



C R A I G D A L E
HOUSING ASSOCIATION LTD
Craigdale: The Home of Good Housing

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Acquisitions Policy

AS WITH ALL OF THE ASSOCIATION'S POLICIES, THIS GUIDE IN FULL AND IN PART IS AVAILABLE IN SUMMARY, ON TAPE, IN BRAILLE, & IN TRANSLATION INTO MOST OTHER LANGUAGES – PLEASE ASK A MEMBER OF STAFF IF YOU WOULD LIKE A VERSION IN A DIFFERENT FORMAT

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1.0 INTRODUCTION

- 1.1 Craigdale Housing Association's Mission Statement is: "We are a Housing Association passionate about providing excellent affordable homes and services for our community."
- 1.2 In order to help us to achieve our Mission Statement and deliver our Strategic Objectives as identified in our Business Plan and within other key strategic documents such as our Asset Management Strategy, we will consider acquiring land and property, where it makes business sense to do so.
- 1.3 Property acquisitions can include: stock transfer; buying from a developer or acquiring an individual property direct from an owner.
- 1.4 One of the key objectives of our Acquisitions Policy is to meet housing need by providing quality housing at affordable rents.
- 1.5 By doing so, this will contribute to the Scottish Government's Affordable Housing Supply Programme and its commitment to delivering at least 50,000 affordable homes by 2021.

2.0 POLICY AIMS

- 2.1 Craigdale Housing Association has a history of developing new build housing within its area of operation, which has been instrumental in the physical regeneration of our community.
- 2.2 In order to realise our Mission Statement and deliver our key strategic objectives, we will;
 - Continue to seek opportunities to support community cohesion and address housing need;
 - Work constructively with Glasgow City Council and consider acquisition and development which is constant with the Strategic Housing Investment Plan;
 - Ensure that staff and Board members act within good governance, good financial management and within our vision and values;
 - Ensure our Board have control over making key decisions throughout the acquisition process;
 - Ensure compliance with the law and all appropriate Regulatory guidance in respect of acquisitions;
 - Define staff responsibilities with regard to acquisitions.
 - Ensure adequate assessment of risks associated with an acquisition is carried out at key stages in the acquisition process.
 - Ensure the Association takes a proactive approach to realising opportunities for growth within our defined geographical boundaries

- Value for money in the acquisition process
- Ensure any valuation is undertaken by a suitably qualified professional and we will not pay more than the valuation price;
- Undertake sufficient due diligence to reasonably assess any potential development constraints and costs associated with any subsequent development (e.g. contamination, drainage, utility connections, bearing capacity, mineral stability, planning constraints, essential work required to existing buildings) and;
- Consider the business plan impact of the proposed acquisition or development over 30 years.

2.3 Will not:

- Become involved in overly risky acquisitions or development;
- Take decisions which adversely impact on business viability or the best interests of our tenants;
- Seek to develop outside our geographic boundaries.

3.0 EQUALITIES & DIVERSITY

3.1 The Association is committed to ensuring equal opportunities and fair treatment for all people in its work. In implementing this policy, our commitment to equal opportunities and fairness will apply irrespective of factors such as gender or marital status, race, religion, colour, disability, age, sexual orientation, language or social origin, or other personal attributes.

3.2 In line with our commitment to equal opportunities, this policy can be made available free of charge in a variety of formats including large print, translated into another language or on audio tape.

4.0 STATUTORY & REGULATORY REQUIREMENTS

4.1 Depending upon the type of acquisition there are a number of relevant guidance notes/documents that may have to be referred to however, development work must be consistent with:

- The Scottish Housing Regulator's Regulatory Standards of Governance and Financial Management;
- Regulatory Guidance, including the SHR March 2017 thematic study into the development of affordable housing in Scotland;
- Glasgow City Council's SHIP, their Affordable Housing Strategy, the May 2017 design schedule and associated documents (and any other relevant documents that may be published from time to time);
- All legislative and planning requirements,
- The Scottish Government's Green and Sustainable Places Agendas, and

- Our own Strategic Housing Development Funding Plan.

