

August 2018

The Welsh Ministers

Direction of the Welsh Ministers about notification of disposals of social housing dwellings and of land other than a dwelling

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1. Overview

- 1.1 Under Part 1 of the 1996 Housing Act, the Welsh Ministers regulate RSLs in Wales and are referred to in this Direction as “the Regulator” for the purposes of regulatory functions.
- 1.2 Registered Social Landlords (“RSLs”) are required by section 9 of the Housing Act 1996 (“the 1996 Act”) (as amended by section 14 of the Regulation of Social Landlords (Wales) Act 2018 (“2018 Act”)) to notify the Regulator if there is any relevant disposal of a dwelling (“dwelling” is defined in section 63(1) of the 1996 Act) and in certain circumstances of the disposal of land other than a dwelling.
- 1.3 Section 9 of the 1996 Act gives the Welsh Ministers a power to give a direction to RSLs about the delivery, form and content of notification under section 9 and the deadline for giving such notifications. The Welsh Ministers may give directions to RSLs dispensing with a requirement to give notification under section 9.
- 1.4 This Direction sets out the disposals which RSLs are required to notify the Regulator about, what information it requires, and when it requires the information to be supplied. The Direction also sets out the circumstances when the requirement for notification is dispensed with and therefore RSLs do not have to notify the Regulator.
- 1.5 The Welsh Ministers may vary or revoke this Direction, whether generally or in relation to a particular RSL, a particular notification or type of notification. They may also give a further Direction in different terms to this Direction to particular RSLs.
- 1.6 The Regulator will make arrangements to bring this Direction, and any subsequent changes made, to the attention of RSLs by publishing it on the Welsh Government website.
- 1.7 This Direction replaces RSL Circular 29-09 Procedure for Disposing of Land – Section 9 of the Housing Act 1996.
- 1.8 This Direction has effect from and including **15 August 2018**.
- 1.9 For the purpose of this Direction, a social housing dwelling includes any use or type of social housing; houses, flats for rent, shared ownership, supported housing, temporary or general needs.
- 1.10 For disposals by way of lease, the length of the lease term does not matter; it must be notified if the nature of the disposal is one that meets the requirements for notification to the regulator.
- 1.11 If there is any doubt about whether a notification is required, RSLs should consider notification is required and complete the notification process.
- 1.12 The terms used in this document are set out in Annex 1.

2. The Direction

2.1 The Welsh Ministers, in exercise of the power conferred by Paragraph 13A of Schedule 1 of the 1996 Act makes the following Direction in relation to notifications by RSLs pursuant to the requirements of the 2018 Act in relation to the following:

3. Relevant Disposals

3.1 The Welsh Ministers direct that the requirement on RSLs to obtain consent under section 9 of the Housing Act 1996, section 133 of the Housing Act 1988, section 171D of the Housing Act 1985 and section 81 of the Housing Act 1988 regarding the disposal of land is dispensed with in its entirety.

3.2 The Welsh Ministers direct that RSLs must comply with a requirement to notify in relation to Relevant Disposals of dwellings and of land other than a dwelling. That means that the obligation on RSLs to notify only applies in relation to Relevant Disposals (which are those set out in Table 1) of a dwelling as defined in Annex 2.

3.3 The term 'disposal' in the Housing Act 1996 covers a wide variety of transactions that involve the disposal of any interest an RSL may have in social housing. The statutory requirement in the Housing Act 1996, to notify the Regulator, applies to all types of disposal of a social housing dwelling and land that is not a dwelling. However, the Welsh Ministers have decided they do not need to be notified of a disposal of any land that is not a dwelling (unless it is a disposal of appurtenances, gardens, garages or similar of a tenanted social housing property) including non-residential property and only requires notification of the disposal of social housing dwellings in certain circumstances. It has therefore set out those disposals that it wants to be informed about below and calls these Relevant Disposals.

3.4 Categories 1-4 cover the different circumstances in which Landlord Disposals are to be notified. Category 5 covers those circumstances in which Finance Disposals are to be notified and Category 6 covers the circumstances in which Guarantee Disposals must be notified.

