

Stock managed pending transfer into ownership

Many small housing associations (HAs) take advantage of the property development skills and experience of large HAs to develop stock on their behalf. When the homes are ready they are given back to the smaller HA. The aim usually is that full ownership of the stock should be transferred, but often it is considered more appropriate for the larger HA to retain ownership, while the smaller one manages the stock. Usually this is intended as a short term arrangement, the small HA managing the stock while technical, legal or managerial issues are resolved. Many transfers of ownership proceed as planned after a few months or a couple of years, but there are occasions when the temporary arrangements become almost permanent, with the small HA 'managing the stock as owned' for many years, with no agreed cut-off point. It is clearly undesirable that interim arrangements should continue indefinitely, since it inhibits effective strategic planning. This is believed to affect small black and minority ethnic (BME) HAs in particular. Housing Corporation strategies and policies were put into place to reduce the length of time stock was managed as owned on behalf of other HAs, either by setting up proper fixed-term management agreements or by transferring the stock into the ownership of the managing HA.

Key findings

- A total of 88 HAs currently manage stock on behalf of other HAs, awaiting transfer into their ownership.
- Fifty four percent of all BME HAs¹ are currently managing stock
- pending transfer into their ownership. This figure has increased since 1998² when 38% of BME HAs were identified as managing stock on behalf of other HAs.³ At that time it was anticipated that the figure would decrease rather than increase. This compares with 3% of mainstream HAs that currently manage stock pending transfer.
- The actual numbers of stock managed pending transfer by BME HAs and mainstream HAs are similar.
- The smallest HAs, those with under 250 units, manage almost 60% of their total managed stock in this way.
- The smallest HAs have the greatest proportion of their staff dedicated to the management of stock pending transfer — 34% of their staff work specifically on the management of these units.
- Overall the percentage of stock managed pending transfer is relatively small compared to total HA stock management. However, for HAs with less than 250 units involved in managing stock for other HAs, 71% is pending transfer to ownership.
- The average time stock has been managed pending transfer is four years. However, this figure hides the full range of time that some HAs manage stock in this way, 19 years in one case.

1 "BME HAs draw at least 80% of their governing body from BME communities" 'Black and Minority Ethnic Housing Policy', Housing Corporation (1998)

2 Marshall, D., Royce, C., Saw, P., Whitehead, J., C and Woodrow, J., 'A level playing field? Rents, viability and value in BME housing associations', Joseph Rowntree Foundation, York (1998)

3 This figure also included management agreements.

This Sector Study raises a number of important questions about the ways in which BME housing associations work with other HAs and more generally about working relationships between HAs over development. These are being followed up through four related exercises:

- The Dataspring team are interviewing representatives of some of the HAs covered in this study, to prepare a report which goes behind the figures presented here.
- The Corporation has commissioned Managing Diversity Associates to evaluate its BME policy. The consultants are aware of this study and its findings and of Dataspring's follow-up work.
- A team commissioned by the Chartered Institute of Housing (CIH) has completed a review of BME HAs, which was informed by discussions with Dataspring.
- The CIH are carrying out a project to consider the evolution of new partnership models which might be stimulated by the Corporation's Re-inventing Investment policy. This team are also keeping in close contact with Dataspring to ensure that information and knowledge are shared.

All of these exercises will help the Corporation to develop its policies and procedures.

Policy background

Housing Corporation strategies aimed at actively supporting the development of BME HAs began just over 17 years ago. The first of the strategies intended to combat racial discrimination in housing was established in 1986.⁴ The main impetus behind the programme was 'to encourage the development and registration of black housing associations'. In 1986 only 18 BME HAs were registered with the Corporation but 10 years later this number had increased to 60. However, although registration proved successful, BME HAs were still disadvantaged by a lack of funding to develop their own properties. Without raising private finance, which was almost impossible without an asset base, BME HAs relied heavily on others to develop stock on their behalf. The management of stock therefore became a key method for BME HAs to provide accommodation to their communities.

