water ingress.
 - New roof waterproofing fabric to priority areas. New roof fabric will have a warranty of no less than 10 years.
 - Electrical installation alterations as required to undertake the roof works
 - Lightning Protection and reinstatement as required to undertake the roof works
 - Install suitable edge protection and ladder access to ensure future safe access for maintenance of the roof areas.
- 4.2 These proposals will reduce CDC's exposure to continued repair and long-term escalating maintenance costs, reduce costs of continued call out and emergency repairs impacting on tenants, customers and visitors. The proposal will continue to support the shopping centre experience and its environment demonstrating a continuing commitment to Castle Quay and Banbury.
- 4.3 The new roof membrane and removal of redundant plant and equipment on the roof will allow CDC to install solar PV onto this roof space, under a separate contract of works, helping to reduce the councils carbon emissions.
- 4.4 The Council has explored funding of these works under the service charge provisions of tenant leases and this is potentially not feasible due to the nature and location of the proposed works and the operation of the RICS Service Charge Code.
- 4.5 A sinking fund model is unsuitable for funding works in shopping centres like Castle Quay. Shopping centres use service charges to manage maintenance costs, as tenants have short lease terms and pay for day-to-day services. Sinking funds are designed for long-term asset replacement and are more common in residential properties with long-term leaseholders who share responsibility for upkeep. Service charge accounting is a clearer and more practical system for commercial property management.
- 4.6 The Council's climate strategies support installation of solar energy PV panels in suitable locations. It is not possible to include PV panel installation as part of the works proposed in this report as they are two separate workstreams requiring specialist and different contractors. However, the roof enhancement works proposed in this report will help support future delivery of PV panels by upgrading

the roof area, removing redundant plant and other equipment, provision of re-enforcement panels, infrastructure ducting and routes. Installation of solar energy PV panels will require a separate report to Executive.

- 4.7 The plan at Appendix 1 shows the roof of Castle Quay roof with some areas marked up to help with orientation.

5.0 Alternative Options and Reasons for Rejection

- 5.1 The following options have been identified. Option 4 is the preferred/recommended option. The other options have been rejected for the reasons as set out below.

Option 1: Do Nothing

This option has been rejected because not undertaking the works would lead to deterioration of the Castle Quay Centre, both in terms of its structural longevity and its commercially viability.

- Structurally - leading to a greater overall repair & maintenance cost. Water ingress in some localised areas is already causing concern.
- Commercially - a deteriorating unattractive environment would impair the ability of the Centre to retain and attract retail and other occupiers, resulting in occupiers relocating to alternative venues and undermining the viability of the Centre.
- Safety - Water ingress can cause issues with health and safety both in the short term through slips and longer term in the form of mould growth and fungal spores.

Option 2: Reducing the scope or complete works to a reduced area or lower specification.

This option has been rejected because the proposed new roofing works identified are regarded as essential to prolonging the life of the structure, reduce long term revenue expenditure and protecting the asset value. Ad hoc and short term repairs are not a sufficient remedy to ensuring the longevity of the assets.

Option 3: Replace the entire roof.

The whole roof does not yet need replacement. Wholesale replacement would incur significant cost. This option has been rejected on the basis of need not being established.

Option 4: Undertaking the works as described in this report with approval by Executive and Council in December 2025:

The following timeline would apply:

- CSR approval asap after Council approval on 15 Dec.
- By early Jan – procure via Framework on a mini -competition. We are currently reviewing frameworks but several are known to be suitable. We most recently used Public Procure for roof works at another property. We will be able to make that decision/recommendation within a couple of weeks.
- Feb – award contract
- Late Feb/early March – start on site. The initial phase of works is removing redundant equipment and preparation for works. During the initial phase we are not exposing the property/existing roof and it is therefore acceptable to commence onsite in late Feb/early March

- July/Aug – works completed, programme of c5 months with the works exposing the property completed during the summer months.

This is the preferred/recommended option as it means the later phase of the works are less likely to be impacted by inclement weather. In addition Property have the capacity and resources to manage the CQ roof project at this time without impacting on the procurement and delivery programme for the Salix project. It is not possible to accelerate or delay the Salix project to grant funding conditions.

Option 5: Undertaking the works as described in this report with approval by Executive and Council in March 2026:

- CSR approval asap after Council approval on 16 Mar.
- By early April – procure via Framework on a mini -competition. We are currently reviewing frameworks but several are known to be suitable. We most recently used Public Procure for roof works at another property. We will be able to make that decision/recommendation within a couple of weeks.
- May – award contract
- Late May/early June – start on site. The initial phase of works is removing redundant equipment and preparation for works.
- Oct/Nov – works completed, programme of c5 months with the later phases of works exposing the property to potentially inclement weather completed during late autumn/early winter.

This option has been rejected because it would mean the later phases of the project taking place in late autumn/late winter when there is a greater risk of inclement weather. In addition Property will not have the capacity or resources to manage this project and the Salix project at the same time. It not possible to accelerate or delay the Salix project.

6 Conclusion and Reasons for Recommendations

- 6.1 Undertaking the works to the roof maintains the structure and reduces overall expenditure in the long term by avoiding the need for emergency repair. In addition, a structured replacement programme creates an attractive environment necessary to attract occupiers and consumers to the Centre. The work will have a warranty of at least 10 years helping maintain the future commercial value and structural viability of the centre and will support future installation of solar PV panels as a separate project.

Decision Information

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| Key Decision | N/A |
| Subject to Call in | N/A |
| If not, why not subject to call in | N/A |
| Ward(s) Affected | Banbury Cross and Neithrop |

Document Information

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| Appendices | |
| Appendix 1 | Castle Quay Roof Plan |
| Report Author | Mona Walsh AD Property |
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| Executive Director Approval (unless Executive Director or Statutory Officer report) | Ian Boll, Executive Director Place & Regeneration 5 December 2025 |