



Disposal of Land and Assets Policy

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1. Introduction

This policy sets out the criteria and mechanisms whereby Viewpoint Housing Association (VHA) might in particular circumstances, dispose of land, assets or individual properties which are either vacant or occupied. The policy applies to all housing, care home and office related assets. Common to all disposals, however, is the requirement that disposals fit with our objectives and business plan as well as being consistent with other key corporate documents, such as our investment plans and statement on value for money. Depending on the nature of the disposal, we may also wish to take professional advice – for example, if we were considering offering stock as security for a loan.

We may consider disposal when an asset:

- Would be uneconomic and unaffordable of VHA resources to improve and/or bring up to the required standards
- Becomes increasingly problematic to let
- Is no longer viable due to persistently excessive operating costs
- Where there is persistent excess care home bed capacity
- Does not meet acceptable current or future standards for care home provision
- Because as dispersed housing stock it is not economical to operate
- Irrespective of any/all improvement the property(s) fail to meet modern aspirations of current or future tenants and in particular fail to meet the minimum standards required by the Scottish Housing Quality Standard (SHQS) Are located in tenement stairs in which VHA has no other involvement or a minimum role and especially where it is likely in the foreseeable future that the building would require major communal repairs
- Demonstrates a history of expensive or uneconomic repairs
- Demonstrates any combination of the above
- Where the release of asset value would provide greater benefit to the achievement of strategic and operational business objectives

The policy also takes account of Standard #7 of the Regulatory Standards of Governance and Financial Management, which was published by the Scottish Housing Regulator (SHR) in March 2019.

Any decision to dispose of a care home will require full consultation with residents, their families, staff and other stakeholders and adherence with Care Inspectorate guidance on decommissioning.

As an essential element of our disposal process we will adhere to the Care Inspectorate guidance on decommissioning a care home set out in its 2014 report “The Future for Residential Care for Older People”:

- Careful preparation;
- Clarity about what is to be achieved and why;
- Transparency and good communication; and

- Keeping the service user as the focus of the activity.

2. Customer and Regulatory Standards

Scottish Social Housing Charter

The Scottish Social Housing Charter (SSHC) sets standards and outcomes describing the results that tenants and others who use their services can expect from social landlords.

The relevant standards for Stock Disposal are as follows:

Charter Reference 1: Equalities

Social landlords perform all aspects of their housing services so that:

Every tenant and other customer has their individual needs recognised, is treated fairly and with respect, and receives fair access to housing and housing services.

Charter reference 3: Participation

Social landlords manage their businesses so that:

Tenants and other customers find it easy to participate in and influence their landlord's decisions at a level they feel comfortable with.

Charter reference 4: Quality of housing

Social landlords manage their businesses so that:

Tenants' homes, as a minimum, meet the SHQS standard and continue to meet it thereafter, and when they are allocated, are always clean, tidy and in a good state of repair.

Charter reference 5: Repairs, maintenance and improvements

Social landlords manage their businesses so that:

Tenants' homes are well maintained, with repairs and improvements carried out when required, and tenants are given reasonable choices about when work is done.

Charter reference 13: Value for money

Social landlords manage all aspects of their businesses so that:

Tenants, owners and other customers receive services that provide continually improving value for the rent and other charges they pay.

A Quality Framework for Care Homes for Older People 2018

Quality indicator 4.1: People benefit from high quality facilities

Key areas include the extent to which:

- the layout of the setting and quality of fittings meets people's needs

- the setting is comfortable and homely
- the setting is safe and well maintained.

Care Homes for Adults – The Design Guide 2022

We want our care homes to meet the highest standards possible and will refer to the latest standards published by the Care Inspectorate to assess the current and potential suitability for purpose of an existing facility before making any decisions on disposal.

A care home may still be decommissioned and disposed of where it is no longer a viable business operation even if it does or can physically meet the Design Guide standards.

In applying the Design Guide standards we will have particular regard to the following:

Location, security and community connection

Health & Social Care Standard 5.9 states: “I experience care and support free from isolation because the location and type of premises enable me to be an active member of the local community if this is appropriate.”

General Design

Consideration may wish to be given to the general design, sustainability, and carbon reduction of the building, for example, by considering a Passivhaus or low-carbon approach.

Most relevant to a decision about decommissioning and disposal will be the suitability for purpose of the elements listed below:

- Size
- Layout and Design
- Bedrooms
- Toilets and Bathrooms
- Communal Areas
- Dining Rooms
- Kitchen
- Laundry, Utility and Cleaning
- Domestic Services
- Outdoor Spaces

We will pay particular regard to the following detailed guidance:

Lifestyle and social opportunities

It is essential that the building, grounds and location of the service supports a range of opportunities for people living in the care home.

This includes actively supporting people to access services and amenities within their local community.

Health and Social Care Standard 2.22 states: “I can maintain and develop my interests, activities and what matters to me in the way that I like.”

Health and safety common design features

Most relevant to a decision about decommissioning and disposal are:

- Fire safety
- Infection prevention and control
- Water
- Windows
- Ventilation, lighting and heating

Health and Social Care Standard 1.24 states: “Any treatment or intervention that I experience is safe and effective.” It is therefore important for providers to think about how design and building features will reduce risks from harm but also promote a high-quality and homely environment.

Other facilities

Most relevant to a decision about decommissioning and disposal:

- Noise and sound
- Doors
- Lifts and stairways
- Medication storage and treatment rooms
- Waste storage areas

Staff areas

Most relevant to a decision about decommissioning and disposal:

- Reception areas, offices, and duty rooms
- Staff changing facilities
- Visitor toilets

3. Subsequent Consultation

VHA will consult with tenants on any subsequent adjustments or refinements to the policy. This would be carried out as a matter of good practice by referring it to a meeting of the relevant Tenants’ Forum prior to going to the VHA Board, to clarify what any proposed changes would mean on the ground. However if there are no amendments then the policy will go straight to Board for approval.

