
HOUSING ACQUISITIONS, DEVELOPMENT AND DISPOSALS POLICY

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1. Introduction

The Council has retained its housing stock and currently manages over 3,000 homes as well as more than 400 leasehold properties and 389 garages.

Tendring District Council has adopted a [Housing Asset Management Plan](#) to ensure that it manages its housing stock, as far as reasonably practical, to enable its tenants and leaseholders to live in safe and well maintained properties that meet the Decent Homes Standard and comply with other legislative and regulatory requirements.

In support of this it will, where supported by business case and options appraisal:

- Acquire dwellings, land or other property
- Develop dwellings or other premises
- Dispose of dwellings, land or other property

2. Purpose of this policy

The purpose of this Housing Acquisitions Development and Disposals Policy (“the Policy”) is to set out a framework for the preparation and consideration of business cases or options appraisals which will be applied when considering opportunities to:

- acquire properties on the open market;
- acquire homes through S106 planning obligations;
- buy back former homes sold under the Right to Buy;
- buy back homes that are partly owned through the Councils’ shared ownership and equity schemes;
- acquire and develop land and new homes for rent and sale, or;
- dispose of land or homes that are not appropriate for future service delivery.

3. Scope of this policy

This policy applies to all residential properties, garages and land contained within the Council’s Housing Revenue Account and that is managed by the Council.

4. Legal and Regulatory Framework

There are legislative and regulatory requirements that relate to the acquisition and disposal of the Council’s housing assets. These include but are not limited to

Housing Act 1985

Section 9 states that a housing authority may provide accommodation for housing purposes by erecting or converting buildings into houses, on land acquired by them or by acquiring houses.

Section 17 provides the principal power for the acquisition of land for housing purposes including land as a site for the erection of houses.

Section 19 provides the appropriate land owned by the Council for housing purposes.

Section 32 provides the principal power for the disposal of land owned for housing purposes.

Sections 9 and 56 allow for the Council to designate the building as a hostel for the provision of housing accommodation and therefore, accounted for within the HRA.

Local Government Act 1972,

Local authorities have the power to dispose of assets in any manner they wish, subject to certain constraints, but the Council does have an obligation to obtain the best value possible when it disposes of an asset(s).

The Local Government Act 1972 General Disposal Consent (England) 2003 provides a mechanism for local authorities to proceed with disposals at an undervalue, without the need for specific consent from the Secretary of State, subject to conditions. Examples may include those where the local authority considers that such disposal will help to secure the promotion or improvement of the economic, social or environmental well-being of its area; although this should not be considered an overriding factor. The general consent is subject to a condition that the undervalue does not exceed £2 million.

Land Compensation Act 1973

This sets out the provisions for statutory Home Loss Payments that are to be made to compensate tenants for having to move permanently out of their home, subject to certain eligibility criteria.

Housing Act 2004

This specifies that anyone who received their Section 125 Notice of Purchase Price in relation to the Right to Buy after 18 January 2005 and who wants to sell their home within the first 10 years of purchase must give Right of First Refusal to their former landlord.

In addition to the above, all acquisitions and disposals will be carried out in accordance with the Council's Property Dealing Procedures as set out in its Constitution.

5. Definitions

For the purposes of this Policy, an acquisition or disposal of land or property is considered to be an outright acquisition or disposal if it consists of:-

- A transfer either way of the freehold of the asset;
- An incoming transfer of the leasehold interest of the asset for a period in excess of 21 years, or;
- An outgoing transfer of the leasehold interest of the asset for a period in excess of 7 years.

6. Acquisitions

General principles

Acquisitions should only be pursued where:

There is an identified specific housing demand that requires a property of a particular size or type which cannot be met from existing housing stock.

The property gives the Housing Revenue Account a majority interest in a building or full ownership of a block

The property has not been subject to a tenancy which has ended to allow a sale.

Vacant possession is available.

The property can be brought up to the Council's Empty Council Homes Standard at reasonable costs.

The purchase is affordable for the Housing Revenue Account in both capital and revenue (maintenance and management) costs.

