

# Land and Property Disposals Policy


<b>Linked strategies</b>	Live Safe, Live Proud
<b>Version</b>	3.0
<b>Date approved by</b> (State by whom and when)	Board February 2024
<b>Policy level</b>	1
<b>Agreed by Union</b> (If applicable)	Not applicable
<b>Date effective</b> (Subject to staff consultation)	February 2024
<b>Date of next review</b>	February 2027
<b>Policy Owner</b>	Head of Property Investment, Sales and Lettings



## 1 Policy Statement

- 1.1 Greatwell Homes is committed to ensuring that we manage our land and property assets proactively to ensure that they provide value for money and are put to best use. This policy sets out our approach to the disposal of land and property within our ownership to ensure that assets are dealt with effectively and to the benefit of the organisation and its customers.
- 1.2 This policy has been developed:
- In accordance with the Greatwell Homes strategies and frameworks, to ensure that each disposal is given appropriate consideration.
  - To adhere with requirements laid down by relevant regulations and legislation in relation to the sale and disposal of land and property.
  - To ensure compliance in relation to the changes in disposal consents, as set out by the deregulation measures within the Housing and Planning Act 2016.

## 2 Scope

- 2.1 For the purposes of this policy, disposals will be classed as sale, lease, or transfer of interest in either land or property. Land is defined as amenity or garden land and property include all residential, garages and community buildings within our ownership.
- 2.2 This policy does not apply to any fixed assets that the organisation owns. Fixed assets in the context of this policy includes motor vehicles, furniture, office equipment, computers, fixtures and fittings, plant and machinery to be used for operating the business.
- 2.3 Involuntary disposals via either the Preserved Right to Buy and the Right to Acquire are exempt from this policy.
- 2.4 We will consider our contractual obligations as set out within the Transfer Agreement in relation to any disposals of assets (land and property) which were transferred.
- 2.5 Ensure that we continue to meet the requirements of our funders particularly in relation to our loan covenants.
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2.6 This document is to be read in conjunction with the Fixed Assets Policy, Garage Policy, Right to Buy, Fraud Prevention, Anti-Bribery and Anti-Money Laundering Policy and Whistle Blowing Policy.

### **3 Definitions**

3.1 The definition of a disposal in the context of this policy is defined as either:

Land - the sale, lease or transfer of land owned by us to another party. This includes amenity and garden land.

Property - the sale, lease, or transfer of a building as well as the land on which it is sited. This includes all residential property, garages, and community buildings.

3.2 We will consider disposal where we have received a request from a third party or where this has been identified because of proactive asset management.

### **4 Policy Principles**

4.1 We are under no legal obligation to sell land or property unless directed to via a statutory process such as a Compulsory Purchase Order.

4.2 We reserve the right to decline an application to purchase land or property if it is not considered to be commercially viable, in the best interests of our organisation or in line with the approach set out in this policy.

#### **Options Appraisal**

4.3 Land or property assets should only be recommended for disposal following a full options appraisal and where these are not included in the group of assets which could be used to help manage our business plan performance.

4.4 A full options appraisal would be considered if any of the following criteria apply:

- The property is of low/no demand, is vacant and likely to remain vacant for the foreseeable future.
- The land/property has no clear potential to meet current or future housing and/or service delivery needs or for strategic development purposes.
- The asset is not economically viable - costs outweigh benefits due to substantial investment needs. For example, the property has a negative or marginal NPV (or in a group of assets with an average NPV which is negative).



- The income generated is not equivalent to that which could be achieved by disposal and subsequent investment of the capital receipt. For example, the capital receipt would enable replacement with a new build or another existing property which would generate a higher rent and/or with lower investment needs over a 30-year period.
- The disposal may allow for estate redesign and layout issues to be addressed.
- The sale of the land would generate a financial return and has limited or no alternative use value and would not prejudice current and or future use of neighbouring land or property by Greatwell Homes.
- The land or property does not adhere with Greatwell Homes Investment Policy.
- Sale of the land or property is required to meet our resilience plan/business plan/lending covenants requirements.
- Sale of the land or property is required to meet our corporate plan requirements.

4.5 As part of the options appraisal, any recommendations for disposal should outline how the proceeds will be used to meet the strategic aims and objectives of Greatwell Homes and statutory housing obligations of the relevant local authority.