3.5 If a Relevant Disposal fits into more than one category within Table 1, it need only be notified once (see paragraph 4 'Timing of notifications' for the required approach to timing of notification).

Table 1: Categories of Relevant Disposals

Transaction category	Type of disposal
<p>1. Out of sector (Occupied and not Occupied) A disposal to someone who is not a Registered Social Landlord in Wales OTHER THAN a sale to the tenant¹ whether that sale is pursuant to a statutory or contractual right or otherwise.</p>	<p>Only disposals the result of which is that the RSL making the notification will not, after the disposal, be the landlord of the current tenant or any future tenant¹, including land that forms part of a property that is currently occupied by a tenant; or a disposal made at an undervalue (based on an independent RICS valuation) EXCEPT that the disposal of a freehold or leasehold interest must be notified where the RSL will, after that disposal, be the landlord of the current tenant or any future tenant by virtue of a lease or sub-lease for a period of less than 7 years.</p>
<p>2. Within sector (Occupied only) A disposal to someone who is a Registered Social Landlord</p>	
<p>3. Last social housing (Occupied and not Occupied) Where after the disposal, the RSL would no longer be eligible to be registered as a social landlord in Wales (that is, would no longer satisfy section 2(2)(a) of the Housing Act 1996)</p>	<p>Only disposals the result of which is that the RSL making the notification will not, after the disposal, be the landlord of the current tenant or any future tenant; EXCEPT that the disposal of a freehold or leasehold interest must be notified where the RSL will, after that disposal, be the landlord of the current tenant or any future tenant by virtue of a lease or sub-lease for a period of less than 7 years.</p>
<p>4. More than 2% of stock (Occupied and not Occupied) Where the disposal comprises of 2% or more of the RSL's Social Housing dwellings prior to the disposal</p>	
<p>5. Finance – Standard and non-standard finance</p>	
<p>All disposals (as defined by section 9 of the Housing Act 1996). In addition, the Regulator expects to be kept</p>	

¹ When the Renting Homes (Wales) Act 2016 comes into force a tenant will become a “contract-holder”.

Where the purpose of the disposal is connected to obtaining Finance including both Standard and Non-standard Finance	informed of any non-standard finance proposals before any such proposal receives Board approval.
6. Guarantees and other obligations Where the purpose of the disposal is to provide or support a guarantee or other obligation EXCEPT WHERE the purpose is to obtain Finance (see Transactions 5 and 6 above) or to obtain grant from a public sector body.	All disposals (as defined by section 9 of the Housing Act 1996) which mean that if the guarantee or other obligation is not met, the RSL could lose its interest in the dwelling.

4. Timing of notifications: Requirements about the period within which notifications must be given

4.1 The Regulator has decided that the majority of Relevant Disposals made by RSLs need only be notified on a quarterly basis. However, there are some disposals the Regulator wants to know about sooner because the transaction may particularly relate to issues affecting the risk assessment and/or the registration status of a RSL. These are called Priority Notifications and are set out in paragraph 4.3.

4.2 If a Relevant Disposal fits into more than one category within Table 1, and one of those categories is a 'Priority Notification' as set out in 4.3, then the notification must be dealt with as a Priority Notification.

Priority Notifications

4.3 RSLs must notify the regulator within 10 working days of completion of the disposal of the following Relevant Disposals (Refer to Table 1 for Transaction Categories):

- Disposals within Transaction Category 1 'Out of Sector' in Table 1 above ONLY where the dwelling is occupied at the point of disposal, or if the disposal is at less than market value.
- Disposals within Transaction Category 3 'Last social housing' in Table 1 above;
- Disposals within Transaction Category 4 'More than 2% of stock' in Table 1 above;
- Disposals within Transaction Category 5 'Finance – all types'

Quarterly Notifications

4.4 For other Relevant Disposals, RSLs must notify the Regulator on a quarterly basis. Quarterly notification returns must be made within 3 weeks after the end of the quarter. For the purpose of notifications the quarters are the end of March, June, September and December each year.

4.5 RSLs must notify the Regulator of all other Relevant Disposals (that is other than those set out in paragraph 4.2) which complete within the quarterly periods set out below. The notification must be made within 3 weeks of the end of each quarter.

