

HRA DISCRETIONARY DISPOSAL POLICY

Date of policy	13/08/2025
Date for review	August 2028
Policy author	Mick Hale, Asset Lead Manager
Policy owner	Gill Butler, Chief Officer, Housing
Approved by	Cabinet 18 th Sept. 2025
Risk register rating	Low

Revision history

Version	Date	Revision description	Policy author
0.1	Nov. 2024	Draft policy	Richard Parker
0.2	May 2025	Draft policy	Mick Hale
0.3	May 2025	Draft policy updated	Gill Butler

NEW POLICY / POLICY REVIEW

New policy	YES
Early review – change in legislation	
Early review – significant changes in practice	
Review due – significant changes	
Review due – cosmetic changes or unchanged	
Other reason	

Reason for new policy / summary of changes

To allow the Housing Service to dispose of surplus Housing Revenue Account (HRA) assets, maximising income to the HRA and making best use of HRA resources in line with governance arrangements.

CONSULTATION

List of people/roles who have been consulted	Date
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HMT Housing Operations Legal Team	21/11/24 08/04/25 08/05/25
CLT	20/05/25
STAP	Aug 2025
OSC	N/A
Cabinet	Sept. 2025

EQUALITY IMPACT ASSESSMENT	Completed	Date
Completed by Gill Butler	YES	13/08/2025

DISSEMINATION		
Role	Awareness	Essential
Neighbourhood Surveyors		x
Neighbourhood Officers		x
Case Management	x	
Customer Support	x	
Independent Living Managers		x
Compliance Specialists		x
Assets & Major Works Surveyors		x

TRAINING		
Role	Trainer	Date completed
As above and as required		

MONITORING AND COMPLIANCE		
Method	Responsibility	Frequency
Asset Lead Manager to review to ensure Policy is up to date with current legislation and regulations	Asset Lead Manager	Every 3 years or sooner depending on regulatory or legislative requirements.

1 Purpose of the Policy

- 1.1 This policy sets out a formal framework for Housing Revenue Account asset disposals, as part of the Folkestone and Hythe District Council's (F&HDC's) overall approach to asset management. It will assist the council in making best use of its Housing Revenue Account (HRA) resources, by rationalising and disposing of surplus, under-performing assets, or assets that have no beneficial strategic or social use.

2 Policy objectives and scope

- 2.1 The HRA is responsible for a large proportion of the council's assets. The majority of the HRA asset portfolio consists of residential houses and blocks of flats. However, there are a number of other assets which include commercial units, garages, and small parcels of land. Although most assets are fit for purpose being well maintained and adaptable/improvable if required, there are a number which are not, leading to a drain on HRA finances.
- 2.2 The Housing Asset Management Strategy (2022-2027) sets out a clear plan for Folkestone & Hythe District Council's (F&HDC) approach to the management of its HRA property portfolio, providing the framework for the delivery of a detailed investment plan; adherence to building legislation and regulatory standards; and improved energy efficiency.

This includes an action to develop and implement a process for assessing the economic viability of managing and maintaining individual elements of stock before carrying out work that may not be cost effective (including decarbonisation work).

- 2.3 This policy sets out the circumstances and evaluation procedure that will be followed by the council in considering HRA assets for disposal.
- 2.4 The monies accrued from any asset disposal, will be ring fenced for the HRA and used to fund like for like acquisitions, new build council homes, or other HRA capital projects.

3 Legal/Regulatory Framework

- 3.1 The disposal of council assets (including HRA) is contained within a wide range of legislation (mainly noted under paragraph 3.2). Therefore, any potential disposal or transfer will require verification and advice from legal services as to the legal requirements (including case law) of the disposal.

3.2 External:

- Landlord and Tenant Act 1985
- Housing and Urban Development Act 1993

- The Housing Act 1985
- The Housing Act 1988
- Section 123 The Local Government Act 1972
- Section 25, Local Government Act 1988
- The Commonhold and Leasehold Reform Act 2002
- The Charities Act 2011
- The Housing and Regeneration Act 2008
- The General Disposal Consent 2003 (Circular 06/03)
- The General Housing Consents 2013 - Section 32 of the Housing Act 1985

4 Responsibility

- 4.1 The Chief Officer, Housing, retains the overall responsibility for the implementation of this policy.
- 4.2 The Director of Housing and Operations has responsibility to agree individual disposal proposals covered by this policy under council delegated authority.

