

Definitions of ownership

A research report for the
Housing Corporation by

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Phase III: The Shadow RSR



THE HOUSING
CORPORATION

Definitions of Ownership

PHASE III: THE SHADOW RSR

CONTENTS

Executive summary	1
1 Introduction	5
2 The Shadow RSR	10
3 The definition of ownership	21
4 Social Housing Standard and Non Social Housing Standard approach	37
5 General needs and supported housing	45
6 Ownership and management matrices	58
7 Consolidation of Parts and change in the ordering	66
8 New questions and Parts	73
9 Guidance Notes, definitions and formatting of the Shadow RSR	89
10 Implications for the dataset	95
11 Overarching group forms	106
12 Conclusions	111
13 Recommendations	117
Annexes	
A The Shadow RSR	121
B The Evaluation Form	153
C Interview outline: semi-structured	159
D Results of the database comparisons	161



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Executive summary

A. THE PROBLEM

- 1 The overall objective of the research on definitions of ownership is to improve the quality and accuracy of the data collected through the Regulatory and Statistical Return (RSR). The first project, completed in 1998, helped to specify the nature of the problem. The second, completed in 1999, examined the appropriate definition of ownership to ensure accuracy as well as the range of information required to provide a complete picture of registered social landlord (RSL) activity. The third, reported here, operationalised the recommended changes and put the form out for trial.
- 2 The approach taken was to issue a Shadow RSR to a range of RSLs, accompanied by Guidance Notes and a helpline; to compare the completed Shadow RSR forms with the current RSR to undertake in depth studies of why differences occurred and to obtain more general feedback. The result is a series of recommendations about how to proceed.

B. THE SHADOW RSR

- 3 The main changes in the Shadow RSR were:
 - the definition of ownership was modified to a twenty one year lease term for both general needs and supported housing;
 - two matrices were included up front, which provided a comprehensive review of all stock categorised by ownership, management and property type;
 - a matrix of other activities accounting for more than 5% of turnover was added;
 - the categorisation of stock was changed to general needs and supported rather than self contained and shared (although both remained in the Shadow form to enable comparisons to be drawn);

- group structures and BME RSLs were identified as special cases and asked to provide additional information; and

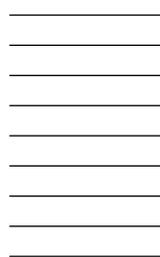
- Parts were reordered to help the flow of information.

- 4 Guidance Notes and definitions were revised in line with the new approach and a supplementary question was included on transfers with Section 9 Consent to clarify the distinction between ownership and management.
- 5 The sample of 125 RSLs was chosen to provide a cross section of RSLs by size, type of activity and managerial structures, including those who had participated in the earlier phases. Particular care was taken to include group structures, BME, LSVT and small non-developing RSLs. 180 RSLs were approached and 97 participated. In addition, there were 10 amalgamated group structure forms returned. Forty one case study comparisons were undertaken and 42 RSLs were interviewed.

C. FINDINGS

The definitions of ownership

- 6 The shift to a 21 year lease (original term) was expected to increase the total stock of general needs housing except where stock is leased to others on terms of between 21 and 30 years. The effect on the amount of supported housing owned was expected to be greater and to reduce the numbers of owned except where stock is leased to others on a lease of more than two years.
- 7 The changes were generally as predicted, although it was found that many of the differences were the result of errors in both the current and the Shadow RSR.
- 8 The majority of RSLs had little difficulty in providing the information, although there



were exceptions, particularly for some group structures where there was evidence of double counting.

- 9 The number of RSLs that have used Section 9 Consents was small and the idea of using them as a means of clarifying the distinction between ownership and management as an approach in its own right found little favour. As an addition to the definition of ownership, however, they would be important in eliminating identified double counting.

