



**Drumchapel  
Housing**  
Co-operative Limited

## **Disposal of land and assets**

## 1. Introduction

- 1.1 In the day-to-day running its business, Drumchapel Housing Co-operative may require to dispose of land and assets. This policy defines what we consider to be a disposal of our land or assets and describes the process to be followed prior to finalising any disposal.
- 1.2 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 February 2024.

## 2. What is disposal of land or assets?

- 2.1 The Co-operative adopts a very broad definition of “disposal” when referring to land and/or assets. This includes the following:
- a) Selling land or assets
  - b) Using land or assets as security, for example against a loan
  - c) Entering into a lease, occupancy agreement or tenancy agreement
- 2.2 The process to be followed, together with guidance on authority for approval, is noted in sections 2.4 to 2.6. Section 3 addresses how/when the Co-operative is required to notify the SHR when it disposes of land or assets.
- 2.3 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.

### 2.4 Selling land or assets

- 2.4.1 The Co-operative has never sold land or assets; this is partly due to our fully mutual status and exemption from Right to Buy.
- 2.4.2 We cannot foresee a situation where we would opt to sell any land or assets, and our stated approach is therefore that we will not do this. Any change to this would require to be agreed (in advance) by the Board and this policy altered to allow the disposal to take place. Any subsequent disposal would have to be expressly agreed by the Board.

## 2.5 Land or assets as security

2.5.1 If the Co-operative decided to progress a major rehabilitation or new build programme that required loan finance, 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 Co-operative 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.

2.5.2 The Co-operative 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.

2.5.3 In no circumstances will the Co-operative use land or assets as security in relation to staff pensions.

## 2.6 Leases, occupancy agreements and tenancy agreements

2.6.1 Entering into a lease, occupancy agreement or tenancy agreement (including succession, assignation and mutual exchange) is by far the most common route to “disposing” of land or assets.

2.6.2 All activity in relation to the above is permitted and is delegated to staff to implement on a day-to-day basis so long as this activity is in line with our agreed allocations policy and any related policies/procedures. The Board fulfils a strategic role in that it agrees the policy, sets relevant targets and monitors outcomes.

## 3. Notifying the Scottish Housing Regulator

3.1 The Housing (Scotland) Act 2010, as amended by the Housing (Amendment) Act 2018 requires the Co-operative to notify the SHR of certain types of disposals.

3.2 These are outlined in Appendix 2 of the SHR’s guidance on notifiable events (most recently updated in February 2024). 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

- Sale or excambion of untenanted properties where the value exceeds £120,000
- 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

The SHR does not require notification of disposals which do not fall into the 7 categories above.

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

3.4 In notifying the SHR about disposals by way of a sale or transfer the RSL should provide the following:

- A copy of the report of the governing body and minute which agreed to the disposal
- Details of the property which has been sold or transferred (property addresses)
- If the disposal was by way of lease, a copy of the lease agreement
- The value of the property transferred and if the sale/transfer was at market value (if applicable)
- For disposals of heritable security a copy of the board report and minutes(s) of the meeting(s) where the disposal was agreed.

## 4. The disposals register

4.1 The Co-operative will maintain a register of all disposals apart from those outlined in section 2.6. The register will be available for public inspection at reasonable notice.

## 5. Policy review

5.1 The policy on disposing of land or assets will be reviewed every five years, or sooner in line with legal, regulatory or best practice requirements. The latest review date will be August 2029.

## **6. UK General Data Protection Regulations (UK GDPR) Privacy Statement**

- 6.1 The Co-operative will gather and use certain information about individuals in accordance with UK GDPR. Staff members have a responsibility to ensure compliance with the terms of the privacy policy and to collect, handle and store personal information in accordance with relevant legislation. The Fair Processing Notice (FPN) details how personal data is held and processed with third parties in accordance with relevant policies and procedures.