

STOKE-ON-TRENT CITY COUNCIL



City of  
**Stoke-on-Trent**

(HRA) Disposals and Acquisitions  
Policy 2026

HOUSING REVENUE ACCOUNT SERVICES

REGULATORY AND STRATEGIC SERVICES TEAM

Approved by: Corporate Director

Date Approved: 25/03/26



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## 1. Introduction

This draft Housing Revenue Account (HRA) Disposals and Acquisitions Policy sets out the council's approach to managing HRA property assets in a transparent and strategic manner. It ensures disposals and acquisitions comply with relevant legislation, the council's HRA Asset Management Strategy, and established best practice, that decisions are financially viable and consistent with the HRA Business Plan.

The policy provides a clear decision-making framework that ensures value for money, promotes sustainable asset management, and supports alignment with the HRA Business Plan. It is consistent with the Housing Act 1985 and the council's Property Acquisition, Development and Disposal Principles Framework.

## 2. Scope

The draft policy applies to HRA related property disposals and acquisitions, and transactions that impact housing delivery objectives. It provides a framework for managing council-owned assets and land in a way that supports the delivery of affordable homes, regeneration priorities, and compliance with statutory obligations.

For the purposes of this draft policy, HRA assets include dwellings, garages, land, leasehold interests and other property supporting housing delivery. Strategic assets are those critical to achieving the council's objectives, while non-strategic assets may be considered for disposal if they do not support service delivery or generate sufficient value.

The draft policy covers:

- The disposal of surplus or underperforming assets, including sales and leases.
- The acquisition of property assets for investment, regeneration, or housing purposes.
- The transfer or repurposing of assets to support service delivery or community benefit.

## 3. Definition of Disposals and Acquisitions

HRA disposals and acquisitions refer to the sale and purchase of assets within the council's Housing Revenue Account (HRA).

Disposals involve transferring HRA assets out of the account where it is no longer economically viable, strategically suitable, or able to meet current and

future housing needs. The council is required to declare assets as surplus before disposing of them.

Acquisitions involve adding new or existing assets or land into the HRA to increase supply, replace outdated stock, or support wider strategic housing objectives. Both disposals and acquisitions are undertaken to ensure the long-term sustainability, value for money, and financial viability of the HRA.

#### 4. Strategic Aims

The draft policy is underpinned by a commitment to achieving the following strategic aims:

- Maximise the value of the council's housing portfolio by managing assets according to their performance, suitability, and strategic contribution.
- Secure best value in all transactions, taking account of financial, social, and environmental outcomes.
- Support regeneration, economic growth and the council's wider strategic priorities through targeted disposals and acquisitions.
- Ensure transparency, accountability, and full compliance with statutory and regulatory obligations.
- Maintain a high-quality housing stock by ensuring assets continue to meet the Decent Homes Standard and future housing need.
- Ensure tenant and community impacts are fully considered, in line with the Regulator of Social Housing's consumer standards.

#### 5. Governance and Responsibilities

Effective governance arrangements are in place to ensure that HRA disposals and acquisitions are managed responsibly, and in accordance with the council's Constitution.

Lead responsibility for each disposal or acquisition is determined by the council on a case-by-case basis, reflecting the characteristics of the asset and the objectives of the transaction.

The following roles and responsibilities apply:

- Secretary of State permission is required before for the disposal of HRA assets in certain circumstances
- Section 151 Officer: Ensures financial implications are fully assessed and that decisions align with the HRA Business Plan.

- Cabinet: Approves strategic and high-value disposals and acquisitions, as well as transactions involving significant community impact or undervalue.
- Corporate Director of Housing Regeneration and Operations: Provides oversight and ensures alignment with corporate objectives and financial regulations.
- Legal Services: Advises on statutory powers, legal compliance, and the preparation of contractual documentation.
- Capital Programme and Asset Management Board responsible for the oversight of the Land and Property Asset Management Plan.
- Ward Members: Engaged in decisions affecting their local areas, particularly where community assets or public interest are involved
- Operationally no HRA assets should be either disposed of or acquired via the various delegated or constitutional paths without firstly going through the relevant internal Housing working groups and with the further express consent of the Director of Housing Management (as the person responsible for HRA assets) who will weigh up the strategic need of the service against that of the HRA business plan.