Social Housing Standard approach

- 10 The distinction between Social Housing Stock (SHS) and non SHS was introduced to signpost to RSLs which stock required full details and which only basic information. The total stock reported should remain unchanged, but which should be included in later Parts should become clearer.
- 11 The approach was popular with RSLs who felt that it increased transparency. It also resulted in the inclusion of a body of stock which had been excluded from the current RSR because RSLs did not know how to categorise it.
- 12 The vast majority of RSLs experienced no difficulties defining stock in line with the SHS approach. Some asked for more detailed guidance.

General needs and supported housing

- 13 Switching from a self contained/shared housing to a general needs/supported housing categorisation was expected to reflect RSL internal management data and both reduce the burden of information and increase accuracy. In practice it categorised sheltered housing into either general needs or supported for the purposes of the whole form.
- 14 Over 70% of RSLs interviewed thought the approach was better and a third would be able to use the RSR data directly for internal reporting purposes (and vice versa).

- 15 Some RSLs still experience difficulties in categorising sheltered and floating support, but most problems were resolved by the approach. In particular, it addressed the inaccuracies in the current form which arise from the incorrect assumption that all self contained units are general needs and all shared housing bedspaces supported.

Ownership and management matrices

- 16 The aim of including two ownership and management matrices up front—one for SHS stock and one for non SHS stock—was to provide a detailed overview of an RSL's stock related activities from which data throughout the rest of the form would flow. For non SHS stock it also measured materiality.
- 17 The result was both more inclusive and more accurate data, particularly with respect to the different categories of sheltered housing.
- 18 Some RSLs did have difficulties because of limited time or resources. These generally related to the definition of SHS/non SHS and general needs/supported categories, which could be addressed by more detailed Guidance Notes.

Consolidation of Parts and changes in ordering

- 19 The Shadow RSR included some consolidation of information arising from the shift to general needs and supported housing. The flow of information could also be improved as a result of the inclusion of the ownership and management matrices.
- 20 Two thirds of the RSLs thought that the restructured form was more logical and easier to follow. Those who did not were generally not in a position to do the additional work required to modify the current RSR data.
- 21 Some RSLs wanted to include more detailed information, especially about the self contained/shared split. Others were only happy with the changes if this was not required.

New questions and Parts

- 22 Only seven RSLs completed question C.6 on stock managed pending transfer, including two BME RSLs. A significant proportion of those who did not complete the question thought it would be a useful inclusion. However, more guidance, e.g. on the definition of pending, was required.
- 23 A third matrix, Part D, was included in the Shadow RSR to cover information about non stock based activities which accounted for more than 5% of turnover.
- 24 Two thirds of RSLs thought Part D was a useful addition to the form. There were, however, concerns about excluding activities which accounted for less than 5%, about the definition of 5% gross turnover and capital employed and the categorisation of activities.
- 25 Question H4 was included to clarify the impact on rents of new stock coming on line. Two thirds of RSLs supported or were indifferent to its inclusion. A minority thought they might find it difficult to extract the data.

Guidance Notes, definitions and formatting

- 26 The detailed comparison of the Shadow RSR and the current RSR showed up a number of areas where inaccurate information was being provided. In this and earlier research, RSLs have identified a wide range of definitions and areas of guidance in need of clarification.
- 27 There was a particular need for more detailed guidance and definitions for the three new matrices in order to ensure consistent usage across RSLs.
- 28 The majority of RSLs found the design and formatting of the RSR appropriate and favoured the electronic form approach.

Implications for the dataset

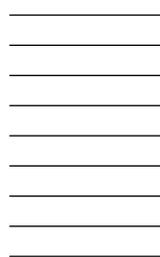
- 29 The data arising from the new RSR would differ from existing data because of the change in the definition of ownership; the

shift to SHS/non SHS reporting; categorisation by general needs and supported housing and the change in the level of detail for certain information.

- 30 For each subset of data, the Shadow and the current RSR outputs were compared and actual and expected changes analysed. The main concern was about the loss of information on self contained and shared and non SHS stock. It was agreed that in most cases the increased accuracy and transparency outweighed the lost divisions of data. For rents data, however, it was important to retain a division between self contained and shared to allow comparisons with other data sets. It was also desirable to retain a breakdown of all stock at the local authority level but this could be addressed in part by one additional column. The results from the project could also be used as context to any observed changes.