A further five year strategy was established in 1991 with the overall objective of consolidating existing BME HAs in order to achieve independence and financial viability. Under this strategy targets were set 'for investment levels, homes to be developed and acquired via stock transfer, and levels of revenue grant'. The 2002 Regulatory and Statistical Return (RSR) found that between 1991 and 1996, 20 percent of BME HAs had taken on the management of stock pending transfer into ownership. This compares with a study carried out on behalf of the Joseph Rowntree Foundation in 1998 that found 38 percent of the 66 registered BME HAs 'predominantly managed stock belonging to another association'.⁵ This figure did not just include stock pending transfer but also stock management agreements with HAs.⁶

By 1996 the strategy 'sought to achieve revenue viability for more BME HAs — when an HA has enough units (between

⁴ Royce, C., Hong Yang, J., Patel, G., Saw, P., and Whitehead, C., 'Set up to fail? The experiences of black housing associations', Joseph Rowntree Foundation, York (1996)

⁵ Marshall, D., Royce, C., Saw, P., Whitehead, C and Woodrow, J., 'A level playing field? Rents, viability and value in BME housing associations', Joseph Rowntree Foundation, York (1998)

⁶ The figures, while not comparing exact like with like, give the best indication of the amount of management activity BME HAs were involved in.

250 and 500) to attract sufficient rental income to cover its revenue costs and so achieve financial independence'.⁷ Even though this ideal for independence was the ultimate goal for the BME strategy, in 1998 the Housing Corporation published its BME housing policy, within which it stated:

'Managing stock, rather than owning it, minimises financial risks and debt liability for the BME HA. Because the extra costs of development are not borne by the BME HA, rent levels can be lower than they otherwise would be, thus benefiting tenants', so recognising the benefits of management for BME HAs. Nevertheless, the policy made it clear that proper management agreements should be in place for stock that was not owned. The Corporation would 'work with BME HAs which are considering stock transfers or which have made stock transfer agreements and where stock has yet to be transferred'⁸. The Corporation also stated that they would 'review existing barriers to stock transfer'. Therefore, while the Housing Corporation acknowledged the advantages of the management rather than ownership of stock for some HAs and recognised that some HAs had no desire to become the owners of this stock, it did not find the management of stock pending transfer (for lengthy periods of time) acceptable. The 1998 policy states:

'We expect RSLs to honour stock transfer agreements made under the earlier strategies wherever possible and for RSLs which did not agree to transfer stock under the earlier strategies to work in partnership with BME RSLs to consider the possibility of transferring stock in appropriate locations in the future...'

However, it is clear that some HAs did not take proper account of this statement and continued with 'management pending transfer' arrangements, without transferring stock managed in this way.

In 2001 the Race and Housing Inquiry Challenge Report⁹ also highlighted the benefits of LSVT stock being transferred into the ownership of BME HAs, stating:

'...there is scope to develop the role of BME RSLs as service providers and as partners with other organisations. Other RSLs and local authorities should draw on their experience and understanding. They should, for example, be considered as potential lead bodies in local authority stock transfer discussions.'

More recently, the Housing Corporation issued guidance within their Regulatory Code¹⁰, which stated that there would be a BME/diversity action plan that would be likely to include a further policy change discussing issues such as the management rather than ownership of stock. The action plan is still awaited. Despite their aspirations, between 1996 and 2001 67 percent of BME HAs (that completed the RSR 2002) began managing stock pending transfer, which had yet to transfer into their ownership. Furthermore, between 2001 and 2002 an additional 23 percent of BME HAs recorded stock as managed pending transfer into ownership in the future.

