

Sale of 29 to 33 Levetts Field, Lichfield

Cabinet Member for Finance and Commissioning

Date:	5 March 2024
Agenda Item:	5
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Key Decision?	YES
Local Ward Members	Stowe Ward – Hugh Ashton, Russ Bragger and Ann Hughes



Lichfield
District Council

CABINET

Restricted By virtue of paragraph(4) of Part 1 of Schedule 12A of the Local Government Act 1972.

1. Executive Summary

- 1.1. The Council has owned 29 to 33 Levetts Field, Lichfield since 1996 and it has until recently been used as the base for Citizens Advice of South East Staffordshire (CASES) under a 99 year lease.
- 1.2. However following negotiations, the CASES team have been provided with accommodation within the District Council Offices and the Council acquired vacant possession of the building in October 2023.
- 1.3. The CASES team are co-located with the Council's Customer Services Team and therefore the aim is to provide a more customer focussed service to residents.
- 1.4. The Council has no current plans for the asset and has received a speculative offer for the building and is seeking approval from Cabinet to accept the offer and commence with disposal.


2. Recommendations

- 2.1. Cabinet accepts the offer detailed within confidential **APPENDIX B** and agrees to the disposal of 29 to 33 Levetts Field, Lichfield.
- 2.2. Cabinet delegate authority to the Cabinet Member for Finance and Commissioning and the Assistant Director Finance and Commissioning to complete all legal agreements necessary to complete the disposal.
- 2.3. In the event recommendation 2.1 is approved, Cabinet recommend to Council to update the Medium Term Financial Strategy to include a project in the Capital Programme of up to **£250,000** for Strategic Priorities within the District funded by the net capital receipt.

3. Background

- 3.1. The Council has owned 29 to 33 Levetts Field, Lichfield since 1996 and it has until recently been used as the base for Citizens Advice of South East Staffordshire (CASES) under a 99 year lease.
- 3.2. However following negotiations, the CASES team have been provided with accommodation within the District Council Offices and the Council acquired vacant possession of the building in October 2023.
- 3.3. The CASES team are co-located with the Council's Customer Services Team and therefore the aim is to provide a more customer focussed service to residents.
- 3.4. In consideration of maximising the value of this asset, a valuation of the current property was commissioned, and the valuation is shown in detail in confidential **APPENDIX A**.
- 3.5. Cabinet approved a disposals policy on 6 July 2021 that is also relevant to this potential sale.
- 3.6. The Council has no current plans for the asset and has received a speculative offer for the building shown at confidential **APPENDIX B** and given the offer is above the valuation, approval is sought from Cabinet to accept the offer and commence with disposal.

Alternative options	<p>The alternative options available are:</p> <ul style="list-style-type: none"> • The Council could retain ownership and undertake redevelopment work either through the Council or using LWMTS. • To undertake a full open sale process.
Consultation	<p>Consultation has been undertaken with the Ward Members and any views they provide will be provided to Cabinet.</p>
Financial implications	<ul style="list-style-type: none"> • The level of the offer received is detailed in confidential APPENDIX B and should this offer be accepted; it is an additional capital receipt that is not included in the Approved Medium Term Financial Strategy. • The Council is legally able to deduct sale related costs from any capital receipt of up to 4% of the capital receipt value. • The Council has not 'Opted to Tax' the asset and therefore VAT will not be added to the capital receipt. • It is recommended that this net capital receipt along is used to fund a project for Strategic Priorities within the District of up to £250,000 in the Capital Programme.
Approved by Section 151 Officer	Yes
Legal implications	<ul style="list-style-type: none"> • There is a legal requirement under Section 123 of the Local Government Act 1972 for the Council to achieve best value on the disposal of its assets. • There is no absolute requirement for the Council to advertise the sale on the open market or to obtain an independent valuation. However, it is considered best practice to mitigate the risk of challenge. • An independent valuation and/or putting the property to the market would provide good evidence for this. Any change to the sale price during the transaction would also need to be justifiable.
Approved by Monitoring Officer	Yes
Contribution to the delivery of the strategic plan	<p>The sale would enable the generation of a capital receipt that could be invested in priorities identified in the Strategic Plan.</p>
Equality, diversity and human rights implications	<p>No specific implications from the sale.</p>
EIA logged by Equalities Officer	<p>Equalities Officer confirmed not required.</p>
Crime & safety Issues	<p>No specific implications from the sale although converting the property from vacant use will mitigate the risk of crime and safety issues focused on this building.</p>

<p>Data assessment</p>	<p>The property is in the Stowe ward and is surrounded by the areas shown below and the main components of the Social Progress Index (scores are 0 to 100 where 0 signifies worst and 100 best performance) for the Ward is summarised below:</p> <div style="display: flex; align-items: flex-start;">  <div style="margin-left: 20px;"> <ul style="list-style-type: none"> • Social Progress Index 48.8 being 20 out of 22 Wards. • Basic Human Needs 49.9 ranked 17 out of 22. • Foundations of Wellbeing 52.5 ranked 18 out of 22. • Opportunity 44.4 ranked 19 out of 22. </div> </div> <p>The repurposing of this building to increase the vibrancy of the area will potentially improve some of these elements at both the Ward and Wider District Social Progress Index given the capital receipt generated can be used to invest in wider strategic priorities.</p>
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<p>Environmental impact (including climate change and biodiversity)</p>	<p>No specific implications from the sale although any future owner is likely to refurbish the building to modern standards.</p>
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<p>GDPR / Privacy impact assessment</p>	<p>No specific implications</p>
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	Risk description & risk owner	Original score (RYG)	How we manage it	New score (RYG)
A	Legal challenge to the sale	Risk: Yellow Likelihood: Yellow Impact: Green	The capital receipt does not form part of the Approved Medium Term Financial Strategy. Legal advice sought and valuation undertaken to be able to benchmark any offers received in line with Section 123 of the Local Government Act 1972	Risk: Green Likelihood: Green Impact: Green
B	The purchaser 'sits on the asset' and does not develop	Risk: Yellow Likelihood: Yellow Impact: Green	LDC can add into the sale that we expect to see the property brought back into use within 24 months. Failure to do so may result in LDC using its powers with regards to empty residential properties and bringing them back into use.	Risk: Green Likelihood: Green Impact: Green
C	The purchaser's plans for the building are unacceptable	Risk: Yellow Likelihood: Green Impact: Yellow	Planning permission will likely be required along with building regulation approval.	Risk: Green Likelihood: Green Impact: Green
D	LDC Retain Ownership of the asset and there are significant investment requirements	Risk: Yellow Likelihood: Green Impact: Yellow	The building is a very poor state of repair and requires significant expenditure way in excess of the sale offer received to bring it back into residential use. Any investment needed would likely remove any additional value to LDC from future sale values	Risk: Yellow Likelihood: Green Impact: Yellow
E	The value of the asset increases due to planned redevelopment in the vicinity.	Risk: Yellow Likelihood: Yellow Impact: Yellow	An 'overage' type clause could be included in the contract related to the sale.	Risk: Yellow Likelihood: Green Impact: Yellow

Background documents	<ul style="list-style-type: none">• Disposal Policy Approved by Cabinet on 6 July 2021• Medium Term Financial Strategy Approved by Council on 27 February 2024
Relevant web links	