#### **Approval of disposals**

4.6 The approval route will be determined by the GDF and the Financial Regulations, considering the potential value of the land or property asset to be disposed of and the strategic importance of the land or property asset.

4.7 Disposal of land or property will not be agreed if one or more of the following criteria apply:


- The sale negatively impacts or prevents our plans for regeneration.
- If we wish to use the land/property for the development of new homes or would prevent the development of adjacent land/property.
- The land provides access to properties in our ownership.
- There is a greater community benefit to the retention of the land or property.
- The land has a higher valuation than the offer made to purchase.
- The third-party applicant does not agree to pay all costs relating to the disposal including those reasonably incurred by Greatwell Homes. These may include and are not limited to, consultation, legal, administrative and professional fees.

#### **Best value considerations**



- 4.8 Open market values will be fully assessed by an independent RICS qualified surveyor for all land and property assets, which should be carried out within 3 months, with the aim of achieving 'best value' from disposals (except where statutory discounts apply).
- 4.9 Where it is expected that we will not achieve 'best value' as determined by an independent open market valuation at the point of sale, i.e., where this may be realised over time or the sale would achieve non-financial objectives, we will include the relevant justification within the options appraisal report.
- 4.10 We will attempt to maximise revenue proceeds from land and property disposals and sell at full open market value. We recognise, however, that there may be occasions, where selling for less than open market value or at no cost would be economically beneficial and/or enable us to deliver social value or long-term efficiency savings, such as:
- Disposal to a public agency.
  - Where we do not own homes in the area surrounding the land yet incur management and/or maintenance costs.
  - We fail to receive bids matching the open market value within a 10% tolerance.
  - We would be adding value to the community.
  - Disposal would reduce management costs

#### **Marketing methods for disposal**

- 4.11 We will use the following means to dispose of land or property where this has been approved for disposal:
- Private sale – a sale negotiated with one or a small number of individual purchasers. This may or may not have been marketed as available for sale.
  - Public Auction - sale by open auction where the sale will be advertised in advance.
  - Informal Negotiated Tender - sale of land after a public advertisement that requests informal offers or bids that meet a given specification or set of objectives.
  - Formal Tender - a sale of land by a process of public advertisement and tenders submitted by a given date in accordance with a strict procedure.
  - Exchange of Land - a transaction involving the exchange of Greatwell Homes owned land with another landowner. The land acquired will meet at least one of our corporate objectives and will be 'equal' in value to the land exchanged or where a payment to equalise the value of the exchange is made by either party
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## 5 Implications for Customers and Staff (data protection info sharing and confidentiality)

5.1 A PIA has been completed for the service area and is available on request. There are no implications for customers arising from this Policy.

### 5.2 Equality Impact Assessment

An EIA has been completed and is available on request. The outcome of the assessment has identified that no major change is needed as no particular groups are positively or adversely affected.

## 6 Performance Management

6.1 There are no performance indicators to monitor and report on in relation to the effectiveness of the service.

## 7 Responsibility and Decision Making

7.1 The table below illustrates the structure for responsibility and decision making in relation to this policy.

Person Responsible	Scope
Board	<ul style="list-style-type: none"><li>Agreeing the disposal of any assets, including property and land, other than where delegated and within financial regulations.</li></ul>
EMT	<ul style="list-style-type: none"><li>Agreeing the disposal of any assets, including property and land where delegated and within financial regulations.</li></ul>
Head of Property Investment, Sales and Lettings	<ul style="list-style-type: none"><li>Overall responsibility for ensuring that all activities are undertaken.</li></ul>
Property Investment Manager	<ul style="list-style-type: none"><li>Responsible for the day-to-day application and adherence to this policy.</li></ul>
Senior Investment Officer	<ul style="list-style-type: none"><li>Responsible for the day-to-day application and adherence to this policy.</li></ul>

## 8 Review



8.1 This Policy will be reviewed every three years or in line with changes in legislation, whichever is the sooner, updates or recommendations for changes will be presented to Board.

<b>Associated Policies</b>	<b>Associated Procedures</b>
Fixed Asset Policy	Land and Property Disposals Procedures
Garage Policy	
Fraud Prevention	
Fraud Prevention, Anti Bribery & Anti-Money Laundering Policy	
Whistle blowing Policy	