BME HAs are the most significant group affected by the Housing Corporation's 1998 policy. As noted earlier the *Definitions of Ownership* research¹¹ highlighted that much of the stock managed by BME HAs was not attributed to the managing HA. Further research also identified that 'BME associations continued to manage units that had been earmarked for transfer some time in the past. Often, the delay in transfer was the result on the inability of BME associations to finance the transfer and in most cases this meant that transfer would be unlikely to ever take place without the special assistance that has been withdrawn.'¹²

7 'Black and minority ethnic registered social landlords', *Sector Study 4, Housing Corporation (2001)*

8 'Black and Minority Ethnic Housing Policy', *Housing Corporation (1998)*

9 'Race and Housing Inquiry Challenge Report', *National Housing Federation (2001)*

10 'The way forward. Our approach to regulation', *Housing Corporation (2002)*

11 Marshall, D., Lyall Grant, F., Monk, S., Whitehead, C and Williams, J., 'Definitions of ownership', *Housing Corporation (2000)*

12 Royce C in Monk S and Whitehead, C (eds), 'Restructuring housing systems', *York (2000)*

Introduction

The *Definitions of Ownership research (Phase II)*¹³ identified that BME HAs manage a significant proportion of properties that are owned by other HAs, pending transfer into their ownership. Where properties were being managed pending transfer into ownership, the BME HAs had taken on full administrative responsibilities as if they were indeed owned, for example, controlling tenancies and determining rent levels, in addition to collecting rents. Prior to 2002, the Regulatory and Statistical Return (RSR) required that units managed by one HA and owned by another, were included in the return of the owning HA. However, the owning HAs, while technically responsible for these properties, were generally reluctant to view them as owned because in reality and on a day-to-day basis the owning HA had very little input. As a result some of these units had been subject to inaccurate reporting by HAs within the RSR dataset.

Further to the *Definitions of Ownership* research the following two questions relating to stock managed pending transfer into ownership were included in the RSR for 2002: C4 — Stock managed pending transfer into ownership: social housing stock; and C5 — Stock managed pending transfer into ownership: non-social housing stock.

This Sector Study analyses the data returned in the RSR 2002 for these questions. In light of the findings, the implications for HAs, the Housing Corporation and the RSR in future years are discussed.

Analysis and findings

A total of 88 HAs completed questions C4 and/or C5. Of these, 87 completed C4 and 3 completed C5 — although only one HA completed just question C5. This research focuses solely on those HAs that completed these questions in the RSR 2002.

Table 1 shows a total of 6,331 social housing units (general needs and supported housing units) were recorded as managed pending transfer into ownership in 2002. Only 30 units were managed in this way for non-social housing stock. The majority of analyses are therefore based on social housing stock managed pending transfer.

Although management of stock pending transfer is not just a BME HA issue, proportionally BME HAs do manage a greater amount of their stock pending transfer than any other group of HAs. Over the last four years 54 percent of the 61 registered BME HAs have taken on management of stock pending transfer into their ownership¹⁴.

All five large scale voluntary transfer (LSVT) HAs that completed the stock managed pending transfer question reported 100 percent of their stock managed on behalf of another HA as managed pending transfer. However, the number of units managed in this way by LSVTs is relatively small.

Overall the HAs included in Table 2 manage a total of 5,695 general needs units and 636 supported housing units, pending transfer into their ownership.

¹³ Marshall, D., Lyall Grant, F., Monk, S., Whitehead, C and Williams, J., 'Definitions of ownership', Housing Corporation (2000)

¹⁴ Regulatory and Statistical Return (RSR) 2002

Table 1

Overview of all social and non-social housing stock managed pending transfer into ownership

	General needs units	Supported housing units	All units	Full Time Equivalent (FTE) staff dedicated to stock	Av. time managed pending transfer (years)*	Average units managed this way by HAs
Social housing stock	5,695	636	6,331	387	3.89	73
Non-social housing stock	n/a	n/a	30	7.2	2.3	10

Source: RSR 2002

*Time managed pending transfer is weighted by the total stock in C4 and C5.

Table 2

Total number of HAs that completed social housing managed pending transfer, by HA size and type	HA size/ type*	Co-op	BME	LSVT	Mainstream	Total
	250 or less	11	14	0	20	43*
	251–1,500	0	18	0	13	31
	1,501–10,000	0	1	5	6	12
	10,000+	0	0	0	1	1
	Total	11	33	5	40	87

Note: HA size is determined by the total number of units/ bedspaces owned by a HA at 31 March 2002.
* Two BME HAs are also Co-ops and have been counted in both categories.

