Eastlight Community Homes

DISPOSAL

POLICY

Owner	Chief Property Officer
Directorate	Property
Authorising body	Development & Asset Management Committee
Resident involvement	Yes
EIA	Yes
Published	May 2026
Next Review	May 2029
Review frequency	3 years (triennial)
Version	V1.0

Contents

1. Policy Statement

1.1 Eastlight Community Homes' (hereafter 'Eastlight') Asset Management Strategy sets out our desire to invest in homes that are safe and desirable for our residents, are financially viable and support us in achieving our strategic objectives.

1.2 To support our aims, we may decide to dispose of property assets and land to drive efficiency and the effectiveness of our services to our residents.

1.3 This Policy provides the framework for identifying, reviewing and progressing disposals in a consistent way and to ensure that Eastlight meets its legal, statutory and regulatory requirements under UK legislative and regulatory obligations.

1.4 Disposals will not be progressed where they would materially undermine Eastlight's ability to meet the Consumer Standards or local housing need, unless mitigating actions are agreed.

2. Think Customer

2.1 At Eastlight, we exist to provide the best possible homes and services for our residents.

2.2 Our 'Think Customer' approach aims to guide and support colleagues whenever they make decisions that affect our residents, directly or indirectly.

2.3 'Think Customer' ensures our people fully consider how residents will experience and be impacted by the service we provide. Before acting, our people are required to think about:

- The short and long-term effects of their actions
- The residents' individual needs and preferences
- Whether their communication is clear, respectful and appropriate
- If they can draw on any past insights or experiences to help them when making tough decisions
- Whether they, themselves, would be happy with the service being provided.

2.4 The 'Think Customer' model is designed to complement and work alongside all Eastlight policies and procedures, including this Disposal Policy.

2.5 Where disposals affect occupied homes or established communities, residents will be engaged at an early stage, and feedback will be considered alongside financial and strategic factors before a final decision is made

3. Scope

3.1 For the purposes of this Policy, an 'Asset' can be described as any property or land holding, both residential and commercial, of all tenures.

3.2 The Policy applies to any asset or land disposal which has been identified either internally or through a proactive approach from a third party (including private individuals, companies, developers or partner organisations).

3.3 The Policy does not apply to properties and associated land sold under Right to Buy or Acquire, sales in shared ownership leases, collective enfranchisement or lease extensions to existing leaseholders, or where directed by a Compulsory Purchase Order.

3.4 This Policy does not apply to strategic stock transfers, which will be governed under a separate business case process and require Committee or Board approval, as per Eastlight's Scheme of Delegation (SOD).

4. Considerations

4.1 Eastlight has a duty of care and a statutory responsibility to ensure that disposals are carried out with clear consideration to any current or neighbouring residents, the regulatory framework and internal governance procedures.

4.2 In considering options for land/an asset we will consider as a minimum 3 options: to invest and relet, to regenerate/redevelop or to dispose.

4.3 When any disposal is considered, we will adhere to the requirements stipulated in:

- Any contractual obligations contained in stock transfer agreements;
- The requirements of the Regulator of Social Housing (RSH), both in terms of resident consultation and reporting;
- Any requirements, covenants or restrictions detailed within land transfer agreements, planning conditions and/or Section 106 agreements.
- Any contractual obligations outlined in loan agreements, where properties are used as security.
- Any conditions linked to grant funding, ensuring compliance with required grant repayment obligations, or recycling into eligible development schemes and sustainability improvements.

4.4 Where approval is sought to sell a portfolio of properties as part of a single transaction, the aggregate value of the property portfolio will determine the approval route in line with Eastlight's SOD.

4.5 Any proceeds from asset or land disposals, where applicable, will be distributed in line with any current and future Capital Receipt Sharing Agreements detailed within stock transfer agreements. Proceeds will be used to invest in existing homes or to create new ones.

4.6 When we decide to dispose of an occupied dwelling with vacant possession, we will do so in line with our Temporary Move Procedure, so it is vacant before we sell it. Where applicable, home loss and disturbance payments will be made in line with statutory requirements.