Group structures

- 31 It had initially been intended to add an annex for group structures. Instead, parent RSLs of group structures were asked to complete an extra RSR that would amalgamate their own information with that from registered subsidiaries. No special guidance notes were provided.
- 32 A large proportion of RSLs that completed the forms had difficulty in providing the required information. Others were not prepared to do so because of the time and resources involved or because they did not regard themselves as registered group structures.
- 33 The main problems identified included:
- what should be defined as a group structure;
 - how should unregistered subsidiaries be dealt with, especially given 'Regulating a diverse sector'?
 - there should be separate forms and Guidance Notes for the overarching form.



D. CONCLUSIONS AND RECOMMENDATIONS

34 Piloting the Shadow RSR was in general very successful, not just in terms of the data, but also because of the extent of feedback and evaluation received from the RSLs. The change in the definition of ownership caused few problems. The introduction of ownership and management matrices made the information more transparent and provided effective sign posting for the rest of the form. The use of the Social Housing Standard for categorisation was seen to be valuable. The shift to general needs and supported housing increased the consistency between internal and external monitoring. The inclusion of a means of identifying the extent and materiality of other activities was welcomed. The form was seen, once electronically available, to be more user friendly and logical.

35 The two major concerns remaining related to:

- i the quality of definitions and Guidance Notes across a range of areas, notably relating to the three matrices; and
- ii how best to reflect the activities of group structures, where simply adding an additional overarching form was seen to be an inadequate approach.

36 Our main recommendations are therefore that:

- i The definition of ownership in the RSR should be 21 years (original term) for all housing.
- ii Two matrices categorising all housing ownership and management functions of RSLs should be included at the beginning of the form with comprehensive definitions and Guidance Notes for each category. The distinction between SHS and non SHS stock or its future equivalent be adopted for the purpose of these matrices.
- iii The basis of reporting in the RSR should be general needs and supported housing rather than self contained and shared. An

additional sheltered housing distinction should be included in the matrices at the beginning of the form to clarify whether it is general needs or supported in later Parts. Again comprehensive definitions and Guidance Notes are required.

- iv Parts should be consolidated and reordered as in the Shadow RSR.
- v An additional Part D covering other activities with a 5% gross turnover threshold should be included. Detailed guidance would be required.
- vi A question on stock held pending transfer should be included with an additional column to clarify how long this stock has been managed in this way.
- vii Question H4 accounting for the impact of the net level of new stock on the average annual increase in rents and service charges should be included.
- viii The form should follow the current format and be made available electronically.
- ix Definitions and Guidance Notes should be revised and made more user friendly.
- x More research should be undertaken on how to address the problems faced by group structures with the aim of producing a more effective approach to data collection on a group wide basis.

1. Introduction

THE PROBLEM

Registered social landlords (RSLs) in England are required to complete the Regulatory and Statistical Return (RSR) on an annual basis. The RSR performs three functions: a public register; a census of RSL owned stock; and, a basis for collecting performance information. The census of RSL stock is the role of section two of the RSR and is the specific focus of this study. This section of the return provides the Housing Corporation with both regulatory and statistical information that not only allows them to fulfil their regulatory role but also serves a plethora of additional functions. These functions include, amongst others: benchmarking CORE; reporting on HIP data; investment planning; providing information for performance indicators; promoting best practice within the sector in other ways; and providing information to a range of public and private bodies for research and policy decisions about the sector. The accuracy of the data returned is therefore essential to a wide range of organisations and not just the Housing Corporation.