Source: RSR 2002

Table 3 shows the disproportionate level of stock BME HAs manage pending transfer into their ownership when compared to the other types of housing association carrying out this management function. Over two thirds of the stock they manage on behalf of other HAs is awaiting transfer into their ownership.

Table 4 shows that it is the smallest HAs, those with less than 250 units in ownership, that manage the largest share of units pending transfer — 3,371 (59%) general needs units and 398 (63%) supported housing units. HAs with between 250 and 1,500 units in ownership manage 1,642 (29%) and 200 (31%) units respectively.

Table 3

Stock managed pending transfer as a percentage of the total stock managed on behalf of other HAs, by type of HA	HA type	Total managed on behalf of other HAs*	Total managed pending transfer**	Managed pending transfer as a proportion (%) of:		
				All managed stock	General needs units managed	Supported units managed
	Co-op	1,186	434	37%	37%	0
	BME	4,051	3,131	77%	79%	53%
	LSVT	223	223	100%	100%	0
	Mainstream	15,395	2,705*	18%	17%	19%

Source: RSR 2002

* From RSR, Part A

** From RSR, Part C

Note: Two BME HAs are also co-ops and have been counted in both categories.

Table 4

Number of units managed pending transfer into ownership, by size and type of HA	Size of HA (units)	No. of units pending transfer									
		Co-op		BME		LSVT		Mainstream		Total*	
		Gen. needs	Sup.	Gen. needs	Sup.	Gen. needs	Sup.	Gen. needs	Sup.	Gen. needs	Sup.
	250 or less	434	0	1,554	43	0	0	1,555	355	3,543	398
	251-1,500	0	0	1,215	123	0	0	417	77	1,632	200
	1,501-10,000	0	0	196	0	223	0	240	28	659	28
	10,000+	0	0	0	0	0	0	23	0	23	0
	Total	434	0	2,965	166	223	0	2,235	470	5,857	626

Note: HA size is determined by the total number of units/ bedspaces owned by a HA at 31 March 2002.

* Total stock figures are not exact because of double counting in Co-op and BME categories.

Source: RSR 2002

Table 5

Stock managed pending transfer into ownership as a proportion of all stock managed on behalf of others, by size of managing HA

HA size (units)	Total units managed for others	Stock managed pending transfer as a proportion (%) of:			
		All stock managed for others	General needs units managed for others	Supported units managed for others	
250 or less	45,836	8.2	8.2	7.9	
251–1,500	17,989	10.1	11.9	4.5	
1,501–10,000	19,810	3.5	3.7	1.7	
10,000+	7,170	0.3	0.3	0	
Total	90,805	6.9	7.2	5.3	

Source: RSR 2002 Part A

Note: HA size is determined by the total number of units/ bedspaces owned by a HA at 31 March 2002

A large number of HAs carry out management activities on behalf of other HAs. The majority of units managed on behalf of other HAs are general needs although for the smallest HAs (250 units or less), supported housing units that are managed pending transfer account for almost the same percentage of management activity as general needs. Table 5 shows that HAs with 250 units or less manage a total of 45,836 units, while HAs with between 250 and 1,500 units have the greatest level of stock managed for other HAs as a percentage of overall management activity.

Of the units managed on behalf of others the majority awaiting transfer into ownership are general needs units. Table 5 shows that HAs with less than 1,500 units manage above average percentages of stock

managed pending transfer into ownership.

While Table 5 concentrated on the total amount of stock managed on behalf of all other organisations, Table 6 examines the percentage of stock managed pending transfer as a percentage of stock managed on behalf of other HAs. In HAs with 250 units or less, 71% of all units managed on behalf of another HA are pending transfer into ownership, emphasising the importance of this management activity for the smallest HAs.