A property where the location lends itself to ease of housing management and maintenance

A property that does not meet any one of these requirements should be refused automatically and the owner should be advised their application is being declined.

7. Opportunities to acquire properties:

7.1 Purchasing property on the open market

The Council can buy homes on the open market either from an individual seller, another registered housing provider or from a developer. In deciding to purchase open market homes, the Council will have regard to the general principles set out above and the criteria in Appendix A below. Due regard will also be given to the number of affordable properties required as set out in the current Strategic Housing Market Assessment.

Open market homes can be purchased from housing developers in advance of completion, via a commitment to buy “off plan”. In these scenarios the Council is able to influence the design of the development and achieve a mix or standard of housing to meet specific needs. In certain circumstances, a partnership may be mutually beneficial for both the Council and the developer in terms of finance and pace of delivery. The land may already be owned by the developer or the Council.

7.2 Purchasing or acquiring properties through Section 106 agreements

A section 106 agreement is a legal agreement signed between the Council (as Local Planning Authority) and a developer when planning permission is granted for development. Where Section 106 agreements relate to affordable housing provision they will normally require that a proportion of the new homes are delivered as affordable housing or a financial contribution is made in lieu of on-site provision. Such affordable homes may be made available to the Council or another registered provider to purchase at a discount for affordable housing.

Where Section 106 agreements provide for it, they form a mechanism through which new affordable housing can be purchased. In deciding whether to purchase homes through this mechanism, the Council will have regard to the general criteria set out in Appendix A below.

If the Council ceases to use Section 106 agreements and adopts the Community Infrastructure Levy, any part of levy contributions related to affordable housing provision may be used in the other delivery methods set out in this document.

7.3 Purchase of former Council owned properties sold through the Right to Buy

Subject to meeting the specified qualification criteria, Council tenants have the Right to Buy their property at a discounted price.

The Housing Act 2004 states that anyone who received their offer notice for Right to Buy after 18 January 2005 and wants to sell their home within the first 10 years of purchase must give Right of First Refusal to their former landlord. The Council may also consider requests from owner occupiers or executors of Council properties that were sold before this date.

Additionally, if a property is being sold within 5 years of purchase, the owner must repay a proportion of the discount that was received with the original purchase.

In deciding whether to purchase a former home sold under the Right to Buy, the Council will have regard to the general criteria set out in Appendix A below and will assess if it is pragmatic to purchase a property for tenancy, block or estate management reasons. The seller must deliver vacant possession to the Council upon completion and will not be permitted to remain in the home as a tenant of the Council.

7.4 Purchase of properties that are partly owned through the Council's Do It Yourself Shared Ownership (DIYSO) or Shared Equity Schemes

The Council has a freehold interest in a number of properties that were initially purchased in the 1980s and 1990s under its Do-It-Yourself-Shared-Ownership Scheme or the Shared Equity Scheme.

Under the Do-It-Yourself-Shared Ownership Scheme, eligible applicants found a suitable property on the open market which was then purchased by the Council. The applicant was simultaneously granted a 99 year lease for the property with the intention that they could progress to full ownership by purchasing additional shares in the property over time.

Shared Equity properties were initially bought by the applicant upon payment of a premium to a developer that had been commissioned by the Council. The Council then granted a 99 year lease to the applicant in respect of the interest in the property retained by the Council.

There may be opportunities to buy back the lessees share in these property types which would be at a sum less than the full market value of the property as the Council already has a financial interest in these properties. In deciding whether to buy back a shared ownership or shared equity property, the Council will have regard to the general criteria set out in Appendix A below. The seller must deliver vacant possession to the Council upon completion and will not be permitted to remain in the home as a tenant of the Council.

7.5 Development on existing land and acquisition of land

In deciding whether to purchase land for development or to develop land already owned, the same general criteria as set out in Appendix B below will apply with regard to demand and cost. The Council already has a register of land that the property team has appraised in respect of each plot of land owned by the Council to assess its suitability for development and if the said development is pragmatic and cost-effective for the Council. The Council has considered and reconsidered the list of potential sites and determined to consider bringing them forward for action on a staged basis in the future as resources permit.