5.0 BOARD RESPONSIBILITY

5.1 The Board will be responsible for overseeing the acquisition process through to its conclusion. This involves:

- Considering options appraisals and risk assessments of possible acquisitions;
- Giving approval at key stages within the acquisition process;
- Agreeing to the acquisition, and
- Approving of all offers of grant and spend.

6.0 STAFF RESPONSIBILITY

6.1 Where one has been appointed, the Development Agent (or Director in their absence) will:

- Identify in consultation with the Director, acquisition opportunities.
- Consult as appropriate with the community.
- Present reports to the Board at key stages during the acquisition phase.
- Prepare briefs where required.
- Negotiate price – within defined parameters via standing orders.
- Prepare options appraisals.
- Prepare risks assessments & 30 costed maintenance programmes.
- Appoint the design team and brief professional consultants, solicitors and valuers and liaise with planning and agencies such as SEPA (Scottish Environment Protection Agency).
- Subject to Board approval complete and submit applications to the City Council, including funding applications, acquisition paperwork and all related responsibilities.
- Ensure compliance at all times with the Association's Policies, such as Procurement and Financial Regulations.
- Once acquisition is complete add the property to the Association's database and property register.

6.2 Our Finance Agent will:

- Carry out a full financial appraisal of the acquisition taking account of: capital costs, expenditure, revenue generated by the acquisition, availability of external funding, private finance, immediate maintenance/refurbishment needs, demolition costs, adaptation requirements and the overall effect of the acquisition on the Association's 30 year financial projections.
- Liaise with the Development Agent (or Director) and input into the preparation of briefs, risk assessments and production of 30 year financial assessments.
- Ensure private finance is in place prior to works starting.
- Attend Board meetings as and when required to present financial assessments.

Individual Property Acquisitions

6.3 Our Maintenance Consultant or appropriately experienced member of staff will:

- conduct a technical stock condition survey, taking into account compliance with SHQS (Scottish Housing Quality Standard) and EESSH (Energy Efficiency Standard in Social Housing).
- Obtain a copy of the RICS (Royal Institute of Chartered Surveyors) Homebuyers Report (homeowner obtains this at their own cost).
- Prepare a 30 costed maintenance programme for the property.
- Liaise with Glasgow City Council over availability of grants.
- Liaise with the Finance agent over funding options for the acquisition and review the 30 year financial assessments for the Association, inclusive of the property to the acquired.
- Prepare a report for Board's consideration on whether or not to acquire the property, taking account risk assessment, review of 30 year financial projections compliance with SHQS and EESSH.

7.0 DUE DILIGENCE

7.1 When acquiring land for new build appropriate investigations will be undertaken into such matters relating to, but not limited to:

- The legal title of the property.
- Planning and Building Regulation compliance for the existing use and proposed purpose of the acquisition.
- Energy Planning Certificate, where relevant.
- Other statutory consents.
- Pollution/contamination.
- Asbestos if existing property is to be demolished.
- Existing services.
- Feasibility Study.
- Community support.
- Risk assessment.
- Independent valuation compliant with RICS (Royal Institute of Chartered Surveyors) Red Book.
- Value for Money.
- Board approval at key stages throughout the acquisition process.

7.2 If properties are being acquired through Section 75 sites (land is owned by a private developer but the houses are being sold to the Association through a Design & Build Contract) then the Board must see sight of a full risk assessment and 30 year financial projections as part of the acquisition process. The risk assessment should take into account the investigation matters noted in Section 7 of this Policy.

8.0 REVIEW OF THE POLICY

8.01 This policy will be reviewed as necessary every 3 years in line with relevant legislation and/or best practice or earlier if required.

9.0 COMPLAINTS

9.01 If anyone wishes to complain about our approach to acquisitions, they should refer to the Association's Complaints Policy.