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Your Ref: FOI2021/00245

By email: geoff@newmandavis.com

12 April 2021

Dear Mr Davis

FREEDOM OF INFORMATION ACT 2004
INFORMATION REQUEST REFERENCE: FOI2021/00245

As you made your request under the Freedom of Information Act 2004 (the Act), the format of this response is formal in order to meet the legal requirements set out in Part 1 of that Act.

We have considered your request for information dated 12 March 2021 and can confirm that we hold information pertaining to the sale of Liongate House, Ladymead, Guildford, GU1 1BX. We have laid out our answers, in order, as follows:

1. How much was the property sold for, net of VAT?

The property was sold for £10,170,000 excl. There was also late payment interest of £20,194.12 and deposit interest of £435.47. The Council also secured a very good dilapidations settlement from the outgoing tenant.

2. What were the Council's selling costs, and how much did the Council receive net?

Agency fees - £68,850, legal fees of £9,681.82. The disbursements were £775.40.

3. Who were the Council's selling agents?

Lambert Smith Hampton – Project Manager – Paul Dowson, but assisted by various sector specialists within LSH and the wider Countrywide team

4. Was the property fully marketed including advertising, etc?

Marketing summary:

- Board – An 8' x 6' single, for sale/to let, board was fixed to the front wall of the access ramp.
- Photography – Internal, external and elevated pole photographs. Used in the particulars and more pictures in the data room.
- Aerial photography – In brochure and data room
- Property Particulars – four-sided full colour details.



- Measured Survey – laser survey floor plans/sections/elevations etc to enable space planning /planning drawings available in data room
- Digital marketing - Right Move, Zoopla, Egi, CoStar etc. Live via link from LSH web site
- Agents mailing – mailed to local and London based agents
- Flood risk Assessment – available in the data room
- Topographic survey and utilities report – available in the data room
- Developer mailing - Active buyers identified from other recent sales campaigns in the SE

This resulted in:

- Enquiries received as a response to marketing - 65
- Data room – access requested and granted to 39 parties
- Viewings - 18 different parties viewed the property

The Council received 12 bids:

- 1 for Nursing homes
- 1 social housing scheme
- 5 residential schemes
- 2 office refurbishments
- 1 self-storage requirement
- 1 use not stated

The Council sold the property in March 2020 for £12,204,000, including VAT. The Council also received additional payments of £20,629.59 and a cash settlement for the dilapidations on the property of £700,000 (which we would not have been able to obtain had we had plans to obtain prior approval for residential).

5. What was the Councils' Book Cost at the time of the sale? (i.e. the most recent valuation in the Asset Schedule)

The Council acquired the property on 06/12/2013 for £13million. The book value will have reflected the original purchase price as investment properties are not depreciated.

6. Therefore, was the property sold below Book Cost?

Yes.

7. As an office building, the property had PD Rights for Residential Use. Was the property sold unconditionally, or conditionally upon planning consent being granted?

The property was sold unconditionally.

8. Had the Council prepared an illustrative layout of the property as residential, for internal consideration before the property was offered for sale?

No – the property was offered on an 'any offer' basis. Measured surveys were prepared and included in the data room.

9. I understand the purchasers increased the unit numbers from 72 to 90. Were these additional units factored in for an extra payment to the Council?

It was an unconditional bid.

10. Did the Environment Agency make any comments about the use of the premises for residential?

In September 2018, pre-empting the tenant actioning their break, the Council commissioned Lambert Smith Hampton (LSH) to prepare an Options Appraisal for Liongate on the potential future uses of the site.

The option to redevelop the site for housing internally was discussed with the Director of Community Services but dismissed due to the complexities of the site and the lack of in-house expertise.

The report reviewed the relative merits of each option and provided a high-level range values for each and their view on demand/risk factors. To inform this a site survey, Flood Risk assessment and pre-planning advice were commissioned. The flood risk assessor was in dialogue with the EA to produce their report. However, the EA was not very forthcoming with information.

The pre-planning advice stated:

*“Sale for residential with prior approval for Permitted Development
The building is located within flood zone 3b. Residential uses fall within 'more vulnerable' as identified in the Flood Risk Vulnerability Classification of the NPPG. In Flood Zone 3b residential development should not be permitted. As such there is an in principle objection. Any prior approval application would need to be accompanied by a site specific flood risk assessment. We would consult the Environment Agency on any prior approval application. However, I must advise it is unlikely that prior approval would be granted, given the identified flood risk and 'more vulnerable' use.”*

After commissioning a new and more involved flood risk assessment (using a different Assessor who had had success at Stoke Mill and a good dialogue with the EA) we received further advice from planning including the following statement from Planning dated 17/10/19:

“As discussed, I'm not aware the LPA has considered any office to resi PD prior approvals in flood zone 3 so we don't have a lot of precedents to draw on. What I can say is that we have strongly resisted resi and student schemes in flood zone 3 where these have been subject to applications for planning permission. I think it would be hard for a scheme to pass the sequential and exception tests for resi on this site if planning permission was sought, but this will be something that needs to be considered and demonstrated by the applicant.”

Given the issues around planning and to take advantage of any interest, it was decided not to try to obtain prior approval but perform a full marketing campaign on an 'any offer' basis.

11. Was the property considered for retention and use for the Council's urgent housing needs, prior to the sale decision?

The option to redevelop the site for housing internally was discussed with the Director of Community Services (who was responsible for Housing) but dismissed due to the complexities of the site and the lack of in-house expertise and resources.



12. Just to be clear – was the property specifically offered to the Council’s Housing Department, as a much needed contribution to the urgent housing need?

Yes, please see answer to question 11.

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Your right to ask for an internal review

I trust the above addresses your enquiry. However, if you do not agree with the way I have dealt with your request, you may write to ask the Council to review my decision. Another officer will carry out a review and they will then write to you, letting you know whether they agree with my decision or whether they have reached a different conclusion.

You should write to, Customer Services, Guildford Borough Council, Millmead House, Millmead, Guildford GU2 4BB (iro@guildford.gov.uk). It is important that you clearly state that you are asking for an Internal Review and provide a copy of your correspondence with the Council about this request. We recommend that you include the FOI reference number and “Internal Review” in the email or letter header to help avoid delays.

Your right to appeal to the Information Commissioner

You also have the right to contact the Information Commissioner if you believe we have failed to meet our obligations to deal with your request for information. Please remember that they will usually only consider appeals after the Council has had the opportunity to carry out an internal review. More guidance about your rights is available on the Information Commissioner’s website at www.ico.org.uk.

Yours sincerely

Damien Cannell
Asset & Property Manager