The Council has governance structures in place to acquire and dispose of assets. Where the Council is considering the acquisition of land for housing purposes, the seller must deliver vacant possession to the Council upon completion and will not be permitted to remain unless there are clear reasons for that to happen. Any decision to build new homes on any land owned by the Council must meet the same criteria as that for acquisitions, taking into account the whole development costs.

Where the acquisition will have strategic benefit in relation to the Council's Corporate Priorities (for example, in order to increase the stock of temporary accommodation and reduce costs therein). Members may elect to acquire or develop property in cases where the contribution to wider priorities supports proposals that may not fully meet the criteria in Appendix B.

A pragmatic approach will be taken where sites are to be acquired and developed by the Council as to how that development is managed. There will be some in-house design and management of schemes but both financially and with regard to staffing capacity, it is likely that external local firms will be engaged to take projects forward.

Building design will be modern with interesting architecture that reflects the local area whilst providing inspiring places to live. All development will be as energy efficient as reasonably possible and incorporate appropriate renewable energy technologies. Building firms employed will need to demonstrate that they are striving towards a net zero carbon operation.

7.6 Development and acquisition of land via a third party investor

Whilst the Council can acquire homes or land for building on itself, an alternative option exists that gives the Council control and potentially future ownership of the end product. Working with institutional investors and their intermediaries it is possible to bring significant levels of financial investment into the district without the financial risk and outlay associated with developing, borrowing or funding schemes direct.

Such proposals work on a leaseback basis, investors can purchase or build homes and gain a return by leasing them to the Council. The Council would manage the

homes and pay a head rent to the investor. Financial gains for the Council during the lease term would be modest or even negative but, at the end of the term, the freehold ownership of the property may transfer to Council depending on the financial model used.

During the lease term, the properties would be let on assured shorthold tenancies by the Council and can be allocated in much the same way as traditional council homes. The rents can be set higher than a typical social housing rent, often at around local housing allowance levels. Although these rental levels assist the financial model for developments, they are of less benefit to tenants and the shorthold tenancies tend to have a higher frequency of tenancy change and can be associated with tenancy management difficulties.

This option is relatively new and decision making must involve the criteria set out in Section 10 as well as a rigorous approach to the associated financial and legal implications.

7.7 Other Options

The Council could consider the establishment of a wholly owned Council Housing company as a body to deliver new development in the district across all sectors. This should be considered against the costs and resource implications of establishing and running a separate organisation. However it may be the case in the future that the establishment of a special purpose vehicle in the form of a housing or other company allows an approach or development that could otherwise be undeliverable. Where it is appropriate and delivery of the Council's corporate plan objectives is facilitated, the Council will be willing to establish or participate in a wholly owned or partly owned company.

Where the Council identifies current or acquisition sites for development it will consider, where appropriate, having regard to Appendix B and C below, the partial sale of sites or developments on the open market where this unlocks the finance necessary to complete the development or acquisition of other housing either on the site itself or separately.

It is not proposed to seek to carry out unrelated developments of land or other business activities in order to generate funding in general for housing development. All development carries risks and the carrying out of activities that are not directly linked to core functions entails risk, use of resources and potential conflict with rules on subsidy and trading.

7.8 Option appraisal:

Prior to the purchase of any site or property, a full options appraisal including whole life costing will be carried out which will involve an appraisal of all the options for delivery of the final objective. If the total cost exceeds £300,000, permission to

proceed with the acquisition will need to be granted by Cabinet. For acquisitions costing less than £300,000, permission to proceed can be granted by the Portfolio Holder for Assets in consultation with the Portfolio Holder with responsibility for Housing.

It should be noted that financial assessments related to yield, property costs and costs that are potentially mitigated elsewhere can be complex. As a general rule a property should provide a positive return to the HRA in the absence of any mitigating factors. Such factors might include the provision of specially adapted housing or housing to meet complex needs where other “system” costs such as temporary accommodation fees are being incurred.

