

# Stock Transfer



Llywodraeth Cynulliad Cymru  
Welsh Assembly Government



The Council Tenants'  
and Leaseholders'  
Stock Transfer Charter

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Further copies of this document (written and audio)  
can be obtained from:

Housing Directorate  
Welsh Assembly Government  
Rhydycar  
Merthyr Tydfil  
CF48 1UZ

Tel: 0845 010 3300

Website: [www.new.wales.gov.uk](http://www.new.wales.gov.uk)



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# ABOUT THIS CHARTER

- The Charter outlines the basic rights and standards of service that any council tenant or leaseholder in Wales involved in a stock transfer should expect from their existing and new landlord. It also covers what can be done if these rights and standards of service are not met.
- The ‘Council Tenants’ and Leaseholders’ Stock Transfer Charter’ was developed by the Welsh Assembly Government (the Assembly) in consultation with bodies representing tenants, councils and registered social landlords (housing associations).
- The Charter should be issued to all tenants and leaseholders of councils considering stock transfer.
- The Charter can be used to develop transfer-specific charters or similar agreements between tenants, leaseholders, the council and the transfer landlord.
- Details of Assembly Government publications on stock transfer and where they can be obtained are given at the end of this Charter.

# THE COUNCIL TENANTS' AND LEASEHOLDERS' STOCK TRANSFER CHARTER

## WELSH ASSEMBLY GOVERNMENT POLICY

The Welsh Assembly Government encourages councils to improve their housing stock by whatever means they consider appropriate. The transfer of stock to a registered social landlord (housing association) is one option. If a council decides to transfer its stock, it must abide by this Charter.

### 1. TRANSFER CONDUCT

**All groups involved in a stock transfer should work in a spirit of co-operation, openness and fairness.**

### 2. CONSULTATION AND PARTICIPATION

**All tenants will be consulted and given the opportunity to provide their views on and participate in all stages of the transfer process. They will also be given the opportunity to be involved in deciding the consultation and**

**participation mechanisms to be adopted by the transferring landlord. Participation may be direct or by representation. Leaseholders should also be consulted about stock transfer.**

**Tenants will be:**

- consulted on stock transfer and have an opportunity to comment on stock transfer proposals;
- provided with objective, balanced and unbiased information on stock transfer in formats to meet a range of needs;
- given the opportunity to comment on the different forms of consultation that would best meet their needs;
- given access to an Independent Tenant Adviser employed to provide impartial, non directive advice on stock transfer;
- empowered to get involved in all aspects of the stock transfer process including:
  - take part in the selection of the Independent Tenant Adviser;
  - given the opportunity to consider the different courses of action the council can take to repair and improve its stock, and the consequences of the options;

- ▶ given the opportunity to participate in producing key policies of the transfer landlord including proposals to develop tenant consultation and participation with the support of the Tenant Adviser;
- ▶ allowed to enjoy at least the same levels of opportunities to be involved as they enjoyed under the council's Tenant Participation Compact.

### **Leaseholders will be:**

- ▶ consulted on stock transfer and have an opportunity to comment on stock transfer proposals;
- ▶ made aware of proposals that directly affect them;
- ▶ provided with objective, balanced and unbiased information on stock transfer in formats to meet a range of needs;
- ▶ given the opportunity to comment on the different forms of consultation that would best meet their needs;
- ▶ able to access the services of the Independent Tenant Adviser.

### 3. THE BALLOT

**A ballot will be undertaken to determine whether a majority of tenants who vote wish to transfer to a registered social landlord.**

- ballots will be conducted in accordance with good practice;
- ballot questions will be impartial and in plain language;
- in accordance with custom and practice, the Assembly Government will consider a simple majority (anything above 50%) of those voting in favour, as being sufficient to indicate tenant support for a transfer;
- councils can choose to define a majority as being in excess of the simple majority described above;
- councils may arrange a ballot of leaseholders to learn their views. However, they will not be included in the ballot of tenants which will dictate the outcome of the transfer.

## 4. RENTS

### **Information about the rents of tenants who transfer to a registered social landlord will be given in the transfer proposal.**

- ▶ no rent increase for registered social landlord homes, regardless of whether they have been improved or not, may exceed the benchmark rent increase percentage set by the Welsh Assembly Government;
- ▶ tenants will be given full and clear information on rents during a stock transfer and, if the transfer goes ahead, once they become registered social landlord tenants;
- ▶ the Council has the discretion to give a guarantee to transferring tenants that rent increases under the new RSL landlord would not be greater than if homes had remained with the Council.



## 5. REPAIRS AND IMPROVEMENTS

**The properties and estates of tenants who transfer to a registered social landlord will be brought up to the standards set by the Welsh Assembly Government and maintained at this standard.**

- before transfer, tenants and leaseholders will be consulted on the standards of repairs and improvements (and timescales proposed by the Council) that would take place, should the transfer go ahead;
- new or improved homes must be brought up to the the Welsh Assembly Government's Welsh Housing Quality Standard.

## 6. HOME PURCHASE RIGHTS

**Tenants who transfer to a registered social landlord will have rights to buy a home at a discounted price.**

- tenants who are eligible will have the preserved right to buy their home at a discount. The discount will be based on the number of years they have been a public sector tenant;
- tenants who are eligible will have the right to acquire the property in which they live, or possibly a different property, at a fixed discount;

- the Welsh Assembly Government has a commitment to draw down legislative power to the National Assembly for Wales to suspend the Right to Buy and Right to Acquire in areas of housing pressure. The proposal is subject to approval by Parliament and the Assembly Government. Local Authorities will be informed of developments.

