



Women's Pioneer Housing

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1. Introduction

- 1.1 Women's Pioneer views its holdings as long term investments. It is acknowledged that there may be circumstances where we may need to consider disposal of land, airspace, individual properties or groups of properties. Such disposals are part of our Asset Management Strategy.
- 1.2 A disposal in context of this policy is considered to be:
- Outright sale of land, property or airspace above a property to a third party
 - Disposal of land, property or airspace above a property to our subsidiary, Women's Pioneer Homes
 - Statutory disposals
 - A stock swap with another housing association
- 1.3 The circumstances where we may dispose of a property include
- A property or group of properties have a negative net present value (NPV) or do not meet the quality criteria as set out in the Asset Management Strategy 2022.i.e. size <30sqm and Energy Efficiency.
 - Disposal to Women's Pioneer Homes that will unlock potential to make a greater contribution to our business potential
 - A stock swap with another housing association where that swaps results in a benefit to WPH.
 - There is a statutory obligation to dispose
 - Disposals are necessary to maintain the financial viability of the group
 - Properties are developed for sale or shared ownership.
 - Disposal of land or property facilitates the development of new homes

2. Laws and Regulations

- 2.1 When disposing of properties we must ensure we comply with the relevant laws and regulations. At the time of writing this includes
- Charitable law. See section 3.
 - Regulator of Social Housing Direction – notification of disposals. See section 8.
 - Recovery of Capital Grant General Determination 2017 (contained in the GLA Capital funding guide) – see section 9.

3. Charitable Law

- 3.1 Women’s Pioneer Housing is classified as an exempt charity. Although we are not registered with the Charity commission, we are still a charitable entity and all our profits (known as surpluses) are kept and re-invested in the association.
- 3.2 As an exempt charity, we have an obligation to comply with charity law when disposing of assets. This means we have to get the best deal for the association and take written advice (including valuations) before we agree a sale. To comply with this we will:
- Ensure property disposals to third parties are at market value by obtaining valuations from a qualified surveyor.
 - Ensure disposals to the our subsidiary generate a return on investment (seeking appropriate legal and professional advice)
 - Other disposals (such as stock swaps) represent value for money based on professional advice.

4. Delegation of authority

- 4.1 The table below sets out when the Board should be notified of a disposal.

Type of disposal	Delegated authority
Disposal to Women’s Pioneer Homes of land and airspace which is considered to have development potential	<p>Any proposed disposals will be included in the Development Plan submitted to Board for approval on the recommendation of the Chief Executive (CE) and Senior Management team (SMT).</p> <p>The Development Committee will be asked to approve the disposal to the subsidiary, on the recommendation of the CE and SMT, when approving the development project at outline stage. This will then be reported to Board.</p> <p>The CE will sign off on the final disposal confirming that all approvals are in place and that the criteria for disposal are still</p>

	met. The Board will then be notified of the subsequent disposal.
Type of disposal	Delegated authority
Disposal of properties to Women's Pioneer Homes to let out at a market rent.	<p>Board to be notified of disposals in line with agreed disposal criteria (set out in appendix 1).</p> <p>Disposals not fully meeting the agreed criteria (set out in appendix 1) require Board approval or Chairs Action (if urgent).</p> <p>The CE will have final sign off confirming criteria met or subsequent approval given.</p>
Statutory disposals e.g. right to buy	Board will be notified of any such disposals.
Disposals of land, property or airspace in other circumstances	<p>Board will be asked to approve following detailed options appraisal and recommendation from the CE and SMT.</p> <p>The CE will sign off on the final disposal confirming that all approvals are in place and that the criteria for disposal is met.</p>
Stock swap	Board will approve following a detailed options appraisal and recommendation from the CE and SMT.
Disposals of newly developed property or disposals to facilitate development	<p>Proposals to develop property for sale, shared ownership or the disposal of land to facilitate development will be included in the Development Plan submitted to the Board for approval on the recommendation of the CE and SMT.</p> <p>The Development Committee will be asked to approve the disposals on the recommendation of the CE and SMT when approving the development project at outline stage.</p> <p>The CE will sign off on the final disposal confirming that all approvals are in place and that the criteria for disposal is met.</p>
Disposal in any other circumstances	Any proposal to be recommended by the CE and SMT and approved by the Board.

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5. The Development Appraisal process

5.1 The appraisal of any new development project includes a long term financial assessment of the viability of the project, an assessment as to the extent to which the proposed development meets our objectives, and an assessment of any risk. The assessment of the development of any new homes for outright sale of shared ownership will necessarily include an assessment of the sales risk and mitigations. These are considered by the Development Committee as part of the approval process.

