

ASSET DISPOSAL POLICY

Policy for the disposal of
Cornwall Council Assets



Policy Title	Asset Disposal Policy		
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Associated documents	Asset Management Strategy Cornwall Councils HRA Business Plan	EQIA Completed by	N/A

Notes

Legal influences on this policy

The Housing and Regeneration Act 2008

Non-legal influences on this policy

Cornwall County Council Housing Revenue Account Business Plan

Other documents linked to this policy.

HRA Business Plan

Asset Management Strategy

Compliance Policy and Management Standards

Voids & Re-Lets Policy

Compliance Policy



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1. INTRODUCTION

Cornwall Housing Ltd (CHL) is committed to providing the best advice to Cornwall Council regarding the performance of its assets and improving overall future performance and targeted investment.

2. PURPOSE AND AIM OF THE POLICY

The aims and objectives of this policy are to:

- Improve the overall financial performance of the Council's property portfolio.
- To remove expenditure on those properties requiring an economically unviable, amount investment against projected return.
- To establish clear guidance on when a property is suitable for disposal.
- To ensure quality homes are maintained and retained within the Council's.

3. SCOPE

This policy applies to all residential properties, garages and land contained within the Cornwall Council HRA portfolio and managed by CHL.

4. CRITERIA FOR OPTION APPRAISAL

The main criteria for undertaking an option appraisal to consider an asset for potential disposal are:

- Assets with high and potentially uneconomic maintenance and improvement costs over a 30 year period relating to the property and estate facilities.
- Assets that would require an investment of more than £50,000 or 25% of valuation, whichever is lower, within the first and/or next 2 financial years.
- System-built assets, such as Cornish Unit Types 1 & 2, Stonecrete and Woolaway (un-improved and re-instated properties)
- Properties that have been mundic tested and identified as anything other than Class A1(Sound concrete)
- Uninsulated solid wall construction properties
- Assets with a low Net Present Value (NPV) (where possible targeting properties within the lowest 10%).
- Assets with high management costs due to high tenancy turn over, intensive housing management, or high anti-social behaviour.
- Assets that are the last remaining flat in a block, which would discharge the requirement to manage the entire block and communal spaces
- The last asset on a scheme where there is responsibility for non-mains drainage ie.septic tanks, treatment plants.



- Assets with poor energy efficiency (i.e., Energy Performance Certificate (EPC) Band

‘E’ – RdSAP 54 or below), which require works which are uneconomic to get to EPC C or higher.

The secondary criteria for the selection of an asset for disposal are:

- Assets that cannot reasonably be improved to the required housing standards.
- Assets in outlying areas, which are not economic to manage or poor locations in terms of access to services and transport links or poor amenities.
- Assets where housing demand is low and are increasingly problematic to let.
- Assets which present a sustained on-going risk to the organisation’s reputation if action is not taken.
- Assets requiring £50K void expenditure, which makes it uneconomic to bring back into use.
- Assets which are a potential source of capital receipt because of their high vacant possession value.
- Land /open space which has no development potential for the Council and may be an on-going maintenance liability.
- Exceptional circumstances which make an asset suitable for disposal.

Preference will be given to the disposal of assets meeting the primary criteria but if previously agreed with Cornwall Council, it may be necessary to sell properties meeting the secondary criteria. These criteria will be informed by CHL data, held on our Open Housing Management System and Lifespan Asset Management system

A further assessment will be made as to any factors which may limit our ability to dispose of an asset or entirely discount the asset from disposal as set out below.

- Factors which might limit the case for an asset disposal, and which should be considered, include:
- the sale of flatted accommodation where there is no existing leasehold stock or the sale of a flat would enable Leaseholder enfranchisement.
- Reputational risks of selling larger flatted schemes tenanted or untenanted.
- Impact on the community loss of stock which meets the specific housing needs of households with a protected characteristic e.g., a full adapted property.
- Accommodation in high demand i.e., larger family homes, location of property etc.



5. WIDER CONSIDERATIONS

Given the significant financial challenges faced by Councils it is important to ensure that the best outcome is achieved from any disposal and this will need to consider:

- Property will usually be considered for disposal when they become void, however there may be occasions where disposal of homes is considered where there is a live tenancy.
- In these circumstances, CHL will work with these residents to establish appropriate alternative accommodation and provide suitable support and home-loss compensation as required.
- Holding cost of any surplus assets if to be retained for longer term use or sale. This will include longer term replacement, repairs and improvements to ensure that it remains fit for purpose and fully compliant.
- Running costs for under-utilised assets and how these can be reduced.
- Service requirements across the Council to ensure an asset is not being sold off if it could provide a cost-effective solution for another service area.
- Achieving “Best Consideration” – would delaying a disposal be more beneficial given the wider economic market conditions considered against alternative short term uses/holding costs.
- Loss of revenue from any income producing assets if sold – does the capital receipt and associated saving against borrowing outweigh the loss of income.
- Impact on the local area from holding assets empty for prolonged periods or benefit from sale.
- Reputational and safety issues around having vacant assets which can attract antisocial behaviour and further housing management issues.
- Security costs of vacant properties where disposal is expected to be over a prolonged period.

6. APPROVAL FOR DISPOSAL

On identifying property that would meet the criteria for disposal, a survey, assessment and report will be produced. The report will provide the Council with the options and provide a recommendation as to the next course of action. Upon review the Council will advise as to what action will be taken with the property. This action will then be updated on Open Housing management system and Lifespan Asset Management system if appropriate.



7. DISPOSAL OF ASSETS

Once approval is obtained the council will dispose of the asset, CHL will provide the following assistance until the asset is disposed of

- If the property is vacant, CHL will take steps to isolate any mains supplies, make the property secure prior to returning the keys to the Council to dispose of the asset.
- If the asset contains occupied tenanted properties, CHL will support the resident(s) in finding alternative accommodation. If it is not possible to direct match to another property residents will be supported to make a Cornwall Home Choice application.
- CHL will continue to undertake emergency and urgent repairs if the asset remains occupied prior to disposal.

8. REVIEW

- This policy will be reviewed on a 3 yearly basis or sooner if required.



DIVERSITY & INCLUSION

We are committed to treating all people with fairness and respect. We aim to create an inclusive environment where people are treated with dignity, inequalities are challenged, and we anticipate and respond positively to different needs and circumstances to enable individuals to achieve their potential and foster good relations within the communities we serve. We want to be recognised as an organisation delivering fair, inclusive, accessible services and an employer and partner of choice.

When applying this policy, we act sensitively towards the diverse needs of individuals and to reduce discrimination and harassment by making reasonable adjustments such as:

- eliminating discrimination – by providing support to those who need it and information in accessible formats and languages on request.
- tailoring the policy to meet both the specific needs of the individual, including those with additional support needs, and the diverse needs of the wider community.
- advancing equality of opportunity – treating all tenants fairly
- fostering good relationships – listening to customers and responding appropriately
- compliant with all aspects of Equality & Diversity legislation, and specifically the Equality Act 2010.



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Alternative formats:

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