All options appraisals should take into account the on-going cost of ownership of the asset over its lifetime and ensure that any decisions to acquire land or assets is informed by both capital and revenue implications. VAT implications must also be considered as part of the appraisal process prior to any decisions being made to acquire. The Council will take a medium to long-term view when planning delivery of their services and will need to identify any requirements to acquire land and property.

8. Special conditions relating to development in Jaywick Sands

Development in Jaywick Sands requires a different approach to the assessment of risks to that set out above. Due to ground conditions and the flooding risk in the area it is necessary to build flood resilient homes which by their nature cost more than houses developed in most other areas of the district.

It is therefore likely that developments in Jaywick Sands will achieve a low score when assessing against the criteria set out in Appendix B. The past development of 10 homes in the area by the Council demonstrated the difficulties that building in the area presents and the higher costs of doing so.

Development of additional homes in Jaywick Sands would therefore have to be assessed with the wider regeneration of the area in mind and an acceptance that there will be a greater associated risk and lower returns that will have to be clearly considered in relevant decisions.

9. Financial Considerations

Housing services are provided through both the Housing Revenue Account and the General Fund. The Housing Revenue Account is ring-fenced for activity that the Council undertakes as a landlord to both tenants and leaseholders. The General Fund includes housing related services that are not directly provided as a landlord such as the administration of the homelessness legislation, provision of temporary accommodation outside of the Council's stock and the regulation of private sector housing.

The accountancy and financial rules for these functions are separate and therefore appropriate decision-making frameworks must be applied in accordance with the Budget and Policy Framework and the Financial Procedure Rules.

The delivery of new homes built or purchased by the Council can be funded through a combination of reserves in the Housing Revenue Account, Right to Buy receipts, financial contributions paid in lieu of on-site affordable housing by developers and prudential borrowing.

Following the relaxation of borrowing headroom arrangements for the Housing Revenue Account, the Council can borrow more freely for acquisitions and development. The borrowing cap was an arrangement which the Government put in place when the subsidy system was removed to ensure that the Council did not expose its Housing Revenue Account Business Plan to unnecessary risks. Any additional borrowing has got to be prudent and affordable in terms of the Housing Revenue Account's revenue income ability to pay it, together with any interest charges.

The Council will not borrow capital to acquire or build out homes until such time it is required and detailed financial breakdowns and an appraisal have been provided. This means that individual schemes or acquisitions will need to be approved by Members. As land values remain high, it will continue to be challenging for the Council to compete for land to directly deliver new homes. Opportunities that arise should be evaluated including the potential for partnership and joint ventures with other providers.

One of the main barriers to the viability of acquiring or developing homes remains the Right to Buy. Whilst the application of the "cost floor" (over the first 30 years after the build or acquisition the Council can recover the capital cost of the building or acquiring the property) does protect the Council to some extent and changes to discount levels introduced recently coupled with local retention of receipts, have acted together to ease the position, it is none the less inevitable that the Council will make a degree of loss on every new unit that is subsequently purchased by the tenant under the Right to Buy scheme.

Before an asset is acquired, the Housing Service will carry out a financial viability appraisal to establish the whole-life financial implications of the acquisition. This will be achieved by rent modelling (with associated void/bad debt costs and stock reduction factor for Right to Buy sales), establishing the cost of borrowing and estimating the costs of responsive maintenance, management and major repairs over a 30 year time period. Any financial appraisal will need to demonstrate that there will be sufficient surpluses to cover the cost of the associated debt over the 30 year period. The appraisal will also consider the main risk of the loss of surpluses from the Right to Buy by modelling different stock reduction rates and considering how the risk can be mitigated.

Any acquisition will be reflected in the overall Housing Revenue Account Business Plan. The main principle behind appraising acquisitions is that they will not detrimentally impact upon the HRA capital programme or HRA balances. However, the HRA Business Plan does anticipate surpluses over its lifespan which are currently allocated to the Housing Commitments Reserve which could be reallocated in future years to underwrite the risk of losses due to the Right to Buy. The level of risk exposure should be highlighted to Members with every acquisition appraisal and they can exercise decisions to underwrite future risks.