## 6. Equalities Statement

The council recognises that it provides housing for communities which include wide social diversity and is committed to providing equal access to services.

This draft policy aims to treat all customers fairly, with respect and professionalism. In line with the duty placed on the local authority under the Equalities Act 2010, specific consideration of the impact of this draft policy has been given to people with protected characteristics, including gender, race, age, disability, religion, sexual orientation and marital status.

The approach adopted within this draft policy focuses on understanding individual circumstances in order to provide appropriate advice and support; this includes understanding the needs of customers who have protected characteristics. Consideration will therefore be given to language barriers, accessibility and cultural issues which may affect a customer's ability to manage their tenancy or seek advice.

In addition, the council acknowledges that the assets it holds and manages must also support a diverse range of needs. Decisions on acquiring or disposing of properties will therefore consider how each asset contributes to providing suitable, safe and accessible homes for all customers, including those who may require different types of accommodation to meet their individual circumstances.

The council will enable all our customers to have clear information and equal access to available services and information in a range of appropriate languages and formats will be provided when requested. This draft policy has been designed to be fully inclusive regardless of the ethnicity, gender, sexuality, religious belief, or disability of service users or residents. The Equality Impact Assessment will be reviewed as part of reviewing the draft policy document in order to inform any changes that may be required.

From time to time the council may ask customers to provide details of their gender, age, religion, disability, ethnicity and sexual orientation in line with the protected characteristics identified within the Equalities Act 2010 to help the council to deliver more effective, appropriate and inclusive policies and practices. All data collected is kept securely, used only for monitoring purposes and is de-personalised at the point of analysis to protect an individual's privacy.

The above principles apply to all decisions and processes relating to property disposals and acquisitions, ensuring fairness and inclusivity in governance arrangements.

## 7. Regulator of Social Housing – Consumer Standards

The policy has been designed to support compliance with the Consumer Standards introduced by the Regulator of Social Housing in April 2024.

These include the:

- Safety and Quality Standard – ensuring homes are safe, decent and well-maintained and that stock condition and compliance information is robust.
- Transparency, Influence and Accountability Standard – ensuring decisions relating to disposals and acquisitions are transparent and communicated clearly to customers and stakeholders.
- Neighbourhood and Community Standard – ensuring that disposals and acquisitions consider community impact, neighbourhood safety, ASB, local environment and wider regeneration outcomes.
- Tenancy Standard – ensuring the council meets its tenancy obligations, including fair and responsible management of any tenancy changes arising from disposals or acquisitions.

## 8. Disposal Principles

The council will dispose of assets in a manner that is open, fair, and designed to achieve best consideration in accordance with Section 123 of the Local Government Act 1972 unless the asset is to be sold at under-value because it

will provide social, economic, or environmental benefits for the area and then disposal will be in accordance with General Disposal Consent (England) 2003.

The disposal process includes (but is not limited to):

- Transparent declaration of surplus assets, supported by evidence of underperformance or lack of strategic fit.
- Disposals will be supported by an options appraisal assessing all viable alternatives to demonstrate value for money.
- Selection of the most appropriate disposal method, such as open market sale, auction, formal or informal tender, lease, freehold transfer or Community Asset Transfer or Lease.
- Compliance with Housing Act 1985 (Sections 17, 32, 34 and 43) and the General Housing Consent 2013.
- Disposals will comply with relevant statutory guidance on undervalue transactions, including legal review and Secretary of State approval where required.
- Legal advice must be sought for all disposals to confirm statutory powers, title constraints, and compliance with Section 32 Housing Act 1985 and General Housing Consents 2013 and Public Open Space and Cricchel Down Rules.
- Consideration of local and community factors, including consultation with stakeholders and alignment with the Local Plan.
- Evidence covering the rationale for disposal, method chosen, and authorisation obtained.
- Formal appropriation and valuation in accordance with statutory guidance required for transfers between the HRA and the General Fund.

