

Disposal Policy

Policy Statement

Purpose

To ensure that Orwell is making best use of its housing and non-housing property assets and is directing investment in accordance with its Development and Asset Management policies.

Legal Obligations

Orwell must ensure it maintains its housing stock at or above the Government's Decent Homes standard in line with the 2006 amendment to the Housing Act 2004. The ongoing cost of achieving and maintaining this standard will be taken into account when reviewing stock for disposal.

The Housing and Regeneration Act 2008, as amended, requires Orwell to notify the Social Housing Regulator when they have disposed of social housing dwellings in certain circumstances known as relevant disposals. Relevant disposals are reported annually via the NROSH+ statistical return. Any relevant disposals are checked quarterly and included in the NROSH+ return. The circumstances for notification are laid out in a document issued by the RSH, the 'Direction of the Social Housing Regulator about notifications of disposal of social housing dwellings and of land other than a dwelling 2017'.

Homes England are also notified of relevant disposals in line with The Recovery of Capital Grants and Recycled Capital Grant Fund General Determination 2017 and the Capital Funding Guide, and grant funding is either repaid or recycled to the Recycled Capital Grant Fund in line with Homes England's requirements.

Orwell's Commitment

Orwell will review the performance of all its built assets every two years based on performance criteria detailed in the Asset Management Review (AMR).

Orwell will also review all relet void properties of more than 10 years old based on the performance criteria detailed in the Asset Management Review (AMR) and the criteria listed below.

Following either of these reviews, a property may be placed on the disposal list if any one or more of the following criteria apply:

- The property fails to meet the AMR performance criteria.

- The property no longer meets housing need or is no longer suitable for affordable housing as evidenced by the Head of Customers and Communities or Head of Supported Housing.
- The property is located in an area of high market prices where the sale of a single property could generate capital to reinvest in additional properties elsewhere.
- The property is located in an outlying geographical area where it is assessed as inefficient to provide a management and/or maintenance service.
- At the point when the property becomes void, the cost of works necessary to bring the property back to Orwell's lettable standard does not represent value for money.
- The property has a very low SAP score (below 40) and the cost of upgrading it is prohibitive.
- The property is leased, and the lease has ended, or can be ended without significant penalty, and it is not financially viable to renew or continue the lease.
- The property is used as supported housing and the support contract is terminated or significantly reviewed meaning that the service becomes financially unviable and the property is unsuitable for another supported housing use or as general needs accommodation.

In disposing of our properties, we will:

- Ensure that wherever possible properties will only be sold when they become vacant. There may be some circumstances when Orwell may seek to dispose of a tenanted property, for example where properties have been identified for divestment or where tenants need to be moved to better quality house. Existing tenants will be fully consulted, assisted and incentivised by Orwell to move into a suitable alternative property (permanent decant) in order to facilitate a sale with vacant possession. However, if the tenant refuses to move to a new property, Orwell is empowered to proceed with the move should it be considered in the tenants' best interests. The criteria to make payments to tenants to compensate them for the loss of their home or to pay for the expenses of having to move are detailed in the Decant Policy and Procedures.
- Dispose of properties at full market value as agreed by a Qualified Valuer. Any reductions in price will be confirmed by a Qualified Valuer as in line with market conditions.
- Ensure the disposal of the property is in line with annual budget projections.
- Consider demolition of housing stock for redevelopment where this option provides the best solution for Orwell.
- Liaise with residents, local authorities, and/or the Regulator of Social Housing where appropriate prior to the disposal or demolition of a built asset.