6. The Options Appraisal process

6.1.1 Following a Performance review (see appendix 1 of the Asset Management Strategy) of all properties, they will be entered into one of 4 quadrants within a Boston Matrix (Green, yellow, Blue and Red). An options appraisal will be undertaken on all homes which have a negative NPV or fail one or other of the two key quality criteria. The first priority would be those properties in the red quadrant and we then prioritise homes in the yellow quadrant which are less than 30sqm

6.2 The options appraisal should go into more detail than the initial performance assessment and consider the following factors:

- Review of the 30year investment plan ensuring correct costs and component life cycles;
- NPV as a social rented or a market rented home
- Suitability as a social rented or market rented home (taking into account a wider range of criteria including size, number of bedrooms, accessibility, location)
- Potential to improve either size or energy efficiency (and impact on NPV of this investment)
- Potential for redevelopment
- The value of the property

6.3

6.4 Options for the property will then take into account the NPV and:

- Restrictive covenants
- Legal charges
- Section 106 obligations
- Existing use

- Grant received
- Existing use value
- Vacant possession value
- Cost (in books)
- Opportunity to dispose to a local RP
- Local demand
- Tenancy situation (tenanted or vacant)
- Potential to meet our future needs

7. Presenting the option appraisal

7.1 If a recommendation is made to the CE and SMT, the Development Committee or the Board to dispose of the property, the following information will be presented:

- The business case setting out the reasons for the disposal, the benefits of disposal and confirmation the recommendation is in line with regulatory standards and the WPH Asset Management Strategy.
 - The consideration being sought and the value of the property
 - Confirmation that the funding body has agreed to the way any grant money is to be dealt with
 - Confirmation of the local authority's view of the proposed disposal
 - Explanation of how the disposal will affect tenants in the property and a summary of the consultation process in accordance with the Regulator of Social Housing consumer standard.
 - Demonstration of how the proposed sale and the use of proceeds will support the provision of new housing and WPH's strategic objectives

7.2 A record of disposals will be kept and linked to the asset and liabilities schedule.

7.3 A similar process will be followed in respect of stock swaps i.e. the swapping of property with another Registered Provider.

8. Notifying the Regulator of Social Housing

8.1 The Housing and Regeneration Act 2008, as amended (HRA 2008) requires private registered providers (RP) to notify the Regulator of Social Housing 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.

8.2 The Regulator of Social Housing has issued a Direction about property disposals and the notifications RPs must provide.

8.3 The Regulator does not want to know about disposals of non-residential property or appurtenances, gardens, garages or similar that may be associated with a dwelling but are disposed of separately to the dwelling (whether or not these meet the legal definition of social housing).

8.4 Relevant Disposals (to inform the Regulator of) are as follows:

Disposal	Comments	Informing the Regulator
Out of Sector	Sales to a third party (or subsidiary) other than to the residential occupier (e.g. RTB or shared ownership)	Quarterly return is unoccupied Within 3 weeks if occupied
Within Sector	To another charitable RP	Quarterly return
Last Social housing unit	Where a provider no longer provider social housing	Within 3 weeks
To a profit making RP		Quarterly return
More than 5% of stock	Where disposal comprises 5% of dwelling prior to disposal	Within 3 weeks
Finance disposal	Where a disposal is made to obtain finance (e.g. sale and lease-back)	Within 3 weeks
Guarantee disposals	Where the purpose of the disposal is to provide or support a guarantee or to obtain grant from a public sector body	Quarterly return

8.5 Procedures will be in place to ensure that all disposals will be notified in accordance with the above and will include documented sign off of the of the proposed disposal by the Board at the points set out above and by the Chief Executive immediately prior to disposal taking place.

9. Notifying the Greater London Authority

9.1 The Greater London Authority (GLA) are the grant giving body for social housing providers in London. The rules associated with accounting for grant are contained in the Affordable Housing Capital Funding guide.

9.2 The GLA must be informed of any property disposals where historic housing association grant is allocated to it within 14 days of the disposal. The GLA will inform whether the grant is repayable or is available for future development activity (i.e. it gets allocated to a recycled capital grant fund).

10. Further information

10.1 This policy should be read in conjunction with the following:

- Asset Management Strategy,
- Investment Policy,
- Market rent policy
- Regulator of Social Housing's direction of notifications of disposal.
- GLA Affordable Capital Funding guide

Appendix 1: Market rent

Properties will be disposed to Women's Pioneer Homes to be let out on a market rent basis if they meet the criteria set out below:

Factor	Reason for selection
Unencumbered from loan finance	If we dispose properties secured against existing loan finance we would need to seek lender permission and find replacement properties to provide security for the loan.
Hard to let: either history in the building of refusals, history of refusals for the flat itself or two or more refusals of existing void through social housing letting route.	To make best use of stock – we do not want to market rent homes which remain suitable for lifetime tenancies for women in need of social housing.
Size: under 37sqm	The main reason for repeated refusals of hard to let studio flats is due the size. Many of these studio flats are under 30sqm. The current space standards in the London Plan for new build 1 person studio flats is 37sqm.
Total Cost is under £100k (inc refurbishment and any grant potentially repayable) NB: Grant potentially repayable to not exceed £25k per flat (c 18 months of market rental income)	The subsidiary has a loan facility and has available funding of £2m. In order to ensure the maximum amount of studio flats can be transferred to the subsidiary, we will only transfer properties which has a cost value on our records or less than £100k (after refurbishment costs)
Maximise rental value through the most marketable locations	We believe we will maximise the income we can generate and let more easily in marketable locations such as Notting Hill.