

# Land and Property Disposal Policy

## 2022 - 2025

### Document control

<b>Policy approval</b>	Group Board, March 2022
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<b>Responsible Executive Director</b>	Executive Director - Property
<b>Author</b>	Executive Director - Property
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<b>Version</b>	<b>Date of review</b>	<b>Details of review</b>
1	Jan 19	First version
2	April 21	New format
3	March 22	Reviewed and updated
4	April 22	Revised to reflect input from Group Board

## 1. Introduction

Land and property will not normally be disposed of by the Group, unless it falls under the definition of 'permitted disposals'. However, there may be circumstances where the Group will consider disposing of land or property where there is a specific strategic or operational driver to do so.

As a registered provider of social housing, Livv Housing Group will meet all relevant legislation and standards set by its Regulator (The Regulator of Social Housing or any successor body) in the application of this disposals policy.

As a community benefit society with charitable objectives, we will also have due regard to our charitable objects and the requirements of charity law when making disposals.

## 2. Scope

The implementation and scope of the policy applies and is applicable to:

Livv Housing Group	X
Livv Homes	
Livv Maintenance	
First Ark Social Investment (Operating as Livv Investment)	
All entities	

## 3. Compliance

The policy is in place in order to support:

Regulatory Compliance, in particular the: <ul style="list-style-type: none"><li>• Regulator of Social Housing – Notifications of disposals</li><li>• Regulator of Social Housing – Direction about notifications of disposal of social housing dwellings and of land other than a dwelling 2017</li><li>• Homes England – Capital Funding Guide: Chapter 7 (Disposals Proceed Fund and Recycled Capital Grant Fund)</li></ul>	X
Legislative Compliance, in particular the: <ul style="list-style-type: none"><li>• Housing and Regeneration Act 2008 – Sections 176 and 275</li><li>• Housing and Planning Act 2016 – Sections 92 – 94 and schedule 4 (enacted 6/4/17)</li></ul>	X

## 4. Policy Statement

This policy only considers disposals of land and property assets.

Other related policies include:

- Right to Buy/Right to Acquire Policy
- Shared Ownership Sales Policy

## **Disposal of Land and Property**

This policy outlines our approach to disposals, as part of the Group's approach to the effective management of our properties and land. It will assist the Group in making best use of its resources, by considering the rationalisation or disposal of surplus or under-performing properties or land, or those that do not have a beneficial strategic use.

When assessing if land or property are surplus (referred to as assets), we will consider the contribution they make to the Group's strategic objectives and its contribution to the local community. An assessment will be undertaken to consider if we can meet our obligations associated with the asset, or if other alternative uses would better serve the value provided from it.

When considering underperforming property, we will use our option appraisal framework to consider the root causes for the underperformance and what measures could be taken to improve the performance without disposal. Performance will be evaluated based on a financial, social, environmental and reputational basis.

A disposal is the sale or transfer of a freehold or a leasehold interest to another Group company or a third party, or the surrender of a lease or assignment of a lease to a third party for the payment of a premium.

This may include provision of an easement or wayleave (or similar binding legal agreement) to a statutory undertaker or in favour of a third party.

All disposals will be identified on the disposals register, which forms part of the Group's Assets and Liabilities Register.

### **The role of the Investment Appraisal Panel**

The Investment Appraisal Panel (IAP) is a panel of appointed Executive Directors, with an agreed terms of reference. All disposals will initially be considered by the IAP, who may reject the disposal, approve the disposal permitted under delegated authority, or recommend its decision to the Business Development, Growth & Investment Committee.

### **The role of the Business Development, Growth & Investment Committee (BDGI)**

On behalf of the Board, the BDGI review a range of activities including the review of risks and returns associated with a proposal. This includes divestments of land and property. Any proposal approved by the BDGI would be submitted to Board for formal approval.

Any disposals involving land or assets being disposed of by a charity to a non-charity, or which involve tenanted properties, require Board approval irrespective of delegated authority.

## **Appeals**

There will be no appeals process for a third party wishing to purchase land or property from the Group. There is no obligation (save for obligations identified under Right to Buy/Acquire legislation, which is not specifically covered by this policy) for the Group to dispose of any of its assets and the decision under this policy will be final.

