

Acquisition and Disposal Policy	
Document Owner: Director of Assets and Sustainability	Document No: AM-PL-008
Date Approved: October 2023	Review Date: October 2026

Contents

Contents.....	1
1.0 Introduction	1
2.0 Policy objectives, key performance indicators (KPI) and reporting	1
3.0 Definitions	2
4.0 Legislative, regulatory, and strategic alignment	2
5.0 Responsibilities	4
6.0 Policy delivery	4
7.0 Consultation	7
8.0 Controls and reporting	7
9.0 Approval	8

1.0 Introduction

- 1.1 The policy sets out the protocol and regulations regarding the disposal and acquisition of land and property.
- 1.2 The policy applies to all acquisitions including land, leases, stock swap properties and commercial properties, dwellings, houses, flats that are owned by Beyond Housing (BH). Preserved Right to Buy and Right to Acquire are governed by HM Government relevant policy and regulation.
- 1.3 Beyond Housing must comply with requirements set out by the Regulator of Social Housing (RSH) as follows:
 - Notification of disposals (March 2017) - guidance for private registered providers on how to notify RSH about disposals of social housing (appendix 1) and;
 - Direction about notifications of disposals of social housing dwellings and land other than a dwelling (March 2017) (appendix 2).

2.0 Policy objectives, key performance indicators (KPI) and reporting

- 2.1 The policy has been developed to ensure that Beyond Housing are able to acquire and dispose of property (dwellings, houses, flats, commercial property, and offices) or land in a consistent manner and in accordance with best practice within the sector whilst also ensuring it is compliant with the RSH requirements concerning the reporting of any disposals and purchase. We must ensure that current Beyond Housing stock does not drop below 13,500 as per funding guidance received from our current lenders, Nationwide and Lloyds loan agreements. Homes England are informed of property addresses that have been disposed of, should any loan repayments or recycling of grants be required.

Acquisition and Disposal Policy	
Document Owner: Director of Assets and Sustainability	Document No: AM-PL-008
Date Approved: October 2023	Review Date: October 2026

2.2 The policy details the circumstances under which Beyond Housing will consider the acquisition or disposal of property and land, together with the principles it will adopt in each case. In addition, the policy outlines how disposal notifications are made to the RSH in accordance with their directive and guidance notes.

2.3 The policy is also concerned with:

- Protecting the organisation and social housing assets from undue risks
- Adherence to all relevant law
- Accountability to customers
- Developing robust business cases for land and property acquisitions and disposals
- Achieving Value for Money (VfM).

Key Performance Indicator	Owner (job role)	Policy objective alignment
Notify Homes England of RTA disposal within 3 months of sale	Asset services advisor – (Asset services team)	Compliance with legislative requirement
Relevant disposals	Asset services	Compliance with legislative requirement

3.0 Definitions

- 2.1 Homes England – BH notify the regulator about the disposals of social housing dwellings.
- 2.2 Acquisition - Property, land, stock swap properties, commercial properties, dwellings, houses, and flats that are purchased by Beyond Housing.
- 2.3 Disposal – The disposal or sale of property or land owned by Beyond Housing.

4.0 Legislative, regulatory, and strategic alignment

- 4.1 The RSH only requires notification concerning ‘relevant disposal’ of dwellings: houses, flats, accommodation, whether self-contained or not, which is available for rent and/or low-cost home ownership, including leasehold.
- 4.2 The RSH does not wish to know about disposals of non-residential property or appurtenances; gardens or similar that may be associated with dwelling but are disposals separate to the dwelling.

Acquisition and Disposal Policy	
Document Owner: Director of Assets and Sustainability	Document No: AM-PL-008
Date Approved: October 2023	Review Date: October 2026

- 4.3 Providers only notify the regulator concerning relevant disposals not right to buy (RTB)/right to acquire (RTA).

A Relevant Disposal is:

	Transaction category
1	Out of Sector (occupied and not occupied) - to someone who is not a registered provider other than a sale to the residential occupier
2	Within Sector (occupied only) – to someone who is a registered provider
3	Last Social Housing (occupied and not occupied) – where the provider will no longer be a Social Housing provider
4	To a profit making private registered provider (occupied and not occupied) – disposal to profit making provider
5	More than 5% of Stock (occupied and not occupied) – disposing of >5% of providers dwellings
6	Finance (small provider) – standard and non-standard finance – disposal to raise finance
7	Finance (large provider) non-standard finance – disposal to raise finance

- 4.4 The Regulator guidance sets out:

- The information it would require for a relevant disposal.
- The timing of a notification.