The disposal process will be coordinated by the appropriate lead service area, identified on a case-by-case basis, working in collaboration with Asset Management, Legal Services, Finance, and other relevant stakeholders. This will include coordination of marketing, negotiation, legal instruction, and stakeholder communication.

## 9. Acquisition Principles

Acquisitions will only be pursued where there is a clear business case that demonstrates alignment with service needs, regeneration objectives, or investment priorities. The acquisition process will involve:

- Preparation of a robust business case, including whole-life cost analysis and assessment of carbon impact.

- Assessments of environmental impact, sustainability, and potential benefits or impacts on local communities.
- Due diligence to confirm title, condition, planning status, and compliance with statutory requirements.
- Independent valuation to ensure value for money and mitigate financial risk.
- Consultation with relevant service areas, members, and stakeholders as appropriate.
- Formal approval in accordance with delegated authority thresholds and financial regulations.
- Identification of funding source (e.g. capital/revenue/grant funding/borrowing)

### **Right to Buy (RTB) buy-back acquisitions**

RTB acquisitions will be considered in accordance with statutory requirements, the HRA Business Plan, and the council's Right to Buy Policy:

- The council will prioritise buy back of former Right to Buy (RTB) homes where this provides high value and meets current housing demand.
- The council will obtain a valuation of each RTB home to be bought by the council.
- Acquisitions will comply with HRA ring-fence rules and any RTB buy-backs follow statutory pooling and HRA Business Plan requirements.
- Acquisitions will not be approved where they compromise the viability of the HRA long-term business plan or ring-fence integrity.

The council may also use compulsory purchase powers where appropriate to secure land for regeneration or strategic development.

Following acquisition, assets will be managed in line with the council's HRA Asset Management Strategy to maximise value and support service delivery.

### **10. Asset Identification and Review**

In line with the council's HRA Asset Management Strategy, assets may be identified for disposal or repurposing through strategic asset reviews, service area requests, condition surveys, regeneration opportunities, and community feedback. Asset performance will be reviewed using criteria such as suitability, condition, utilisation, operating costs, income generation, strategic fit, and environmental impact. Stock condition data and place-based asset reviews will inform asset identification.

## 11. Legal and Regulatory Framework

Disposals must comply with:

- Section 123 of the Local Government Act 1972.
- General Disposal Consent (England) 2003.
- Subsidy Control Act 2022.
- Equality Act 2010.
- Local Government Act 2003.
- Land Registration Act 2002.
- Public Contract Regulations 2015.
- Housing Act 1985 Sections 17, 32, 34, 43; General Housing Consents 2013.
- Crichel Down Rules
- Public Open Space.

Title and ownership constraints, statutory powers, and purpose of holding must be considered to ensure legal compliance.

## 12. Financial Considerations

The financial considerations set out in this policy will be applied on a proportionate basis. All disposal and acquisition proposals will be assessed against the core financial requirements of affordability, value for money, and compliance with HRA and capital finance regulations. Additional financial analysis will be undertaken where the scale, value, or risk of the proposal warrants a more detailed appraisal.

Key financial considerations include:

### Impact on Business Plan

- Impact on HRA revenue balances.
- Effect on long term sustainability including Net Present Value (NPV) and payback periods.

### Affordability

- Availability of funding within the HRA including capital receipts (including RTB receipts) and revenue surpluses.
- Impact on borrowing costs.

### Value for Money

- Cost per unit compared to relevant benchmarks such as new build alternatives, market acquisition benchmarks, comparable stock investment.
- Whole life cost assessment, including maintenance, compliance and management costs.

#### Rent and Income

- Compliance with rent setting regime.
- Forecast rental income and void assumptions.
- Impact of rent caps and future rent policy assumptions.

#### Capital Programme

- Impact on wider HRA capital programme and prioritisation of investment.
- Opportunity cost of committing capital to acquisitions rather than stock improvement, decarbonisation, or regeneration schemes.