## 7. ASSURED TENANCY RIGHTS

**All transferring tenants will be issued with a new tenancy agreement containing all the rights set out in The Guarantee for Housing Association Residents.**

- there are few differences in the rights of secure and assured tenants. Councils and tenants should work towards maintaining equivalent rights as a minimum;
- before transfer, tenants will be given full and clear information on the main differences in the rights of these two tenancy types;
- tenants will be given the opportunity to comment on any differences in rights that a proposed transfer may produce.

## 8. SERVICE STANDARDS DURING TRANSFER

**Councils must meet their legal duties in the provision of services to tenants and leaseholders during a stock transfer and ensure that their rights are upheld.**

Councils will be required to:

- comply with the provisions of tenancy agreements and leases;
- work in accordance with the National Tenant Participation Strategy and “Guidance for Developing and Implementing Local Tenant Participation Strategies - May 2008”.

## 9. SERVICE STANDARDS AFTER TRANSFER

**All tenants who transfer to a registered social landlord will be given the opportunity to comment on and participate in the work of the transfer landlord with a view to maintaining and developing standards of service. Leaseholders should also be given the opportunity to comment on service areas which directly affect them.**

- existing or forming Tenant Management Organisations will be allowed to continue after transfer;

- registered social landlords must ensure that transferring tenants continue to enjoy at least the same level of opportunities given under the council's National Tenant Participation Strategy wherever possible;
- all transfer landlords will have a tenant participation strategy which will set out how it will:
  - provide information to tenants and leaseholders;
  - obtain tenants' and leaseholders' views;
  - empower tenants to become involved in its work;
- newly created transfer landlords will be expected to have tenant representation on its governing body;
- transfer landlords will provide tenants annually with up to date information on its participation strategy (in accordance with the National Tenant Participation Strategy). Tenants should be involved in the annual review of its Participation Strategy;
- the performance of registered social landlords is regulated by the Welsh Assembly Government which will continue to check that they are delivering a good standard of service.

## 10. ENFORCING THE CHARTER

**A procedure for dealing with disputes, disagreements and concerns about the transfer should be drawn up and agreed by all parties to the process. If and when these procedures have been exhausted, all transfer parties can refer any issues relating to this Charter or the transfer process generally, to:**

- Housing Directorate  
Welsh Assembly Government  
Rhydycar  
Merthyr Tydfil  
CF48 1UZ  
Tel: 0845 010 3300

## FURTHER INFORMATION

The following publications on stock transfer are available on request from the Housing Directorate of the Welsh Assembly Government.

- ▶ **Regulatory Code for Housing Associations Registered in Wales**. This sets out the expectations that housing associations are required to meet within Wales, and how these will be measured and monitored. [www.new.wales.gov.uk](http://www.new.wales.gov.uk)

- **‘Housing Transfer Guidelines (including stock transfer supplements)’**. Provides detailed guidance to councils considering stock transfer and the processes it must follow in so doing. It can be accessed via the Assembly Government’s website at [www.new.wales.gov.uk](http://www.new.wales.gov.uk)
- **‘The Guarantee for Housing Association Residents’** details the rights and standards of service that assured tenants can expect from registered social landlords. [www.new.wales.gov.uk](http://www.new.wales.gov.uk)
- **‘WHQS Plus Report’**. This report maps out the WHQS investment and opportunities for collaboration across the twelve South Wales local authorities and transfer RSLs. [www.whq.org.uk/i2i/about\\_resources](http://www.whq.org.uk/i2i/about_resources)
- **‘WHQS Plus Report 2 - Maximising the benefits across Wales (Nov 2008)’** This report has two main purposes; firstly, it maps out the WHQS investment and opportunities for collaboration across the ten local authorities and transfer RSLs in North, Mid and West Wales not covered in the original **WHQS Plus Report** launched earlier in 2008; secondly, it draws together the key issues from the earlier report and maps out the way forward for **WHQS Plus** for all 22 local authority areas in Wales. [www.whq.org.uk/i2i/about\\_resources](http://www.whq.org.uk/i2i/about_resources)

- ▶ **‘More Than Bricks and Mortar’**. The aim of this guidance is to ensure that the WHQS investment programme across Wales delivers the best deal for Communities First communities.  
[www.whq.org.uk/i2i/about\\_resources](http://www.whq.org.uk/i2i/about_resources)
- ▶ **‘Surviving Transfer’**. This guidance report has been produced for local authorities in Wales which have transferred their housing stock from the council. It relates to the retained housing services and, in particular, the strategic role of the local authority once it has transferred its housing stock.  
[www.whq.org.uk/i2i/about\\_resources](http://www.whq.org.uk/i2i/about_resources)
- ▶ **‘What Tenants Want’**. This is a tool for tenants and local authorities to use to ensure that tenants are informed and involved in the WHQS process. It includes some FAQs from tenant groups around reaching WHQS. [www.whq.org.uk/i2i/about\\_resources](http://www.whq.org.uk/i2i/about_resources)
- ▶ **‘The Can Do Toolkit’ (Sept 2008)** The Can Do Toolkit is guidance for social landlords which includes targeted recruitment and training, as core requirements within housing contracts.  
[www.whq.org.uk/i2i/about\\_resources](http://www.whq.org.uk/i2i/about_resources)

- **'Welsh Housing Quality Standard - developing the skills and knowledge of tenants' - Guidance and Training Modules**. The Assembly Government has published and issued to local authorities in Wales guidance and training manuals to assist them in developing the skills and knowledge of tenants.  
[www.new.wales.gov.uk](http://www.new.wales.gov.uk)