



PEAKS & PLAINS
Housing Trust

The Trust

Disposal Policy

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1. INTRODUCTION

- 1.1. The Executive Management Team approved this Disposals Policy in 2021, to ensure that we are effectively dealing with stock that no longer fits with the organisation's strategic priorities.

2. SCOPE

- 2.1. The Trust will identify rented properties for disposal through a number of routes including;
- Asset performance modelling (APE model)
 - Investment programming
 - Service reviews
 - Referral from voids and neighbourhood teams
 - Stock condition surveys
 - Energy assessments
 - Void works
 - Master-Planning exercises
 - Regeneration schemes
 - Valuation exercises
 - Approaches from third parties e.g. developers, adjoining owners.
 - Requests from community groups or public bodies to transfer assets.
 - Mitigation Plan

3. LEGAL & REGULATORY REQUIREMENTS

- 3.1. The Housing and Regeneration Act 2008, as amended (HRA 2008) requires private registered providers (providers) to notify the social housing regulator (the regulator) when they have disposed of social housing dwellings and additionally requires non-profit providers to notify the regulator of disposal of land that is not a dwelling. The regulator is able to issue directions about the content of those notifications and the period within which notifications must be given. The regulator may also give directions dispensing with any of the statutory notification requirements.
- 3.2. Regulatory expectations in relation to the disposal and use of social housing are set out in the Regulatory Framework. However where a provider is disposing of social housing, the regulator's expectations about the following are of particular relevance:
- protecting social housing from undue risk;
 - adherence to all relevant law and compliance with governing documents;
 - accountability to tenants and proper consultation with tenants when considering a disposal that would mean a change in the tenant's landlord or changes that affect tenant's statutory or contractual rights; and
 - achieving value for money in how social housing is used.

4. OUR POLICY

4.1. Disposals

4.1.1. The Trust will consider disposal of property under the following circumstances:

- Individual properties with an open market value over £250,000 that become empty irrespective of financial performance
- Properties with poor performing Net Present Value
- Properties with poor performing neighbourhood score
- Properties with energy rating lower than D where the costs of achieving this rating isn't financially viable
- Former sheltered stock
- Any combination of the above categories

4.1.2. Typically the Trust will only dispose of individual properties within Macclesfield if it is located outside of the main estates including:

- Hursdfield
- Moss Estate
- Upton Priory
- Weston

4.2. Disposal Options

4.2.1. The Trust will consider the following options when disposing of property;

- Freehold disposal - The sale of the property with or without future covenants to restrict or protect future use
- Leasehold disposal – Leasehold interest can be agreed for any time period. A leasehold interest of 7 or more years has to be registered as an interest in land with the Land Registry.

4.3. Method of disposal

4.3.1. Open Market Disposal

The decision to dispose on the open market will be taken in line with the Standing Orders and Financial Regulations. For freehold disposal and leasehold interests over 7 years the properties will be marketed through an independent estate agent.

Appropriate independent agents will be appointed to manage the advertisement and the disposal of the land or property and report to the Trust the value of the bids received and recommend which they consider to be the best consideration taking into account financial benefits.

For short tenancies of less than 7 years where appropriate independent agents/valuers will be appointed to recommend appropriate terms including rent.

4.3.2. Private Treaty

In certain circumstances the Trust will consider disposing of an asset by Private Treaty Sale. This can be used for freehold disposal, leasehold interests over 7 years and short tenancies for less than 7 years where appropriate.

In order to justify a Private Treaty freehold disposal, the proposal must meet one, or more of the following criteria:-

- The proposed disposal involves both land or buildings and an adjoining property or piece of land owned or controlled by the prospective purchaser.
- The disposal to a third party who, whilst not an adjoining landowner, would bring additional social, environmental or economic benefit, to the Trust.
- Transfer to another Registered Provider

4.3.3. Community Asset Transfer

The purpose of community asset transfer is to enable the transfer of land and buildings to community ownership and management, helping organisations to develop those assets and deliver long-term social, economic and environmental benefits which may not otherwise be achieved. Where appropriate an independent agent/valuer to be appointed to recommend appropriate terms, including rent.

4.4. **Obtaining best consideration and disposal at an under-value**

- 4.4.1. The Trust should seek, for all disposals, to achieve the best financial consideration available for the type of property and the agreed terms. However, disposal at less than best consideration may be considered in certain circumstances. Where the potential capital receipt is estimated at less the Trust's book value this will be highlighted as part of the Executive report.

4.5. **Financial criteria for disposals**

- 4.5.1. An options appraisal will be carried out which assesses the capital and revenue implications of disposal versus retention or redevelopment.
- 4.5.2. Once properties have been appraised and identified as being suitable for disposal approval will be sought from the Executive Team or Board in line with the Trust's Standing Orders and Financial Regulations.

5. **EQUALITY, DIVERSITY & INCLUSION**

- 5.1. An Equality Impact Assessment has been completed as part of this Policy and identifies the Trust need to consider the implications of disposing of tenanted property where the tenants has a specific disability of need which would need to be transferred to or considered when seeking alternative accommodation.

6. RESPONSIBILITIES

6.1. The Board

- 6.1.1. Overall responsibility for disposal of property rests with the Board with operational authority delegated to the Executive Team through the Standing Orders and Financial Regulations. The Chief Executive retains overall responsibility for implementation of all policy documents.

6.2. Exec Director of Operations

- 6.2.1. The Exec Director of Operations is responsible for ensuring that sufficient resources are provided and made available to implement this Disposal Policy.

6.3. Assistant Director of Development, Asset and Compliance

- 6.3.1. The Assistant Director of Development, Asset and Compliance is responsible for ensuring all relevant information is considered prior to seeking approval for property disposal.

6.4. Strategic Asset Manager

- 6.4.1. The Strategic Asset Manager is responsible for identification of properties meeting the disposal criteria and undertaking an options appraisal of property prior to recommending for approval for disposal.

7. MONITORING AND REPORTING

- 7.1. Properties recommended for disposal will be reported to the Executive Team or Board for approval in line with the Trust's Standing Orders and Financial Regulations.
- 7.2. Properties which have been approved for disposal will be reported to the Board once disposed of as part of the Investment Report.

8. CONSULTATION

- 8.1. Consultation will take place with as part of any proposed disposals. This could include;

8.2. Tenants

- 8.2.1. The Trust will consult with tenants living in properties where the recommendation is to dispose of that property. In addition, the Trust will also consult anyone who may live in any surrounding area or close to areas where the Trust intends to dispose of a property or properties.

8.3. Local Authority

- 8.3.1. Discussion will take place with the local authority when the disposal relates to properties in their area.

8.4. Elected Members

8.4.1 The Trust will consult with elected members where disposals relate to their areas.

8.5 Regulator of Social Housing

8.5.1 The Regulator of Social Housing will be notified of all disposals.

9. REVIEW

9.1. The Disposal Policy will be reviewed as follows:

- Three yearly
- Where there is a change in legislation or guidance

ASSOCIATED DOCUMENTS

Disposal Policy Equality Impact Assessment
Standing Order and Financial Regulations

POLICY INFORMATION

Policy Name:	Disposal Policy
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Drafted By:	Assistant Director Development, Asset and Compliance
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