10. Management of Risks

The following table sets out the general risks that will be taken into account when considering purchase or development opportunities.

Risk	How Managed
Extended empty periods/reduction in demand in the medium to long term	Property can be sold and receipts spent elsewhere
Capital investment costs may not be recoverable	The property market can fluctuate and prices can go down as well as up. The long-term forecast suggests that property prices will increase. As we can sell any homes as necessary, the risk can be controlled.
Impact of Right to Buy	The major risk to deter the Council from acquiring or developing homes is the Right to Buy. From 21 November 2024 the cost floor period has increased from 15 years to 30 years for any property that was built or acquired after 1 April 2012 and this does provide some protection. Each development or acquisition will be subject to a whole life costing assessment which will include the likely impact of the Right to Buy based on historic/projected levels of Right to Buy sales.
Potential damage to properties by tenants	New homes will be visited regularly by the Tenancy Management team to ensure tenants are complying with their tenancy agreements. The Council has robust policies and procedures in place to tackle anti-social behaviour and recharge policies to recover the cost of deliberate damage to homes.
Concerns from other local residents	The Council has an excellent reputation as a landlord and has procedures in place to deal with neighbour disputes such as mediation and enforcement powers.

Potential future costs falling on the HRA do not adversely impact on the sustainability of the 30 year HRA Business Plan	Each development or acquisition will be subject to a whole life costing assessment which will include the likely impact of the Right to Buy based on historic/projected levels of Right to Buy sales and risk assessed at different levels and decisions made to mitigate /underwrite the risk.
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11. Disposal

The majority of the Council's housing stock is generally of sound structure and well maintained. However, there are individual properties, such as those of non-standard construction, that require greater investment. The HRA also has garages and areas of land that are surplus to requirements and could be sold to raise capital receipts.

A local authority has no statutory obligation to dispose of assets, other than under the Right to Buy and will do so at its own discretion and only when it considers that such disposal will be in the best interests of the Council.

11.1 General principles

The following principles will be applied when considering a property for disposal:

- There is no demonstrable need and demand for the property size and type;
- The Council is a minority owner in a block;
- There is a level of repair or maintenance required to meet the standard for letting that does not constitute value for money to the HRA
- The property location makes it difficult to let, manage or maintain.
- The property build type, for example non-traditional, makes routine maintenance and future improvement difficult or expensive

Disposing of Council assets has two advantages to the HRA:

- a) The property may not suit the housing portfolio in its location, construction or condition and it would be more appropriate to sell the property to minimise future potential costs and management issues.
- b) The disposal of high value assets can be re-invested in new housing bringing better quality and lower maintenance housing stock for the community.

Each potential disposal will be assessed on an individual basis in line with the disposal criteria set out in this policy, considering the financial implications of the disposal and the relative merits in value for money terms. These will need to be balanced with the social value of the asset.

11.2 Types of Disposal

Types of property to be considered for disposal within the policy are:

Individual vacant properties that require high levels of investment compared to the overall stock, or where properties are identified as low demand or where serious management issues are being experienced.

- 2) Sites where properties may provide wider redevelopment opportunities for additional affordable homes and/or better quality homes.
- 3) Garage sites with a high number empty, low demand and which are not financially viable to repair.
- 4) Land Disposals:
 - a) Small areas of land with no potential for development. This may include private roads which serve houses that have been sold under Right to Buy.
 - b) Land where there is development potential that is not viable for the Council itself to develop, or ransom strips that would unlock a private development site.

Decision making on housing asset disposal will be subject to options appraisal having regard to the criteria set out in Appendix C to this policy.

The process for identifying surplus or underperforming property may arise in any of the following ways:

- Ongoing review of performance/condition surveys of HRA properties.
- Service plans and reviews
- Regeneration schemes
- Approaches from third parties e.g. developers, adjoining owners.
- Requests from community groups or public bodies.
- A site by site asset rationalisation exercise using the asset register and land mapping.

