



Tai Sir Ddinbych
Denbighshire Housing
Buddsoddi yn ein Cymunedau • Investing in our Communities



Guidelines for the Disposal of HRA Assets

Version	1
Date	December 2024
By	Geoff Davies
Review	December 2027

Purpose

The purpose of this document is to provide a framework to support decision making when it is appropriate to sell a Housing Revenue Account (HRA) asset if the continued ownership is no longer deemed to be in the wider interests of the HRA.

Disposals

Disposals will generally be considered where there is no housing need for the particular property type in the immediate area and / or where there are asset management factors such as the viability of long term investment, needs to be considered.

Prior to the disposal of any HRA asset, full consideration will be given to other opportunities to support the provision of local affordable housing.

Governance

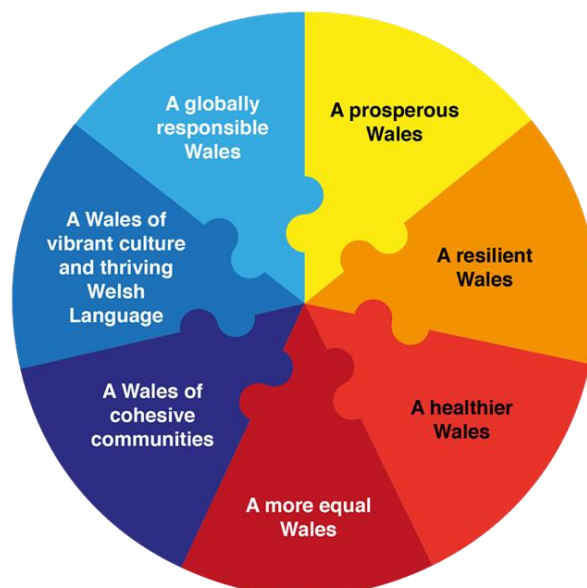
Decision making for the disposal of HRA assets is delegated to the Head of Service following consultation with the Lead Member.

The Lead Officer for Community Housing and Lead Officer for Property & Housing Stock will make recommendations to the Head of Housing & Communities based on the contents of this document.

Lead member and individual local member consultation will take place prior to any final recommendation being made.

Well-being of future generations

This approach aims to support the longer term view of how we manage our neighbourhoods and create communities where people can live healthy lifestyles and contribute to the seven well-being goals.



Welsh Housing Quality Standards

When a recommendation for disposal of a property for asset management reasons is being considered, the ability to achieve long term quality standards, affordable warmth and net zero ambitions will be key.

The Welsh Housing Quality Standard (WHQS) is the standard the Welsh Government expects all social housing to achieve. WHQS addresses not just the physical conditions of properties, but also integrates social, environmental and economic concerns.

Value for Money

Once a property is being considered for disposal, strict timescales should be adhered to ensure the matter is actioned in an efficient and value for money approach for the HRA.

Loss of income and other costs associated with empty properties is monitored within Community Housing Performance management.

Disposal

When looking to dispose of a property consideration will need to be given to a number of factors, these are:

Asset management

- Property is a maintenance liability and costs of continued work are prohibitive, due to age, design or current condition.
- Property falls below our standards and investment required to reach the appropriate standard is not viable
- Property is in isolated location with no other HRA assets nearby

Social factors

- Limited Housing Need for the location (that cannot be met otherwise)
Limited Housing Need for the property type
- All affordable housing options have been exhausted
- No likely long term benefit for future generations of retention

Value for Money

- The re-sale value of the property outweighs other benefits
- Cost of service provision does not support efficiency and value for money.
- The viability of investment is prohibitive in terms of long term need.

Environmental factors

- Sale would create potential to significantly improve the area
- The property has exceptionally poor energy performance
- The property could not be expected to achieve WHQS without exceptional levels of investment.

Exceptional circumstances

- Other factors not included above that make an exceptional case to consider disposal

Disposal Process

Stage 1 (Weeks 1 – 4)

Community Housing / Property - Identification of property for disposal

Identification of property by Housing / Property through asset management or housing management processes will require a disposal matrix and report to be completed to make recommendation on grounds for disposal.

A site visit will be arranged to view the property with the Head of Housing & Communities, the Lead Member for Housing and the local members where the property is situated.

The decision to be made by Lead Member and Head of Housing & Communities

The matter will then be passed to the Valuation & Estates Team within Corporate Property to action the disposal.

Stage 2 (Weeks est. 4 – 12)

Valuation & Estates Team & Legal Service - Investigation and Instruction

V&E Procedure -	Estimated time frame
<p>V&E to receive written instruction from HRA once they have declared the property surplus to requirements. HRA to provide the written support for the surplus approval.</p> <p>Instruction should also include justification for the disposal and estimated costs for refurbishment. Cost code to be provided.</p>	
<p>Request title to establish extent of ownership and any errors on the boundaries.</p>	1 week
<p>Review case to assess if a report on title is required to highlight any issues, especially last remaining dwellings as there may be excess land associated with the site that requires consideration. (Septic tanks, private drainage or services running across land, especially in rural areas).</p> <p>Establish any restrictions on the property.</p> <p>Meet with HRA officer to discuss site, visit.</p>	2 weeks
<p>Request Report on Title if applicable</p>	between 1 month and 3 months
<p>Consider best disposal method, i.e. private treaty, auction, named party</p>	
<p>The officer scheme of delegation shows that Head of Housing & Communities Service can dispose of land and buildings by freehold or leasehold, with a market value from £30,001 to £1million, in consultation with the Lead Member, S.151 and the Monitoring Officer.</p> <p>Consultation is to be undertaken with these Officers and Members, outlining reasons why, costs and proposed disposal method. Responses must be received.</p>	up to 3 weeks

Contact Agents outlining our requirements. Request guide prices.	2 weeks
Instruct Legal to prepare contracts	
Agree terms with the Agent, i.e. selling fee. Approve brochure documents.	2 weeks
Property to be advertised for a minimum of 3 weeks. Offers at the end are to be reviewed, price and financial standing of applicant to be considered. If no interest is shown, property remains on the market until sold	minimum of 3 weeks
Await for memorandum of sale from the Agents once all the relevant financial checks have been made by them	1 week
Legal instruction with buyer details	1 week
Aim to exchange and complete within 3 months.	