## **Methods of Disposal**

All disposals should seek to maximise either the financial consideration received by the Group or meet other agreed strategic objectives.

The method for the disposal of assets, including those where multiple offers and disposal routes are under consideration, will be assessed and determined on a case by case basis.

All issues relating to the land or property, including value, sustainability, social, environmental and economic benefit and legal issues and agreements, will be taken into account when determining the method of disposal.

## **General and Specific Consent Requirements**

There is a requirement to notify the Regulator of certain disposals, as outlined in the Regulator of Social Housing Guidance – ‘Notifications of disposals’ and the Regulator of Social Housing – ‘Direction about notifications of disposal of social housing dwellings and of land other than a dwelling 2017’.

## **The Formal Disposal of Assets or Land**

Where a disposal is approved, a valuation of the property or land will be undertaken by a qualified member of the Royal Institution of Chartered Surveyors (RICS). Our costs in dealing with the disposal shall be recouped, where possible as part of the transaction and at the very minimum, each party shall bear its own costs.

## **Mandatory Disposals**

In some circumstances, a disposal under this policy may be mandatory. For example, where a development scheme requires a wayleave or easement to be put in place or a section agreement needs to be agreed with a Local Authority or statutory undertaker.

The purpose of this policy is not to prevent these ‘mandatory’ arrangements, but the formal approval process will be followed to ensure all such disposals are recorded appropriately.

## **5. Policy Outcomes**

The objective of this policy is to ensure that the Group has a robust mechanism to evaluate disposal proposals, conforms with the requirements of charity law and Regulatory requirements and where disposal is agreed, the Group derives the appropriate value from the transaction and records the disposal appropriately.

## 6. Monitoring and Review

In line with the Group's Policy Framework, this policy is scheduled to be reviewed every 3 years. Unless due to a change in Government legislation or regulatory requirements, then the review period will be brought forward in order to ensure compliance.

## 7. Roles and Responsibilities

The Policy Framework documents the approval routes for all Policies & Strategies, however under this policy the following teams/employees have the following responsibilities and delegated authorities.

### Responsibilities

Executive Director's Team (EDT)	EDT have responsibility for first stage sign off of the policy
Group Board	Group Board have responsibility for final sign off of the policy

### Authority

Bulk Asset Disposal – Disposal of Land over 0.5 hectares or 5 properties	The Executive Director Property will report to IAP and then to the Group Board for approval prior to disposal.
Small land parcel disposal – under 0.5 hectares meeting assessment criteria	The Executive Director Property will report to IAP and can then proceed with the disposal and notify the Group Board retrospectively.
Disposal of vacant individual property meeting assessment criteria	The Executive Director Property will report to IAP and can then proceed with the disposal and notify the Group Board retrospectively.
Demolition of under 5 properties (not tenanted) meeting assessment criteria	The Executive Director Property will report to IAP and can then proceed with the disposal and notify the Group Board retrospectively.
Disposal of individual Property via 3 <sup>rd</sup> Party Requests (non-Right to Buy /Right to Acquire)	The Executive Director Property will report to IAP and then to the Group Board for approval prior to disposal.
Long Term Lease to 3 <sup>rd</sup> party (over 7 years) meeting assessment criteria	The Executive Director Customer Insight will report to IAP and then to the Group Board for approval prior to completion.
Short Term Lease to 3 <sup>rd</sup> party (under 7 years) meeting assessment criteria	The Executive Director Customer Insight will report to IAP and can then proceed

	with the contract and notify the Group Board retrospectively.
Tenure Conversion or disposal to another Group entity	Executive Director – Finance, Risk & Performance will report to IAP and then to the Group Board for approval prior to conversion or disposal
Statutory undertakers disposal – e.g. section agreements, easements /wayleaves (Development)	The Director Development will report to IAP and can then proceed with the disposal.
Easements and Wayleave Agreements (non-development)	The Director Assets will report to IAP and can then proceed with the disposal.
Licence to occupy whole or part property to carry out work where part or all of property is leased or under licence	The Director Assets will report to IAP and can then proceed with the licence.

**8. Equality & Diversity**

Due to the nature of the policy, what it is aiming to achieve and no impact the implementation of the policy will have on employees/customers. An equality analysis is not required to be completed.