Length of time stock is managed pending transfer into ownership

The average time stock has been managed pending transfer into ownership is three years, 11 months (as at 31st March 2002). However 33 percent (26 out of the 79

Table 6

Stock managed pending transfer as a proportion of stock managed by other HAs, by size of managing HA

HA size (units)	Units managed on behalf of other HAs	Units managed pending transfer	Stock managed pending transfer as a proportion (%) of:			
			Stock managed for other HAs	General needs units managed for other HAs	Supported units managed for other HAs	
250 or less	5,300	3,779	71%	76%	48%	
251–1,500	8,982	1,832	21%	23%	11%	
1,501–10,000	2,401	697	29%	29%	29%	
10,000+	3,985	23	0.6%	0.6%	0	
Total	20,668	6,331	31%	32%	22%	

Source: RSR 2002 Parts A and C

Note: HA size is determined by the total number of units/ bedspaces owned by a HA at 31 March 2002

Table 7

Length of time stock is managed pending transfer, by type of HA

	Least	Median	Longest	Average
Co-op	6 months	4 years 5 months	8 years 6 months	5 years 2 months
BME	4 months	3 years 2 months	13 years	3 years 11 months
LSVT	4 months	4 years	5 years	4 years 1 month
Mainstream	1 month	3 years	19 years	3 years 3 months

Source: RSR 2002

HAs ¹⁵⁾ have managed stock pending transfer for five years or more. Of these, 10 are BME HAs, 4 are Co-ops and 2 are LSVTs. The remaining 10 are mainstream HAs, highlighting that this is not just an issue for BME HAs.

Table 7 shows the average length of time stock has been managed pending transfer by different types of HA. While averages for different types of HA do not vary greatly and do not appear outstandingly long, they do hide a wide range of times that HAs have been managing stock in this way.

Resources dedicated to stock managed pending transfer into ownership

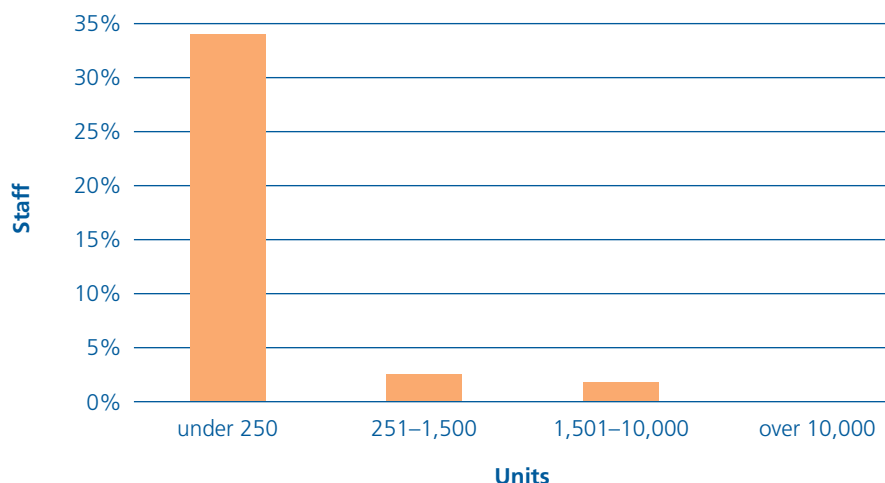
A total of 387 Full Time Equivalent (FTE) ¹⁶⁾ staff are dedicated to the management of

stock pending transfer into ownership, an average of 4 staff for each HA involved.

Out of the 43 small HAs managing stock pending transfer into ownership, 29 have dedicated staff employed to fulfil this role, totalling 316 FTE staff. Figure 1 shows that 34 percent of the total number of FTE staff employed by small HAs are working full-time in managing this stock. It further shows the disparity between the smallest HAs and the rest in terms of staff dedicated to stock managed pending transfer. It highlights that it is the smaller HAs, which generally have the least resources in terms of economies of scale, that have the greatest proportion of staff time and resources dedicated to this stock.

¹⁵⁾ Seven HAs did not provide information about the length of time they had managed stock for.
¹⁶⁾ Full-time equivalent staff posts are calculated on a 35-hour week.