4.7 All disposals will be supported by an independent valuation and approved in-line with Eastlight's Financial Regulations, including disposals for consideration below market value, ensuring delegated authority levels are applied.

4.8 Eastlight will look to maximise the value of all asset disposals by taking an appropriate route to market, taking a competitive approach where possible.

4.9 Where properties are disposed of via auction, reserves will normally be set at up to 10% below the independent market valuation to encourage competitive bidding. However, flexibility may be applied on a case-by-case basis, considering market conditions, professional advice, and the need to achieve value for money (VFM).

4.10 We will carry out disposals in line with our Governance Framework & Delegations which set out the approvals needed.

4.11 We will dispose of properties in accordance with regulations.

5. Conditions

5.1 Identification

5.1.1 Properties or land may be considered for disposal where they no longer contribute to the strategic objectives of Eastlight, or long-term asset management plans, and where continued investment would not represent the best use of resources in supporting our wider customer base.

5.1.2 Triggers for identifying disposals will include, but are not limited to:

- An options appraisal, evaluating the financial, social and environmental performance of an asset;
- Where the financial viability of repairs or improvements is low, and disposal may provide better value for money.
- To reduce operating loss (E.g. Low demand);
- In response to an approach from a third party;

- To reduce risk, both reputational and financial;
- To reduce operational complexity/exit a geography;
- To exit a tenure or product type (e.g., supported housing);
- To exit a property type (e.g., bedsits);
- To manage our net zero carbon position; and

5.2 Permitted Proposals

5.2.1 Property or land will be determined as suitable for disposal if it meets at least one of the following criteria on the next page:

Rationale	Description
Red asset on SAPM	<£200 profit per unit per annum (PUPA) <45% quality score
Bedsit accommodation	No separated bedroom
Shared facilities	No self-contained kitchen or bathroom
Loss making	<£0 profit PUPA
Non-estate property	Not within overall estate or >5 properties
Geography	Outside of tier 1 growth area
Void costs >£30k	Costs to bring property to lettable standard
Structural rectification >£40k	Structural issues not covered by insurance
EPC C costs >£30k	Costs to meet EPC by 2030
NZC costs >£40k	Costs to meet NZC by 2050
Non-owned block	Block not owned and/or managed by Eastlight
Unencumbered	No loans secured against the property
Grant	No grant attached to the property
Health & Safety Risk	H&S risk that cannot be rectified efficiently
Non-traditional build	Timber framed, airey houses etc.
Listed	Grade 1 or 2-listed property
High OMV	Funds of sale deliver minimum of 1 unit increase
30 Year NPV	Net Present Value is negative
Demand	Limited demand for properties
High-value asset	Sales receipt would result in more than one additional home being developed

6. Governance

6.1 Permitted property disposals and land in excess of the sums set in the Financial Regulations will be presented to the Scheme Approval Panel for consideration and/or approval. Committee and/or Board approval will be sought in line with Eastlight's SOD.

6.2 Supporting appraisals must consider customer impact, and consider alternative options (e.g. regeneration), methods of sale and other non-financial factors to ensure that these are considered throughout the review process.

6.3 We may decide not to dispose of assets determined as suitable for disposal if there is a potential advantage to our continued ownership, such as social value, reputational impact, impact on our customer(s) and meeting our charitable objectives.

7. Equality Impact Assessment

7.1 Equality Impact Assessment (EIA) has been completed and appended to Policy.

7.2 This Policy will be supported with processes that ensure we consider customer impact as part of seeking authority to dispose and work with the local authority to understand the impact on housing demand. The requirement of a full EQIA will be considered by SROP ahead of being presented to SAP.

7.3 We will complete periodic reviews of our overall stock profile to ensure we track the change in the portfolio with regards to properties provided to customers with protected characteristics.

8. Glossary

RSH	Regulator of Social Housing
NPV	Net Present Value
PUPA	Per Unit Per Annum
SAPM	Strategic Asset Performance Model
NZC	Net Zero Carbon
EPC	Energy Performance Certificate
OMV	Open Market Value
RICS	Royal Institute of Chartered Surveyors
SOD	Schedule of Delegation
VFM	Value for Money

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