- 4.5 In accordance with the direction, specific disposal notifications are not required for disposals made to the residential occupier of the property (right to buy (RTB)/right to acquire (RTA), land or any other non-housing property. However, the Chief Financial Officer will report to the board all disposals made, whether notifiable to the RSH or not. Notifications to the RSH are provided using the NROSH+ System quarterly. The content of the notification is set out in the directive.

- 4.6 Non-notifiable disposals will be included by Beyond Housing in the Quarterly Statistical Data Return made to the RSH; this includes all preserved RTB (Right to Buy) and RTA (Right to Acquire) sales and initial shared ownership sales.

- 4.7 Where the land or assets to be disposed of/transferred have received social housing capital grant in the past, Homes England may require notification to confirm the grant amount and method of recovery (including the ability to recycle capital grant). Homes England should be notified of relevant events, such as disposals where grant funding has been received, at

Acquisition and Disposal Policy	
Document Owner: Director of Assets and Sustainability	Document No: AM-PL-008
Date Approved: October 2023	Review Date: October 2026

least 14 working days in advance of the disposal. The Capital Funding Guide (Chapter 7) details which relevant events you must notify Homes England of, and when.

5.0 Responsibilities

- 5.1 In all cases, any acquisition of property or land should be referred to the development team/asset management team to be considered, prior to any further activity been carried out.
- 5.2 All leaders are responsible for ensuring their service areas are compliant with the standards as set out in this policy.
- 5.3 The policy is also aligned to the requirements published by the Homes & Communities Agency in March 2017 'Guidance for private registered providers on how to notify the regulator about disposals of social housing' and a Regulator Social Housing (RSH) 'Regulator' supplement 'Direction' 'Direction about notifications of disposals of social housing dwellings and of land other than a dwelling 2017' BH is required to comply with this guidance.
- 5.4 In all cases of right to acquire properties being sold these are notifiable to Nationwide and Lloyds with a request in the form of a DS3 or DS1 to have the property removed from the loan agreements, this is carried out by the asset management team.

6.0 Policy delivery

6.1 Property and land acquisition

- 6.1.1 In all cases, any proposed acquisition of property or land should be referred to the development team/asset management team to be considered, prior to any further activity been carried out. Upon receipt of the proposal, an appraisal is to be conducted in conjunction with the relevant service areas to establish if the property is an appropriate acquisition for the company. This initial referral process will address issues including compliance and relevant legislation.
- 6.1.2 The asset management team and development teams will consider, on an individual basis, the criteria below prior to any property or land acquisitions taking place:
 - The property type and size
 - The asset is modern, where possible, or able to carry out improvements with a limited investment

Acquisition and Disposal Policy	
Document Owner: Director of Assets and Sustainability	Document No: AM-PL-008
Date Approved: October 2023	Review Date: October 2026

- The geographical location is aligned with the company's core business
- Land has a commercial or development strategic value
- Supply and demand
- Appropriate rent level
- Commercial viability
- Tenancy type
- Future sustainability, incorporating 30 years whole life costing Net Present Value (NPV), Internal Rate of Return (IRR) and payback.

6.1.3 Having considered the above influencing factors, the acquisition may be deemed appropriate but there might be times when acquisitions are rejected based on the above criteria. This might be the case and if so then each case would be reviewed on its own merit.

6.1.4 Upon completion of a full option appraisal, external valuations by a firm of chartered surveyors, legal contracts, risk analysis and VfM, a report and recommendation to acquire (or not, as the case may be) is submitted by the Development Appraisal Group, for recommendation to Development Committee for approval required.

6.2 Property and land disposals

6.2.1 The business should ensure it is making best use of its resources, by rationalising or disposing of surplus or under-performing property or land when necessary. Surplus property or land are defined as not contributing to the delivery of services, corporate aims, or objectives, nor to generate income with no potential for future service delivery or community regeneration. This can also be the same for under-performing property, which would then be declared surplus.

6.2.2 Surplus property and land can be identified in several ways: -

- Out of area of operation
- Not aligned to the business strategy
- Asset management strategy and plans
- Service plans
- Condition surveys
- Master planning
- Ongoing costs and VfM
- Property has potential for development/redevelopment and service can be relocated
- Regeneration schemes
- Requests for asset transfers from community groups.

Acquisition and Disposal Policy	
Document Owner: Director of Assets and Sustainability	Document No: AM-PL-008
Date Approved: October 2023	Review Date: October 2026

6.2.3 In all cases, any disposals of property or land should be referred to the asset management team and development teams to be considered, prior to any further activity been carried out. Upon receipt of the proposal, an appraisal will be carried out in conjunction with the relevant service areas to establish if the asset is an appropriate for disposal. This initial referral process will address issues including compliance and relevant legislation.