#### Disposal Receipts and Use of Proceeds

- Estimated capital receipts net of costs.
- Allocation of receipts between debt repayment and reinvestment in the HRA.
- RTB pooling or retention requirements.
- Impact on CFR (Capital Financing Requirement).

#### Ongoing Revenue Implications

- Management, maintenance, and compliance costs.
- Service charge recoverability.
- Impact on staffing and overheads.

#### Risk and Sensitivity Analysis

- Interest rates.
- Inflation and/or build costs.
- Rent policy changes.
- Assessment of risks and mitigation measures.

### 13. Customer Involvement

The council is committed to ensuring that tenants and leaseholders have a meaningful role in shaping decisions affecting their communities. Customer engagement is embedded throughout the disposals and acquisitions process.

Customer involvement includes:

- Formal engagement - Customer panels, engaged customer groups, surveys, and consultation events.
- Feedback - Customer and community input to inform decision making at key stages of the disposal and acquisitions process.
- Communication - Customers and local stakeholders will be kept informed of relevant proposals, decisions, and outcomes.

#### 14. Local Considerations

Local context is a key factor in all HRA disposal and acquisition decisions.

Considerations include:

- Community value and social impact
- Anti-social behaviour and neighbourhood cohesion
- Environmental considerations
- Ward member engagement and consultation
- Alignment with Local Plan, regeneration strategies, and housing priorities
- Community Asset Transfer and Lease opportunities

These considerations ensure that disposals and acquisitions reflect local priorities and needs.

#### 15. Authorisation

Authority to approve transactions is delegated based on value and impact in accordance with the Constitution of the council. Cabinet approves strategic and high-value decisions when the value of the asset exceeds £500,000. The Corporate Director of Housing Regeneration and Operations is responsible for operational decisions. Chief Officer Report Decisions under the scheme of delegation may be used where appropriate. All authorisations must be documented and comply with legal and financial frameworks.

#### 16. Methods of Disposal

Disposals may be conducted via auction, formal tender, informal tender, lease, freehold transfer or direct negotiation. Special purchasers and partners may be considered where appropriate. Under-value disposals require justification and approval in accordance with the General Disposal Consent (England) 2003 and Section 123 Local Government Act 1972.

Where transactions or associated arrangements are subject to public procurement legislation, the council will comply with the Public Contracts

Regulations and the council's Contract Procedure Rules, taking advice from Procurement and Legal Services as appropriate.

Selection of method must be documented with legal sign-off and must consider best consideration, statutory powers, and framework alignment. Where a Community Asset Transfer or undervalue disposal is considered, Secretary of State approval may be required.

### 17. Disposal Process

The following disposal process will be co-ordinated by the appropriate lead service area, identified on a case-by-case basis:

- Identification of surplus or underperforming assets.
- Options appraisal, including social, economic, and environmental assessment.
- Legal due diligence and title verification, VAT status, planning, listed building consent, Criche Down Rules (which require offering land back to former owners or their successors in certain circumstances) drafting Heads of Terms.
- Financial appraisal and valuation.
- Stakeholder and customer consultation.
- Approval according to delegated authority.
- Marketing or selection of disposal method.
- Instructing Legal Services to act for the council.
- Completion and post-disposal monitoring.

### 18. Disposal at Undervalue

Disposal at less than best consideration is only permissible where it demonstrably contributes to social, economic, or environmental wellbeing. All such disposals must be legally reviewed, documented, and, where necessary, submitted for Secretary of State approval under General Disposal Consent (England) 2003 and Section 123 LGA 1972.

The Constitution states that if the undervalue of an asset exceeds £500,000 then the decision for the disposal of that asset must be made by Cabinet.

### 19. Community Asset Transfer and Lease

A Community Asset Transfer (CAT) is the disposal of a council-owned property or land to a community organisation, typically at less than market value, where the transfer delivers clear social, economic, or environmental benefits and aligns with the council's strategic objectives. The difference between the unrestricted

value of the asset and the consideration paid must not exceed £2,000,000 (two million pounds).