- 1 April – 30 June
- 1 July – 30 September
- 1 October – 31 December
- 1 January – 31 March

4.6 If an RSL has notified the Regulator of a disposal(s) through a priority notification, there is no need to include that disposal in the quarterly notification.

5. Form and content of notifications

Landlord Disposals, Transaction categories 1- 4

5.1 A notification about a Relevant Landlord Disposal must contain the following information.

- Identification of the dwelling(s), including information about the local authority area in which the dwelling is located;
- The type and/or use of the dwelling immediately before the disposal;
- The category of disposal;
- For a category 1 disposal at less than open market value as confirmed by an independent RICS valuation, the amount of the valuation;
- Confirmation of whether the consideration for the disposal was at the Open Market Value (independent RICS valuation) of the dwelling at the point of disposal
- Confirmation of the valuation and whether the full consideration for the disposal was received at the date of disposal;
- Confirmation that for any grant funded dwellings, the Local Authority responsible for administering the grant has been consulted.
- For category 4 only, the percentage of Social Housing dwellings disposed as a proportion of dwellings owned prior to the disposal;
- Identification of the person or category of person to whom the disposal was made
- Where RSLs are proposing a change in landlord for one or more of their tenants or a significant change in their management arrangements by way of a disposal strategy or proposal, details of the consultation conducted with tenants.

Identification of the dwellings

5.2 The location of the property (to at least local authority level) must be provided. Where an RSL has disposed of multiple properties within a similar area, the individual addresses need not be supplied and the records may be grouped (ONLY if other information required about the disposal is the same). However the dwellings are identified it must be sufficient to ensure that the RSL has a record that it has notified the Regulator of the disposal. The following provide examples of acceptable responses:

- 1 Tenby Road, Cardiff CF10 1PQ; or
- for multiple disposals: 1-25 Tenby Road, Cardiff or 25 properties in Tenby Road, Cardiff

Type or use of the dwelling

5.3 The type or use of the dwelling immediately before the disposal (or when it was last occupied) must be provided. The type of social housing dwelling should be consistent with how the dwelling would be identified in other Welsh Government data returns. These are:

- **Housing at social rents (subject to the Welsh Government rent policy framework)**
 - Self-contained general needs (included self-contained bedsits)
 - Self-contained sheltered housing
- **Other social housing (not subject to the Welsh Government rent policy framework)**
 - Self-contained 'other supported' housing
 - Self-contained extra care housing and non self-contained bedsits and hostel bed spaces.
- Housing units let at intermediate rent levels (including Rent First) where the rents are above those of social rented housing but below market housing rents
- Shared ownership
- Flexible tenure for the elderly
- Housing units let at market rents
- Homebuy
- Other (if the dwelling does not fit within previous categories)

Information about the proceeds: open market value, full consideration

5.4 RSLs must submit information about the proceeds from the disposal. Landlord Disposals that are 'out of sector' will usually achieve proceeds which are equivalent to the open market valuation, whereas those disposals within the sector are more likely to be at some other valuation such as existing use value for social housing (EUV-SH). Information must be provided to identify proceeds and timings consistent with:

- disposed at Open Market Value, received at point of disposal
- disposed at Open Market Value but receipt of proceeds deferred

- disposed at less than Open Market Value, proceeds received at the point of disposal
- disposed at Open Market Value but receipt of proceeds deferred.

Identity of recipient

5.5 RSLs must identify to whom they have disposed. However, the Regulator only wants to know the name of the purchaser in limited circumstances. For Landlord Disposals to another RSL (including those registered with Regulators other than the Welsh Ministers) or to an organisation that is an associate, subsidiary or parent of the disposing RSL, the name of the purchaser must be provided. Otherwise the category of purchaser alone is sufficient.