Figure 1
Percentage of staff dedicated to stock managed pending transfer, by size of HA



Source: RSR 2002

Note: HA size is determined by the total number of units/ bedspaces owned by a HA at 31 March 2002

Table 8

Stock managed pending transfer as a percentage of total managed stock

HA size (units)	Total stock managed		Stock managed pending transfer		Stock managed pending transfer as a % of total stock managed		FTE staff % dedicated to managing stock pending transfer	
	All HAs (excl BME)	BME HAs	All HAs (excl BME)	BME HAs	All HAs (excl BME)	BME HAs	All HAs (excl BME)	BME HAs
	250 or less	6,403	3,121	2,182	1,597	34.1	51.2	34.1
251–1,500	15,377	10,531	494	1,338	3.2	12.7	1.6	5.4
1,501–10,000	36,338	3,721	501	196	1.4	5.3	2	0.5
over 10,000	17,704	0	23	0	0.1	0.0	0.0	0.0
Total	75,822	17,373	3,200	3,131	4.2	18.0	7.9	9.1

Note: HA size is determined by the total number of units/bedspaces owned by a HA at 31 March 2002

Source: RSR 2002

Table 9

Number of HAs for which managing HAs manage stock pending transfer into ownership, by type of managing HA

Number of HAs stock managed on behalf of	Co-op	BME	LSVT	Mainstream
1	9 (82%)	6 (18%)	5 (100%)	33 (83%)
2	1 (9%)	5 (15%)	0	3 (8%)
3	0	3 (9%)	0	1 (2%)
4	1 (9%)	5 (15%)	0	1 (2%)
5	0	6 (18%)	0	0
6	0	5 (15%)	0	0
7	0	3 (9%)	0	2 (5%)
Total	11 (100%)	33 (100%)	5 (100%)	40 (100%)

Source: RSR 2002

Table 8 breaks down the data in Figure 1. It shows that almost 34 percent of staff in small BME HA are dedicated to managing stock pending transfer, while this stock forms 51 percent of their stock management activity. A similar proportion of FTE staff in small non-BME HAs are dedicated to managing stock pending transfer despite such stock forming a lesser proportion of these HAs' management responsibility (34%).

Number of contracts for which HAs manage stock pending transfer on behalf of other HAs

Table 9 shows that BME HAs tend to carry out management activity pending transfer for more than one HA, while the majority of

mainstream HAs manage stock pending transfer for just one other HA. For BME HAs this is particularly significant, as more than a third manage stock for five or more HAs. This will have implications for staffing levels beyond the management of stock, as resources will be required to oversee the larger number of management contracts in place.

Owning HAs

Overall, 97 HAs own stock that is managed by another HA until transfer takes place. Of the total stock reported as managed pending transfer into ownership just 15 units are owned by BME HAs. LSVTs own 145 units and the remaining HAs own 6,143 units.

The majority of both owning and managing HAs are concentrated in London and the East and West Midlands. This is perhaps not surprising since these regions have the highest concentration of BME HAs and London also has a high number of Co-ops.

Non-social housing stock managed pending transfer into ownership

Of the three HAs that completed the question on non-social housing stock managed pending transfer in the RSR 2002 (question C5), one is an LSVT and 2 are mainstream HAs. The HA with the largest amount of 'other' stock pending transfer into ownership is, not surprisingly, the LSVT. Of these HAs, two are small, owning under 250 units each, the third is large, owning just over 4,000 units. The total 'other' stock, which is managed on behalf of another HA pending transfer into ownership, is 30, averaging at just 10 units each, so numbers are small.

Each HA that recorded stock in C5 manages 100% of their non-social housing stock in this way. The numbers of FTE staff dedicated to the management of non-social housing stock are minimal. The total time stock has been managed this way is two years and four months. The owning HAs comprise one LSVT and two mainstream HAs. No BME HAs are the owning organisations.

Implications of the findings

For mainstream HAs, managing stock pending transfer into ownership as a proportion of their ownership/management activity is not a major issue, although it is important to find out why the stock has not been transferred. The main concern here is the same as for BME HAs: if transfer of stock is not a realistic option, why have proper management agreements not been established for it? Co-operative societies conduct their business on principles that do not include outright ownership and are therefore not greatly involved in stock managed in this way. LSVT HAs engage in programmes of transfer and unit numbers that have not transferred quickly are generally insignificant.