6.2.4 Upon completion of a full option appraisal, external valuations by a firm of chartered surveyors, legal contracts, risk analysis and VfM a report and recommendation to dispose of (or not, as the case may be) is submitted by Development Appraisal Group (DAG) for consideration and approval. If the value of the disposal is above £3m, board approval will be required.

6.2.5 Other land disposals applicable to this policy are where:

- (i) the land comprised in the disposal adjoins the property of the residential owner
- (ii) the land is for use ancillary to the residential use of such residential owner's property
- (iii) the land to be disposed of is for a community benefit or another housing association

6.2.6 For the purposes of this policy, a 'small parcel of land' is defined as an area of land that is not substantially larger than the applicant's current garden space and has no effect on the company's potential development sites.

6.2.7 Land will not be disposed of at less than best consideration than can be reasonably obtained unless the transaction is covered by alternative arrangements agreed by the board or, one of its committees.

6.2.8 Beyond Housing will reserve the right to pass on the cost of all officer time in dealing with the request; and any valuation and/or legal costs incurred, irrespective of whether the offer is subsequently accepted or rejected.

6.2.9 Upon completion of a full option appraisal for the categories in 6.2.5 including external valuations by a firm of chartered surveyors, legal contracts, risk analysis and VfM a recommendation to dispose of (or not, as the case may be) is submitted to DAG for consideration and approval. If the value of the disposal is above £3m board approval will be required.

6.3 Leases

6.3.1 This document sets out the policy in relation to the freehold disposal of land or property and the granting of a lease for more than five years. However, BH also recognises that it

Acquisition and Disposal Policy	
Document Owner: Director of Assets and Sustainability	Document No: AM-PL-008
Date Approved: October 2023	Review Date: October 2026

may be more appropriate to grant a short lease (i.e., for less than five years) or licence in certain cases.

6.3.2 Beyond Housing will consider the grant of a short lease or a licence of land or property when:

- (i) the land or property is surplus to current requirements, and it would be an appropriate short-term use for the land or property
- (ii) the granting of a lease or licence would be within current policy and objectives
- (iii) the terms of the lease or licence are the best that can be reasonably obtained and are value for money, or
- (iv) where the granting of the lease or licence on terms that are less than would be commercially viable, would further one or more of the company's strategic objectives.

6.3.3 Beyond Housing will usually grant short leases or licences after negotiations with one or a small number of prospective occupiers. The land may or may not have been marketed as available for let. A binding legal agreement is created on grant of the lease or licence.

7.0 Consultation

7.1 Consultation has been carried out with Asset Management, Development and Senior Leadership Teams.

8.0 Controls and reporting

8.1 Three lines of control:

First line control (disposals)	Responsible (Job role)	Reported to:
Ask for the request in writing from the person making the request on the land/property.	Asset services co-ordinator	Director of Asset management
Check that the land/property is in our ownership and that there are no restrictions on either leasing/selling or demolishing.	Asset services co-ordinator	Director of Assets & Sustainability
Consult with Development to ensure that they had no plans for the site/property.	Asset services co-ordinator	Director of Assets & Sustainability
Instruct red book valuations and carry out land registry checks.	Asset services co-ordinator	Director of Assets & Sustainability

Acquisition and Disposal Policy	
Document Owner: Director of Assets and Sustainability	Document No: AM-PL-008
Date Approved: October 2023	Review Date: October 2026

Second line control (disposals)	Responsible (Job role)	Reported to:
Report proposal to development appraisal group (and recommend to Development Committee where applicable)	Asset services co-ordinator	Development appraisal group (DAG)
First line control (Acquisitions)	Responsible (Job role)	Reported to:
Consult with housing and asset management colleagues to establish demand and fit with stock	Project manager	Development manager - delivery
Instruct red book valuations and surveys	Project manager	Development manager - delivery
Second line control (acquisitions)	Responsible (Job role)	Reported to:
Proposal reviewed through gateways (G1-G4) process by development appraisal group and recommended to development committee if over £5m total scheme costs	Project Manager	Development appraisal group (DAG)

9.0 Approval

- 9.1 This policy will be reviewed after three years, or in response to a change in legislation or best practice, whichever is the sooner.

Approval and revision Criteria	Information
Document written by:	Director of Asset and Sustainability
Document approved by:	Development Committee
Version No.	2

Acquisition and Disposal Policy	
Document Owner: Director of Assets and Sustainability	Document No: AM-PL-008
Date Approved: October 2023	Review Date: October 2026

Version no.	Revision date	Reason for revision
2	October 2023	3-year backstop review