5.6 The identity of the purchaser is therefore required when the RSL has disposed to:

- An RSL (whether a member of the disposing RSLs group or not)
- A social landlord/Private Registered Provider registered in England, Scotland or Northern Ireland
- A non-registered organisation (subsidiary etc.) that is a member of the same group as the disposing RSL

Otherwise the category of purchaser is sufficient. Applicable categories are:

- Local authority
- Charity (whether registered with the Charity Commission or not)
- Other

Consultation with tenants

5.7 Where RSLs are proposing a change in landlord for one or more of their tenants or a significant change in their management arrangements by way of a disposal strategy or proposal, or a reduction in the appurtenances, gardens, garages or similar tenants have previously enjoyed as part of their tenancy, the RSL must provide details of consultations held with tenants. This should include:

- Type of consultation
- Copy of consultation documents provided to tenants
- Details of number of responses received (compared to number of tenants)
- Details of concerns raised, and how the RSL has responded to these concerns

Finance Disposals – Transaction category 5

5.8 A notification about a Relevant Finance Disposal must contain the following information:

- Number of properties being charged
- The type of disposal

- The value of Finance obtained by disposal of the dwelling(s)
- Identification of the person providing the finance
- Information regarding the finance facility

Number of dwellings being charged

5.9 Where an RSL disposes of dwellings to obtain finance the transactions usually involve a significant portfolio of properties. Therefore information must be provided about the number of social housing dwellings involved in each Finance Disposal and no further information identifying the dwellings being disposed of is required.

Type of disposal

5.10 RSLs must describe what type of interest in the dwelling has been disposed. For many transactions the purpose of which is to obtain finance, the disposal will usually be by way of granting a security interest. However, particularly for those disposals raising non-standard forms of finance, the arrangement may be complicated. Therefore there is no standard response set out in the form and the RSL should fully describe the interest being disposed.

Value of finance and identity of finance RSL

5.11 The value of finance obtained as a result of the disposal of the dwelling(s) and the identity (named) of the RSL of finance (often called the counterparty) must be given.

Guarantee Disposals – Transaction category 6

5.12 A notification about a Relevant Guarantee Disposal (category 6) must contain the following information

- Number of dwellings involved
- The type of disposal
- Where available the value of guarantee or other obligation provided or value of the interests in the dwellings disposed to support a guarantee or other obligation
- Identification of the person to whom the guarantee or other obligation was provided
- Reasons for providing a guarantee

Identification of the dwellings

5.13 Where an RSL has disposed of dwellings to provide a guarantee or similar that is likely to involve a significant portfolio of properties, information must be provided about the number of social housing dwellings involved in each Guarantee Disposal. No further information identifying the dwellings disposed of is required.

Type of disposal

5.14 RSLs must describe what type of interest in the dwelling has been disposed of and the description of the guarantee that the disposal provides. For many transactions for the purpose of providing a guarantee, the disposal might be by way of granting a security interest. However the type of disposal and the nature of the guarantee provided may be complicated. Therefore there is no standard response set out in the form and the RSL should fully describe the interest being disposed.

Value of guarantee and identity of to whom the guarantee is given

5.15 The value of the extent of the guarantee given must be provided, or, where that is not available, the value of the interest disposed in the dwellings.

5.17 Additionally information about to who the guarantee is given must be provided. This includes the “Obligor” – the body for which the RSL is standing guarantor for, and the “Beneficiary” – the body that will call on the guarantee in the event of the obligor failing to comply with their obligations. In addition, the Regulator must be advised if the obligor is an RSL in Wales.

Reasons for providing a guarantee

5.18 The issuing of guarantees by RSLs in Wales to support the obligations of other bodies is unusual; therefore the Welsh Ministers want to know the details behind such disposals. The information provided should include (but is not limited to) Board Reports providing the business case for such a disposal.

6. How to submit notifications

6.1 Unless otherwise instructed, returns should be emailed to:

housingregulation@gov.wales

6.2 A standard form is available on the Welsh Government website (<https://gov.wales/docs/desh/publications/180815-disposals-notification-form-en.xlsx>) which, when completed correctly, will contain all the information required in notifications. The form is split into three tabs which cover information required for Landlord Disposals, Finance Disposals and Guarantee Disposals and includes a front sheet on which contact and other details about the RSL must be given.

6.3 Where the RSL is in a group which includes more than one RSL, a representative of all group members may submit a notification form including the information about disposals for all group members. The form allows for identification of the individual associations whose notification information is included in each form.

