



# Stock Disposal Policy

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## 1. Introduction

1.1 This policy sets out the criteria and mechanisms whereby North Glasgow Housing Association (NGHA) – may in particular circumstances, dispose of individual properties which are either vacant or occupied and:

- Would be uneconomic and wasteful of NGHA limited resources to improve
- Become increasingly problematic to let
- Irrespective of improvement – 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 tenemental stairs in which NGHA has no other involvement, or a minimum role and in particular where there is likely to occur within the foreseeable future major communal repairs
- Demonstrate a history of expensive or uneconomic repairs
- Or any combination of the above
- May pose a risk, if not dealt with, to the reputation of the NGHA
- Will look at existing stock which is either proposed for mid market rental or is already on an approved list for disposal

## 2. The Scottish Social Housing Charter

2.1 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:

2.2 *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.

### 2.3 *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.

### 2.4 *Charter reference 4: Quality of housing*

Social landlords manage their businesses so that:

Tenants' homes, as a minimum, meet the SHQS by April 2015 and continue to meet it thereafter, and when they are allocated, are always clean, tidy and in a good state of repair.

### 2.5 *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.

### 2.6 *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.

## **3. Subsequent Consultation**

- 3.1 NGHA will consult with tenants on any subsequent adjustments or refinements. This would be carried out as a matter of good practice by referring it to a meeting of the Tenants Focus Group prior to going to the NGHA Board, to clarify what any proposed changes would mean on the ground.

## **4. Policy Objectives**

- 4.1 The Stock Disposal Policy is designed to integrate with the NGHA core values of addressing stock where it is deemed impracticable to the provision of an excellent product for our customers.
- 4.2 It is the long term objective of NGHA to ensure that all of its properties are of a standard and quality which meet the expectations of current and future tenants while minimising the financial and resource commitments to the organisation to maintain them.
- 4.3 In fulfilling this policy, NGHA officers will identify, assess and report on properties which have any of the deficiencies in the criteria defined in paragraph (1.1). In such instances approval will be sought both from the NGHA Board for consent for disposal with a full report on why beneficial to the Association. In line with the new guidance from the Scottish Housing Regulator consent is no longer required prior to any disposal of stock taking place. A full report and justification will need to be available for the Regulator to review.

Resources released from the sale of such properties will be utilised by NGHA to meet our charitable objectives with recommendations for use of funds approved by the Management committee.

- 4.4 The disposal of properties will 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 NGHA or its tenants in the longer term.
- 4.5 Those properties which are assessed as 'giving cause for concern' in line with the Asset Management Strategy will be considered for possible disposal. Where disposal is selected as being the most appropriate option then we will 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 to discuss their interest in being rehoused to enable us to dispose of the properties.

## **5. Asset Management**

5.1 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 e.g. a fracture in lead water pipe, which would incur expensive 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).

### **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 North Glasgow Housing Association.

## **6. Other Relevant agreements or policies**

**6.1** The various stock transfer or other agreements the Association has signed have to be considered. All provisions of the Carron stock transfer agreement have now expired. The provisions of the GHA stock transfer require a 80% transfer of funds received less legal fees back to Glasgow City Council until 7<sup>th</sup> March 2033. Older stock based on Housing Corporation or later grant agreements would be a matter of discussion with Scottish Government or NRS.