4. Policy Objectives

- The Disposal Policy is designed to integrate with the VHA core values. It will address housing stock, care homes, offices and other assets that are deemed unsuitable, uninhabitable or impracticable

to the provision of an excellent home for our customers or workplace for our employees. This policy seeks to adopt a more proactive approach to the disposal of the type of those assets described above.

- It is the long term objective of VHA to ensure that all of its housing and care home properties are of a standard and quality which meet the expectations of current and future residents while minimising the financial and resource commitments to the organisation to maintain them.
- In fulfilling this policy, VHA officers will identify, assess and report on properties which have any of the deficiencies in the criteria defined in the introduction. In such instances approval will be sought from the Board and the Scottish Housing Regulator and, where relevant, the Care Inspectorate will be advised of any disposal of assets taking place.
- Resources released from the disposal of such properties will be utilised by VHA to meet our charitable objectives with recommendations for use of funds approved by the Board.
- The disposal of properties will only occur in circumstances where either there is no viable or economic basis for retaining the property, or where after due consideration the property is not considered an asset which will benefit either VHA or its tenants/residents in the longer term. Those properties which are assessed as 'giving cause for concern' in line with the Asset Management Strategy will be considered for possible disposal.
- Any consideration of care home disposal will be subject to an options appraisal report to Board for consideration.

Where disposal is selected as being the most appropriate option then we will normally seek to dispose of the property when it becomes vacant. We will also consider all those properties to identify any which give particular concern i.e. present a potential danger or are of such condition that retention could affect the reputation of the Association.

Where properties are occupied and assessed as causing particular concern we will approach tenants and residents (and/or their families where appropriate) to discuss their interest in being rehoused to enable us to dispose of the properties.

We may consider disposing of properties with sitting tenants or care homes as a going concern to other providers all subject to full consultation with residents and other stakeholders.

5. Land or Assets as Security

If the Association decided to borrow (for example, to facilitate new build development), it is likely that the lender would wish to have all/some of the properties as security. This is the approach taken in the past and is standard within the sector. Subject to the Board agreeing to take a specific loan to fund an agreed development, the Association may agree to some/all of the development in question being part of a Standard Security. In all cases where this occurs, it will be following a specific resolution by the Board.

The Association will not normally consider cross-collateralisation unless a business case has been made for this; again, it will be following a specific resolution by the Board.

In no circumstances will the Association use land or assets as security in relation to staff pensions.

6. Asset Management

Any assessment of properties falling within the framework of this policy will require a detailed financial impairment review, and account taken of the undernoted criteria:

▪ Maintenance Considerations

- the reactive repairs history of the property
- the property condition, including the condition of common areas where it compromises the integrity of the building.
- the remaining anticipated lifetime of key components or elements within the property and the imminent costs involved in replacement
- the status of asbestos within the premises
- the provision and integrity of communal services (water, gas, electricity and telecommunications) serving the property likely to incur expensive remedial or replacement costs.
- the energy rating of the property – in particular the efficiency of existing or replacement heating systems, insulation standards and glazing which would contribute to fuel economy issues
- where there are likely to be, in the foreseeable future, extensive, disruptive or expensive common works.
- to meet a mandatory regulatory requirement such as the Scottish Housing Quality Standard (SHQS) and/or Energy Efficiency Standards for Social Housing 2 (ESSH2)

▪ Housing Management

- the current and likely future demand for properties of that type or configuration in the area concerned.
- the likelihood and possibility of future tenancies being unsustainable

- wider estate management issues and considerations.
 - current and future tenant aspirations
 - economic considerations within the area in which individual properties are located
 - historical void levels and relet times
- **Financial Implications**
 - anticipated maintenance and improvement costs – particularly in the subsequent five year period
 - rent affordability
 - the outstanding debt on the individual property
 - any outstanding Housing Grant on the property
 - the financial viability of incurring the cost of major works on a property relative to the rent and income being received by Viewpoint Housing Association.
 - **Care Standards and Viability of Operation**
 - compliance with Health and Social Care Standards
 - capacity to meet the standards set out in “A Quality Framework for Care Homes for Older People”.
 - capacity to standards set out in “Care Homes for Adults – The Design Guide”

7. Other Relevant Policies and Procedures

The Asset Management Strategy, which refers to stock disposal.

The Housing Strategy and the Care and Support Strategy. **8. Notifying the Scottish Housing Regulator and Care Inspectorate**

The Housing (Scotland) Act 2010, as amended by the Housing (Amendment) Act 2018 requires the Association to notify the SHR of certain types of disposals. These are outlined in Appendix 2 of the SHR’s guidance on notifiable events (most recently updated in June 2019). For ease of reference, they are also noted below:

- Disposals by way of sale of tenanted properties (i.e. a change of landlord)
- Granting a security that includes non-social housing properties
- Lease of a social housing property
- Lease of roof space of residential, tenanted properties for renewable energy sources or telecommunications
- Lease of a property for mid-market rent or other non-social housing purposes
- Where the disposal could have significant implications for tenants or other services users

Notification of a disposal will be made in line with the Association's notifiable events policy and will be reported to the Board in the usual manner.

8. Disposals Register

The Association will maintain a register of all disposals. The register will be available for public inspection at reasonable notice.

9. Policy Review

The policy on disposing of land or assets will be reviewed every three years, or sooner in line with legal, regulatory or best practice requirements.