6.4 Where appropriate the form provides for set options or ‘drop-down’ responses for the required information. However, there is space on the form for to provide additional information if, for example, the options presented in the form do not fit entirely the circumstance of the Relevant Disposal.

7. Disposals not requiring a notification

7.1 It is not possible for the Regulator to list all the types of disposal that do not need to be notified. Therefore this Direction sets out that the statutory notification requirements are dispensed with for any disposal other than the Relevant ones listed. However, for illustrative purposes, some common disposals that are not required to be notified include:

- Disposal of a vacant dwelling to another RSL – unless the disposal transaction represents a disposal of 2% or more of your social housing stock
- Disposal of land that is not a dwelling (unless it forms part of a tenanted property) – including land where there used to be a dwelling but it has been demolished
- Where a RSL leases a property for use as social housing, but the lease expires
- Release of restrictive covenants over land or dwellings
- Granting an option to a third party so that they may purchase the dwelling at some point in the future. However, if the option is taken, then the disposal would need to be notified if it was a Relevant Disposal
- Disposal of parts of dwellings to facilitate communications equipment, solar panels or use of outbuildings
- Disposal of social housing but which is not a dwelling as described in this document and in the Direction including (parts of) garden, garages and rights of access (unless they form part of a tenanted property)
- Granting of assured tenancies or any successor to assured tenancies².
- The transfer of security from one security agent to another, where this is not being done to support non-standard finance.

² Under the Renting Homes (Wales) Act 2016, assured tenancies will be replaced by secure contracts.

8. Background and General Information Relating to Disposals Notifications

General Information

8.1 The Regulator expects all data and information, including notifications, to be provided in a timely way and to be properly complete and accurate. The submission of late and incomplete or inaccurate regulatory data may be indicative of a weak control environment. Hence, failure to provide accurate and timely data, including notification of disposals, may be reflected in the regulatory judgement of an RSL's compliance with the performance standards.

8.2 When disposing of social housing dwellings there will be other requirements which impact on the RSLs decision to dispose or implications of that disposal. These requirements will vary from RSL to RSL and by property but may include:

- Particular requirements for charities;
- Requirements about any grant associated with the dwelling;
- Restrictions on use of dwellings by way of s106 agreements or restrictive covenants;
- Funder requirements;
- Any legal constraints in relation to social housing, including, for example, a statutory prohibition on RSLs disposing of their interest in properties with secure tenants³ other than to another RSL
- The impact of disposal on statutory or contractual rights of tenants.

8.3 It is for RSLs to satisfy themselves that they are meeting all regulatory and legal requirements and are managing any competing interests when planning or completing a disposal of social housing dwellings.

8.4 The Regulator will use the information provided in disposal notifications alongside other regulatory information and returns it receives in order to perform its functions. Information from notifications will inform planned regulatory oversight. However in some circumstances the Regulator may seek further explanation and evidence about a particular disposal or type of disposal and its impact on the RSLs compliance with the Performance Standards or any other regulatory requirement.

8.5 In addition to gaining information relevant to individual RSLs, the Welsh Ministers may also use the information to monitor sector trends in disposals and may publish information about those trends.

Requirements for Landlord Disposals

8.6 The Welsh Ministers are interested in disposals that mean social housing is lost from the sector, whether temporarily or permanently or where residents in social housing have had a change in landlord as a consequence of the disposal, or where tenants may be disadvantaged by a reduction in the appurtenances,

³ When the Renting Homes (Wales) Act 2016 comes into force a tenant will become a "contract-holder".

gardens, garages or similar that they have previously enjoyed as part of their tenancy. It is also interested in disposals that may affect the financial position of the RSL or could (where all social housing has been disposed) impact on its registration status.

8.7 It may be that at the point of disposal the dwelling is vacant (called 'Not Occupied' in the Direction) or occupied. The Welsh Ministers want to know about disposals of both vacant and occupied dwellings where they fall within certain categories of Relevant Disposals. The term 'occupied' includes those where the residential occupiers have tenancy agreements, a license to occupy or other similar agreement (as defined in the Direction).