5 The Policy

5.1 *Disposal procedure*

- 5.1.1 The HRA Discretionary Disposal Procedure will identify how this policy is to be applied. Please see F&HDC HRA Discretionary Disposal Procedure.

5.2 *Disposal criteria*

- 5.2.1 HRA assets will be identified as disposable if one or more of the following characteristics are met:
- i. F&HDC no longer has a requirement for the property due to changes in its operational requirements.
 - ii. after a full asset appraisal, the property has been identified as suitable for disposal or demolition.
 - iii. as part of a wider strategic review of the F&HDC's land and buildings an alternative and more cost-effective use has been identified.
 - iv. the property or land has no potential for future strategic or regeneration/redevelopment purposes.
 - v. the income generated from the land or buildings is nil or less than £1,000 per annum and there is no potential regeneration or redevelopment opportunity for the asset.
 - vi. the site has been identified as unsuitable for development of affordable housing or uneconomical for development for social housing due to size (number of units possible versus costs) or because of the complexity of developing the site.

- vii. uneconomical viability to reduce carbon footprint of the asset as determined.
- viii. uneconomical viability due to unreasonable or prohibitive costs to repair/maintain/refurbish (this covers high disrepair and other claim costs).
- ix. no social value to the HRA or wider council.

5.3 **Types of disposals**

5.3.1 The council may use any of the following methods of disposal depending upon the best envisaged outcome:

- (i) open market disposal
- (ii) negotiation with a third party
- (iii) public auction
- (iv) community transfer (or other charitable organisation transfer)
- (v) internal transfer
- (iv) voluntary lease termination

5.3.2 The method of disposal to be used will be determined by the Chief Officer and Director of Housing & Operations.

5.4 **Valuation**

5.4.1 As part of the disposal process, a RICS registered surveyor will be appointed to undertake a formal valuation of the asset. No other form of valuation is to be accepted.

5. **Shared ownership sales**

5.5.1 Shared ownership sales fall outside the scope of this policy. Please see F&HDC shared ownership policy.

5.6 **Statutory HRA disposals**

5.6.1 The council has an obligation to dispose of certain assets accordingly with the Right to Buy (Housing Act 1980). These disposals fall outside of the scope of this discretionary disposal policy. Please see F&HDC Right to Buy policy.

5.7 **Authority to dispose limits**

5.7.1 The following limits need to be adhered to when an asset is identified for disposal.

<i>Asset value</i>	<i>Disposal authority</i>
Up to £50,000.00	Chief Officer - Housing with Director approval.

£50,000.01-£499,999.99	Director - Housing & Operations with Corporate Leadership (CLT) approval and reported to Portfolio Holder for Housing & Homelessness.
£500,000.00 +	Cabinet in line with the Council Constitution (Key Decision)

6 Key controls and reporting

6.1 This policy applies to all Folkestone and Hythe District Council HRA assets (excluding exceptions listed under 5.6 & 5.7), housing operations employees, affiliated employees, and services.

6.3 The Chief Officer, Housing, retains the overall responsibility for the implementation of this policy and is responsible for the operational delivery of this policy and the associated procedures. Responsibilities include:

- Monitoring and review of this policy including changes in legislation.
- Staff awareness and training.
- Policy development and communication with customers.

7 Associated Documents

7.1 The associated internal documents relating to this policy include (internal):

- Right to Buy Policy
- Shared Ownership Policy
- HRA Discretionary Disposal Procedure

8 Equality & Diversity

8.1 FHDC recognise that different people and communities may have specific needs which may require flexible approaches. We also appreciate that some groups or individuals may experience discrimination and disadvantage. This may be due to their protected characteristics under the Equality Act 2010. We believe that everyone should be treated with dignity, respect and fairness, regardless of their characteristics.

8.2 An Equality Impact Assessment has been carried out on this policy which will be updated in line with policy reviews to ensure there is no discrimination and opportunities to improve equality and access are maximised.

9 Review

- 9.1 This Policy will be reviewed every 3 years by the person who is in the job role of the author. If necessary, this Policy will be reviewed sooner to incorporate legislative, regulatory, best practice developments, council decisions or address operational issues.