For BME HAs, managing stock pending transfer into ownership makes up a significant part of their overall activity. It is therefore understandable, as found in earlier research¹⁷, that BME HAs have felt their operational realities were not being fully captured in the RSR before 2002.

Although managing stock in this way has by no means been an exclusive management activity of BME HAs, the negative implications for the lack of ownership of stock for BME HAs, particularly in light of the Housing Corporation's BME strategy, are far greater for these smaller and generally more economically vulnerable housing associations than for mainstream HAs.

The analysis of stock managed pending transfer has raised further questions that have not been specifically answered by current BME policy. First, in order to reduce financial risk (particularly for smaller HAs) should the most vulnerable HAs be encouraged to join a group structure arrangement, thereby lessening their financial burden and gaining from greater economies of scale? Second, should the owning HAs that have had their stock managed pending transfer for a lengthy period of time be made to hand over the stock into the ownership of the managing HA?

¹⁷ Marshall, D., Lyall Grant, F., Monk, S., Whitehead, C and Williams, J., 'Definitions of ownership', Housing Corporation (2000)

Conclusion

By asking HAs to include stock managed pending transfer in the RSR 2002 the first snapshot of this activity has been captured. In order to track the transfer of stock in the future, particularly in light of the LSVT agenda for BME HAs, it is important that this question is included in the return again. For mainstream HAs, although only three percent manage stock pending transfer (so a minimal amount as a proportion of their total stock), the length of time stock is being managed pending transfer was just as significant as for other types of HA and may warrant further investigation to ascertain the reasons why transfer has not occurred.

It is clear that the impact of managing units pending transfer into ownership is more concentrated in BME HAs than other types of HA. Although in terms of unit numbers, mainstream HAs waiting for stock to be transferred into their ownership is similar to BME HAs, the greater number of units owned by mainstream HAs means that as a proportion of their activity, it is minimal. In the past greater emphasis was placed on the value of owning stock, the 1998 BME policy recognised that management could be an acceptable solution for some HAs looking to increase their stock levels, provided management agreements were formalised. Large scale voluntary transfer presents new opportunities for either management or ownership of stock. However it is important that the expectations of all parties are clearly set out in advance and that final arrangements reflect these.

Monitoring the progress of this stock in both mainstream and BME HAs is important, particularly in light of the following three points:

- Some of the stock managed pending transfer reported in the RSR 2002 may have been simply awaiting transfer for development reasons (where one HA develops stock on behalf of the other and it is handed over on completion) rather than with a view of long term management in mind.

- The agenda for BME HAs is mixed, the benefits to BME HAs of management rather than ownership of stock has been recognised and the emphasis on ownership lessened. On the other hand, BME HAs taking on ownership of LSVT stock is now being encouraged.
- Over a period of time emphasis has shifted from BME HAs being encouraged to strike out alone and seek financial independence, to a strategy acknowledging the benefits of not standing alone, enabling the achievement of greater economies of scale and the reduction of overall risk. However proper management agreements should be drawn up for this stock, it should not simply be left pending for years on end.

Commitment 12 in the Housing Corporation's 1998 BME policy states:

'We will work with mainstream and BME RSLs which are considering stock transfers or which have made stock transfer agreements and where stock has yet to be transferred. As part of this process we will review existing barriers to stock transfer'.¹⁸

Further research has been commissioned by the Corporation to ascertain exactly why stock that was set up with the intention of transfer has not transferred, both to BME and mainstream housing associations. This will investigate the barriers HAs face in the transfer of stock and how can they be overcome, why some transfers have occurred without delay and consider whether good practice could be developed to assist those HAs that want the stock they manage pending transfer actually to transfer into their ownership.

¹⁸ 'Black and Minority Ethnic Housing Policy', Housing Corporation (1998)

Further information

This Sector Study was researched and written by Fiona Lyall Grant with Daniel Banks and Christine Whitehead at Dataspring.

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