8.8 'Landlord Disposals' include those where an RSL which is the landlord of the residential occupiers (or would have been the landlord, in cases where the property was vacant at the point of the disposal) disposes of its entire freehold interest or leases the homes to another body so that the RSL will no longer be the landlord of the residential occupiers. Where disposals are by way of sub-lease, all sub-leases (regardless of term length) are included for the purpose of notification.

8.9 'Landlord Disposals' also include cases where an RSL continues to be the landlord following the disposal because the RSL has disposed of its freehold or a head-lease interest and has been granted a lease or sub-lease, and so will continue to be the landlord of the residents. When the lease or sub-lease granted to the RSL is for a term of less than 7 years then such a disposal must be notified.

8.10 Where an RSL owns an interest in a dwelling(s) but is not the landlord of the residential occupiers, then the Welsh Ministers does not require to be notified about a disposal of that dwelling as a Landlord Disposal. For example, an RSL has previously let the dwelling to another RSL who has therefore become the landlord of the occupiers. If the RSL disposes of its superior interest or a new sub-lease this is not a Landlord Disposal and it does not have to be notified to the Welsh Ministers.

8.11 Where RSLs are proposing a change in landlord for one or more of their tenants or a significant change in their management arrangements by way of a disposal strategy or proposal, or a reduction in the appurtenances, gardens, garages or similar tenants have previously enjoyed as part of their tenancy, the RSL must consult with affected tenants in a fair, timely, appropriate and effective manner and, in relevant cases, comply with the consultation requirements set out in the Regulation of Registered Social Landlords (Wales) Act 2018. RSLs must set out the proposals clearly and in an appropriate amount of detail and set out any actual or potential advantages and disadvantages (including costs) to tenants in the immediate and longer term. RSLs must be able to demonstrate to affected tenants how they have taken the outcome of the consultation into account when reaching a decision.

8.12 Further information on when a RSL is required to notify the Welsh Ministers about Landlord Disposals is contained in Table 2 below.

Table 2 Landlord Disposals – Further Information

Category and Description	Further guidance
<p>Category 1 Out of sector Where the dwelling, whether occupied at the time of disposal or not is disposed of to a purchaser that is not a registered social landlord</p>	<p>Notification is required whether the property is occupied at the point of disposal or not. However, where the disposal is to the residential occupier or the shared ownership leaseholder (whether new or existing), there is no need to notify the Regulator about the disposal. For the avoidance of doubt, disposals ‘out of the sector’ include those made to an RSLs associate, subsidiary, or joint venture where those organisations are not registered with the Welsh Ministers, as well as those made to unrelated persons that are not registered with the Welsh Ministers (including RSLs of social housing who are registered with a regulator elsewhere in the UK).</p>
<p>Category 2 Within sector Where the dwelling is disposed to another registered social landlord and it is occupied at the point of disposal.</p>	<p>Where an RSL disposes by way of freehold or leasehold disposal to another RSL and the dwelling is occupied at the point of disposal this must be notified. This includes dwellings that are made available for rent and shared ownership dwellings.</p>
<p>Category 3 Last social housing Where the dwelling disposed is (or includes) the registered social landlord’s last social housing dwelling.</p>	<p>Regardless of to whom it is disposed and whether the dwelling is occupied or not the RSL must notify the Regulator. Disposing of the last social housing dwelling is likely to lead the Regulator to consider the registration status of any RSL. The Regulator has specific requirements where an RSL is considering transferring its social housing dwellings and operations to another body (for example where an unincorporated charity is incorporating or setting up a Charitable Incorporated Organisation) and wishes to register the receiving body. In those cases the Regulator expects RSLs to tell it in advance of such a significant potential change in their arrangements.</p>
<p>Category 4 More than 2 % of stock Registered Social Landlords must notify the Welsh Ministers if they have disposed of 2% or more of their social housing dwellings in a single transaction.</p>	<p>If an RSL disposes of dwellings in a single transaction that reflects a disposal of 2% or more of its total stock in any 12 month period, then it must notify the Regulator. Notification is required when this level is reached whether the dwellings are occupied or unoccupied and regardless of to whom the dwellings were disposed. In providing the information, the RSL must indicate the percentage of stock sold.</p>

