

# **CLES bulletin**

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**CLES bulletin** is a topical summary of articles which have appeared in the professional press. Its aim is to provide a pithy précis of a subject area, drawing out the specific and common issues raised in the individual articles.

**CLES Bulletin No. 3**

## **Stock transfer**

Housing, in general, has recently been given its due attention by the Government in the Spending Review. (See CLES Bulletin no.2 - *The Comprehensive Spending Review*) As one of England's most problematic areas, poor housing affects councils all over the country. The issue of stock transfer inevitably arises as one option considered by councils in their attempts to improve quality of living for its residents. Recent publicity surrounding tenants voting against stock transfer has brought the issue to the attention of the press. This *CLES Bulletin* looks at how stock transfer has been covered by the different areas of press including housing, regeneration and finance.

**Housing Today**<sup>1</sup> looks at the much publicised rejection of stock transfer by tenants recently in Birmingham and looks at how many councils are facing the negative response. Looks at claims from experts that despite this current unpopularity, large scale voluntary transfers can and do work.

*Housing Today* looks in particular at what went wrong in Birmingham and lays out some key lessons which apply to all, such as consulting

with tenants and carrying out a full appraisal of the options, including investment needs and resources required. It also highlights the importance of tackling tenant concerns, in particular going from door to door, thereby putting as much emphasis on communication as possible, as experience has shown that if tenants are unsure they are far more likely to play safe and stay as they are rather than voting for transfer.

**Regeneration and Renewal**<sup>2</sup> takes a different angle on the topic of stock transfer, showing the alternate options to transfers for councils whose tenants have voted against it, also written in the shadow of recent high-profile rejections. It considers the lessons that might be learnt from Cambridge council, who despite having the stock transfer option rejected by tenants, has moved on to spend money on housing stock repairs and is now going through its second stock option appraisal.

*Regeneration and Renewal* emphasises the importance of working with tenants to ensure they get what they want, stating clearly that stock transfer is not the only nor necessarily the most popular or best option for tenants.

**Public Finance**<sup>3</sup> looks at a report from the Chartered Institute of Housing which claims that funding for stock transfers must be more closely tied to urban regeneration if council tenants are to be persuaded to vote for new landlords. The report says that current funding streams are too confusing and are unlikely to demonstrate the benefits of a transfer in urban areas.

*Public Finance* also highlights the need for tenants to be presented with a clearer picture at the time of ballot, so they know exactly what is about to happen.

**Inside Housing**<sup>4</sup> featured a special supplement on stock transfer looking at the issue in a number of different ways including looking at the importance of communicating with tenants once it decides to ballot them on transfer. It presents the views of some residents to see whether or not this process actually works, showing that most tenants are reluctant to transfer from the council to a housing association, mostly it seems due to a lack of trust in housing associations.

<sup>2</sup> Schopen, Fay When the answer is no Regeneration and Renewal 30 August 2002 p.17

<sup>3</sup> Merrick, Neil Tenants are being confused, says CIH Public Finance Sept 6-12 2002 p.10

<sup>4</sup> Inside stock transfer Inside Housing pp.24-37

<sup>1</sup> Wheal, Chris How to win at stock transfer Housing Today 13 June 2002 pp.16-18

*Inside Housing* also provides useful case studies of the experience of transfers in Scotland and Wales. Only a handful of Scottish councils have opted to transfer their stock, despite having fewer alternatives than local authorities in England. *Inside Housing* looks at the pros and cons of retention schemes based on long-term financial planning. With regards to the Welsh experience, *Inside Housing* provides an interview with the leader of Brigend council, which is pioneering stock transfer in Wales.

*Inside Housing* also considers the array of investment options for councils trying to meet the decent homes standard, looking at whether or not alternatives to stock transfer, such as arm's length management mean the end for the transfer process.

It also compares four different examples of partial stock transfer in four cities of England, Manchester, Liverpool, Islington and Hackney, showing how it worked for some of their most deprived estates.

The overall lesson as presented in all the articles seems to be communication. Tenants without a clear picture of the stock transfer process are likely to vote against it, so as part of the process, councils must make every effort to talk to the residents, involving them at every level. The articles also make it clear that stock transfer is not the only option available and councils should be willing to consider every option.

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