Community Asset Transfer or Lease may be considered for surplus assets. Transfers must be to community groups with a viable business plan demonstrating clear social, economic, or environmental benefits.

All Community Asset Transfers must follow the council's Community Asset Transfer process, informed by guidance from the Community Development Team and the Asset Transfer Unit administered by **Locality** the national body supporting community organisations and councils with community asset ownership and transfer. All transfers must be reviewed by Legal Services to ensure compliance with statutory powers, subsidy control rules, and the Property Acquisition, Development & Disposal Principles Framework.

Specifically, for HRA assets, consideration must be given to the 'who benefits' principle under the HRA ringfence. This is because assets and proceeds must be for the benefit of HRA tenants. As such, HRA assets would not normally be disposed of at undervalue or to members of the wider community without strong justification in relation to the ringfence.

## 20. Acquisition Process

Acquisitions will be pursued only where there is a clear business case. Responsibility for leading acquisitions will be determined on a case-by-case basis, having regard to the nature of the asset, intended use, funding source, and strategic objectives, and will be led by the most appropriate service area:

- Service delivery needs.
- Regeneration objectives.
- Housing supply or investment priorities.

Process steps:

- Identification of potential asset.
- Robust business case, including whole-life cost, carbon impact, and financial viability including social, economic, and environmental assessment.
- Independent valuation to ensure best value.
- Survey of the condition of the asset.
- Approval according to delegated authority.
- Instruct Legal Services to act for the council.
- Legal due diligence: title, planning status, listed building status, statutory compliance, VAT status, drafting Heads of Terms.

- Stakeholder consultation and approval based on delegated authority thresholds.
- Post-acquisition integration into the asset management portfolio.
- Monitoring and reporting to Asset Management Board.

## 21. Measuring Performance and Review

The council will measure performance of its disposals and acquisitions to ensure they are efficient, deliver value, and support its strategic objectives. This will include monitoring financial outcomes, and the overall effectiveness of its processes.

## 22. Policy Review

The policy will be reviewed periodically to ensure it is consistent with changes in legislation and regulation. As standard, the policy will be reviewed at five yearly intervals.

## 23. Glossary

### **Acquisition**

When the council buys a property or land to provide more homes or support regeneration in the area.

### **Asset**

Any council-owned property such as a house, flat, garage, or piece of land.

### **Community Asset Transfer (CAT)**

When the council gives or leases a building or land to a community group (often at a reduced cost) because it benefits the local community.

### **Consultation**

When the council asks tenants, residents, or local groups for their views before making a decision.

### **Disposal**

When the council sells, leases, or transfers a property or land that is no longer needed or suitable for housing.

### **Equality Impact Assessment (EIA)**

A check the council does to make sure decisions are fair and do not disadvantage anyone because of their age, disability, ethnicity, gender, religion, or other protected characteristics.

### **HRA (Housing Revenue Account)**

The part of the council's budget used only for housing services — including repairs, maintenance, and new council homes.

### **Local Plan**

The council's long-term plan for how land will be used in the city, including new homes and regeneration projects.

### **Regeneration**

Improvements to an area, such as new housing, better public spaces, safer neighbourhoods, or investment in local services.

### **Right to Buy (RTB)**

A scheme allowing eligible tenants to buy their council home at a discount.

### **RTB Buy-Back**

When the council buys back a former council home that was previously sold under Right to Buy.

### **Social Value / Community Benefit**

Positive outcomes for the community — for example, improving local facilities, supporting wellbeing, or making neighbourhoods safer.

### **Stakeholders**

People or groups with an interest in what the council is planning — such as tenants, leaseholders, community groups, and ward councillors.

### **Strategic Asset**

A property that is important for long-term housing needs or regeneration.

## **24. Key Contacts**

For comments in relation to this policy and its development please contact the Regulatory and Strategic Services Team:

- Email: [housing.strategy@stoke.gov.uk](mailto:housing.strategy@stoke.gov.uk)

- Telephone: 01782 234234 (office hours only)

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