Finance disposals

- 8.13 The Regulator is interested in Finance Disposals because it provides information about how social housing is being used to support debt and the extent of indebtedness a RSL has taken on. The Regulator is interested in understanding the extent of the debt that is obtained by the disposal rather than detail about the specific dwellings that are disposed. Finance Disposals include the disposal of any interest and therefore whether dwellings are occupied or not, or the RSL is the residential landlord or not is not significant for these categories of disposal.
- 8.14 The disposal could be to obtain common forms of financing such as private placement bonds or bank funding (called 'Standard Finance' in this Direction) but also non-standard forms which include for example sale or lease and leaseback arrangements, or public bonds. This type of disposal might usually be by way of granting a security interest in the social housing. However non-standard forms of finance could involve a disposal other than by way of a security charge, for example the disposal of a head-lease with the simultaneous sub-lease to the association. Public bonds can involve a higher level of risk due to the complicated nature of the transaction.
- 8.16 The RSL should provide sufficient information to enable the Welsh Ministers to gain an understanding of the facility being arranged. The nature of a non-standard facility means that it is likely to be more complicated than a standard facility, so RSL's should ensure that the Welsh Ministers have sight of (as a minimum) the same documents that will have been presented to the Board. This should include (but is not limited to):
- Board reports
 - Treasury Advisor Reports
 - Draft Heads of Terms

Guarantee Disposals

- 8.17 Guarantee Disposals will usually include granting of a security interest in a social housing dwelling to a third party to guarantee the performance of an associated company or guarantee a debt or obligation of the RSL. The type of disposal will mean that if the guarantee or other obligation is not met, the RSL could lose its interest in the dwelling. It therefore does not include the types of disposal that ensure for example contractual rights of access or similar granted to third parties.
- 8.18 This category of Relevant Disposals excludes any disposals to guarantee a debt or obligation that relates to financing arrangements (which may require notification under category 5. It also excludes any disposal that relates to obligations arising as a result of the receipt of grant from a public sector body.

Annex 1: Glossary of terms

Dwelling (dwelling)	a building or part of a building occupied, designed to be occupied, or intended to be occupied as a separate dwelling, together with any yard, garden, outhouses and appurtenances belonging to it or usually enjoyed with it.
Finance	<p>(a) arrangements made for any of the following:</p> <p>(b) (i) lending money, including term loan, standby loan, revolving loan or any other lending facilities and including overdraft facilities and unsecured facilities and facilities made available through finance leases of capital leases;</p> <p>(c) (ii) interest rate hedging including arrangements embedded within loan agreements or those documented separately;</p> <p>(d) (iii) issuance of loan notes, loan stock and bonds;</p> <p>(e) (iv) the provision of other facilities including loan notes, loan stock, performance bonds, guarantees, indemnities and letters of credit to the extent the same relate to arrangements within (i), (ii) or (iii).</p>
Land	Appurtenances, gardens garages or similar that currently form part of an existing tenancy.
Non-standard Finance	Means Finance that is not Standard Finance.
Occupied	Where a dwelling is at the date of the Relevant Disposal the subject of a tenancy, or a licence to occupy, or other similar agreement.
Open Market Value	a valuation made by an independent surveyor qualified with the Royal Institution of Chartered Surveyors to Associate or Fellow level.

The Regulator	The Welsh Ministers
Registered Social Landlord	Organisations that are registered as a Welsh Body with the Welsh Ministers under section 1 of the Housing Act 1996.
Relevant Disposals	Those disposals set out in Table 1 of this Direction and unless otherwise stated, disposals of both Occupied and not Occupied dwellings.
Tenant Note - When the Renting Homes (Wales) Act 2016 comes into force a tenant will become a "contract-holder".	The person(s) occupying a dwelling by virtue of a tenancy, or a licence to occupy, or other similar agreement.
Standard Finance	Finance obtained where the disposal by the RSL includes a first fixed legal charge to the provider of the Finance and where the provider of the Finance is a: bank, building society, other regulated lending institution; an entity that has issued or is issuing securities on a recognised stock exchange; local authority; another RSL; or an organisation which is the parent, subsidiary or associate of the RSL.