11.3 Home Loss and Disturbance

The Land Compensation Act 1973 (as amended) sets out the provisions for statutory Home Loss Payments that are to be made to compensate tenants for having to permanently move out of their home, subject to certain eligibility criteria, should this be applicable in connection with any disposals. This legislation also sets out guidance relating to the payment of Disturbance Allowances aimed at compensating tenants for the actual cost of moving from their home.

11.4 Proceeds of HRA Asset Disposals

The sale of an HRA asset will result in a capital receipt. Proceeds from the sale of surplus HRA assets can be used to build or acquire other council homes or fund other items in the capital programme to spend on existing council homes. The receipts can also be used to repay debt. Capital receipts cannot be used to fund revenue expenditure in the HRA.

12. Equalities Statement

The Council recognises that it delivers its housing services to communities within which there is a wide social diversity, and is committed to providing equal opportunities and valuing diversity.

The Council will ensure that no individual is discriminated on the basis of age, disability, ethnicity, gender, sexual orientation, marital status or civil partnership, pregnancy or maternity status. Discrimination on the basis of any of these grounds is not acceptable.

The Council will tackle inequality, treat people with dignity and respect and continue to work to improve services for all service users

The legal framework for the Council's approach is provided by the Equality Act 2010 and specifically by the Public Sector Equality Duty, under which a public authority must work consciously to eliminate discrimination, harassment, victimization and to advance equality of opportunity and foster good relations between people with differing characteristics.

13. Monitoring

This policy compliments the Annual Capital and Treasury Strategy which sets out key requirements in terms of monitoring performance including the delivery of intended outcomes/benefits. In accordance with this, key monitoring information is included within existing financial reporting processes.

In addition to this, the following will be monitored:

- Number and type of properties acquired in each financial year
- Number of properties or other assets disposed of in each financial year
- Expenditure on acquisitions
- Proceeds from disposals

14. Complaints Procedure

The Council's Housing Complaints Policy is available to any tenant or prospective tenant who is dissatisfied with any aspect of the housing services we provide.

Further information can be obtained from the [Council's Corporate and Housing Complaints Policy](#).

15. Review of policy

This policy will be reviewed every three years in consultation with tenant representatives, staff, other stakeholders, including the Portfolio Holder responsible for Housing, unless there are any reasons, such as legislative or regulatory which necessitate a review prior to this.

Appendix A - Acquisition Criteria for Existing Homes

The following set criteria will be considered in respect of the acquisition of new land for development or development on existing land owned by the Council.

Any property to be acquired should meet all of the minimum criteria set out and achieve an overall score of 15 points based on the assessment below:-

Criteria	Key Risk(s) Addressed	Minimum	Target/Scoring
There must be a demonstrable need for the property in its location	Lack of demand will lead to extended empty periods and rental loss	There must be a minimum of 20 households on the housing register seeking the property in that area.	High demand= 5 points Medium demand=3 points Low demand =1 point
The property's location and configuration is attractive from a rentable perspective.	Lack of demand will lead to extended empty periods and rental loss.	The property must be in a risk-free location e.g not in a flood zone and the room sizes must meet legal requirements.	Low risk location = 5 points Medium risk location = 3 points High risk location = 1 point
The projected rental yield should represent a rational balance between revenue returns and security.	Security of capital invested and providing value for money	The possible rental yield (based on purchase price and any necessary refurbishment and/or development costs) should fall within a range consistent with the wider social housing sector and that achieved from the existing stock	Low risk investment = 5 points Medium risk investment = 3 points High risk investment = 0 points

The property itself should be in good repair and not pose future concerns that could compromise a tenancy or give rise to maintenance expenditure.	Unforeseen property or repair costs. Contamination.	To include 'due diligence' such as: (a) Buildings to be of robust construction and in sound condition. (b) Not potentially polluting. (c) Free from onerous planning conditions and land contamination. (d) Any financial appraisal for a lower value homes	Property in sound condition = 5 points Property is reasonable condition = 3 points Property in poor condition = 1 point
The property is in poor condition and of low value but could be brought back to use through renovation (e.g compulsory purchase or properties purchased at auction).	Security of capital invested and providing value for money	The possible rental yield (based on purchase price and any necessary refurbishment and/or development costs) should fall within a range consistent with the wider social housing sector and that achieved from the existing stock.	Low risk investment = 5 points Medium risk investment = 3 points High risk investment = 0 points

Appendix B Land Purchase and Development Criteria

As with the acquisition of existing homes, the following set criteria will be considered in respect of the acquisition of new land for development or development on existing land owned by the Council.

