

## **Briefing Note: Disposal of Housing Assets to NCH**

### **General Housing Consents 2013:**

Local Authorities may dispose of...

- Land – land with structures on it (unoccupied residential dwellings and other buildings) or land with an estate, interest, easement or right over land at consideration equal to market value.
- Vacant land - land with no dwellings/ demolished dwellings/dwellings unfit for habitation to be demolished

... to unrelated bodies or bodies - like ALMOs or subsidiaries thereof - in which the LA holds an interest.

There are no restrictions as to the amount or timing of disposals of vacant land or land (including unoccupied dwellings) to unrelated bodies; nor are there on the amount or timing of vacant land disposals to a body in which the LA holds an interest.

Disposal of [occupied] land to ***bodies in which the LA holds an interest however, are limited to:***

- ***5 assets per financial year***
- ***Being the first 5 asset disposals in any financial year where, like NCC, the LA, holds a HRA***

***In practice this means that once an occupied land asset or dwelling has been sold to an unrelated body no more unoccupied dwellings can be transferred to a body in which the LA holds an interest until the next financial year.***

*Note: RTB sales or sales to those who are to occupy the dwelling as their principal home do not impact on the ability to transfer assets to the a related body.*

Under the above consents, NCC could not have disposed of any land (including unoccupied dwellings) to a body in which it holds an interest in 2014/15 as other dwelling disposals had already completed, including sale of vacant corporate properties to private landlords.

Going forward, NCC and NCH will need to prioritise which assets are to be transferred in advance of the new financial year and ensure they are disposed of as promptly as possible in order that we can optimise how we use all our disposal consents.

### **Corporate properties:**

The main source of housing asset disposals that affect disposal to bodies that NCC holds an interest in (i.e. not RTB or for owner occupation) have been the corporate

sales to private landlords. The decision to sell these properties was taken prior to the issue of these consents in 2013 and has therefore, amongst other things, impacted on disposals in this financial year. This said, scheduling such sales around the transfers to NCH will mitigate any impact in future and we foresee no need to adjust the current programme beyond this to accommodate the consent restrictions.

*(For note: each corporate sale is made subject to a NCC assessed schedule of works, to be completed within a set time frame and which is inspected upon at the end of that period. If works fall below the expected standard, NCC can insist on further works; if no reasonable effort is made to abide by the conditions of the sale, NCC can pursue the return of the title from the purchaser through legal channels).*

**Market Subsidiary:**

Although the establishment of a market subsidiary will allow a greater range of products/tenures to be made available, it will not comprise an unrelated body in the context of disposal consents. NCC will remain limited to 5 dwelling asset disposals per annum across all of the bodies in which it holds an interest.