Any land to be acquired or developed should meet all of the minimum criteria set out and achieve an overall risk/reward score of 20 points based on the assessment below:

Criteria	Key Risk(s) Addressed	Minimum	Target/Scoring
There must be a demonstrable need for housing in the location	Lack of demand will lead to extended empty periods and rental loss	There must be a minimum of 20 households on the housing register seeking housing of the proposed type in that particular area.	High demand = 5 points Medium demand=3 points Low demand =1 point
The proposed development location and configuration is attractive from a rentable perspective.	Lack of demand will lead to extended empty periods and rental loss.	The development must be in a risk- free location e.g not in a flood zone and be built to an attractive standard.	High demand location = 5 points Medium demand location = 3 points Low demand location – 1 point
The projected rental yield should represent a rational balance between revenue returns and security.	Security of capital invested and providing value for money. The potential for selling some of the homes developed to offset the investment costs will be taken into account.	The possible rental yield (based on purchase price and development costs) should fall within a range consistent with the wider social housing sector and that achieved from the existing stock	Low risk investment = 5 points Medium risk investment = 3 points High risk investment = 0 points
Tenancy management criteria	Ease of management, risks of ASB or other issues in neighbourhood	The development can be designed to reduce these risks to as low as possible – highest score should be achieved.	Low risk property = 5 points Medium risk property = 3 points High risk property = 1 point
Permissibility of development	Likelihood of gaining planning consent	Pre-application advice indicates that granting of consent is likely	5 points available if planning consent likely or already granted. 0 points if unlikely

Ease of development	Particular challenges presented by the development site	Site presents either few challenges or the challenges identified can be readily overcome	No particular challenges = 5 points Some challenges that can be overcome = 3 points Challenges are significant = 0 points
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Appendix C Property and Land Disposal Criteria

The following set criteria will be considered in respect of the disposal of land including houses or other building(s).

Any land to be disposed of should meet all of the minimum criteria set out and achieve an overall risk/reward score of 20 points based on the assessment below:

Criteria	Key Risk(s) Addressed	Minimum	Target/Scoring
Shortfall of demonstrable need for housing in the location	Lack of demand will lead to extended empty periods and rental loss	Sustained difficulty in letting the property.	No demand = 20 Points
Property proves uneconomic to retain.	Lack of demand and disrepair complaints will lead to extended empty periods and rental loss.	Uneconomic to retain due to costs/viability over the long term.	Uneconomic = 20 Points
The projected rental yield should represent a rational balance between revenue returns and security. Including assessment of repair or upgrading costs.	Security of capital invested and providing value for money. The potential for selling some of the homes developed to offset the investment costs will be taken into account.	The possible rental yield (based on purchase price and development costs) should fall within a range consistent with the wider social housing sector and that achieved from the existing stock	Low risk = 0 points Medium risk = 10 points High risk = 20 points
Tenancy management criteria	Ease of management, risks of ASB or other issues in neighbourhood	The land can be managed to reduce these risks to as low as possible	Low risk property = 0 points Medium risk property = 5 points High risk property = 10 points

Permissibility of Development	Likelihood of gaining planning consent and establishing a viable development in line with the principles of Appendix B	Pre-application advice indicates that granting of consent is likely and assessment indicates that a scheme is likely to be viable	0 points available if planning consent and viability is likely or already granted. 10 points if unlikely
Other use or significance	Notwithstanding the other criteria the site is viable for an alternative use in line with the Corporate Plan Priorities or is important to the amenity of the area as a whole	Site presents either few benefits or alternative potential	No particular benefit or potential = 10 points Some benefit or potential = 5 points Important benefit or potential = 0 points