For the Housing Corporation there are three notable reasons why accurate RSR data are required. First, it provides a first sift of RSL performance in conjunction with other data held by the Housing Corporation such as CORE. On this basis, the Housing Corporation then decides whether further investigation of performance is necessary. In effect the RSR data provide the basis for a streamlined regulatory approach that minimises resource requirements in the initial assessment stage and allows resources to be concentrated where investigation is clearly warranted. Secondly, performance indicators and local authority profiles are calculated and published from the RSR information. The purpose of performance indicators is to promote good practice within the sector by producing accessible, comparative information that is of use not only to the RSLs themselves for peer comparisons but are also used by tenants, stakeholders and other interested parties during research and decision making processes. Thirdly, it provides the baseline of data provided to central

government that are used during decision making processes and therefore are inputs into decisions on national investment levels and the direction of housing policy generally. Certainly, the data collected on rent levels have influenced recent Housing Green Paper consultation discussions about rent levels and restructuring by enabling modelling of the implications of these proposals for the sector.

In light of the first sift approach to regulation and in particular, the new rent regulation regime in April 1998 that required RSLs to keep their overall rent increases to RPI+1% or below, concerns about the accuracy of the data returned in the RSR by RSLs were raised by the Housing Corporation. The Cambridge Centre for Housing and Planning Research (CCHPR) was approached to investigate these concerns as part of the development of Dataspring: the four-tenure database. This has been undertaken in a series of projects that have examined different aspects of the form in order to ensure that the information provided is as accurate and appropriate as possible. The findings of two earlier projects provided the context for this project.

BACKGROUND

Is what we ask for what we get?

In the first project, Cambridge examined the question *'Is what we ask for what we get?'*, which specifically focused on the accuracy of rents data returned in Parts L and O of the RSR.

The findings of the research indicated that there was a wide range of discrepancies between the data that RSLs were asked to return and the data actually returned. As a result of recommendations, changes were made to the form and particularly to the Guidance Notes and instructions to help RSLs provide the required information more effectively.

At the same time, the RSR was computerised and consistency and other checks were built in which both helped quality control and made the form more user friendly. The findings, however, also

provided evidence on a wide range of problems associated with completing the form and identified questions about the basis on which the data in section two of the form were recorded. Fundamentally, it was found that the definition of ownership used in the RSR did not correspond to that adopted by RSLs. Two main areas of concern were responsible for the decisions that RSLs had made when deciding what stock they should include as owned in the RSR:

- 1 information was included only about stock that was both owned and directly managed. This decision was not only a result of an absence of detailed data for stock managed by others but was also based on the reasoning that RSLs were reluctant to be subject to regulation on rent levels and management performance over which they had little or no control.
- 2 a growing range of new and emerging property arrangements existing between RSLs and other organisations did not fit easily into the traditional view of direct management. This is because these arrangements effectively result in the acquisition or granting of full ownership benefits on stock over relatively short periods of time.

Definitions of ownership

In a second project Cambridge aimed to address the more fundamental questions and concerns about the definition of ownership on which reporting was based. The task was to try to ensure that the Corporation's regulatory requirements matched the operational realities of RSLs while minimising the burden of information.

The conclusion of the assessment was that while reporting based on a definition of management rather than ownership would reflect RSL activity more appropriately, a switch to this basis was not actually appropriate in light of the requirement for accurate data. This was because we could find no acknowledged or uniform definition of management. The way in which responsibilities for stock are transferred with management agreements and short leases differed in almost every case. In regulatory terms, therefore, it was desirable that the responsibility of monitoring and

reporting on properties should remain with the owning RSL until such time as uniform 'model' management or lease agreements had been adopted on a much wider scale than is currently the case. The need to reduce the burden of regulation and address a diverse sector within the form did require other new approaches in the RSR.

From the findings of the research a set of recommendations were generated about how to modify the definition of ownership, to ensure that more information is available about properties that are managed but not owned by RSLs and to address issues associated with other activities. The research also suggested that the form be reordered to improve the flow of information and that a more detailed breakdown between General Needs and Supported Housing be provided. The final element of this project was, in conjunction with the Housing Corporation, to produce a revised design of section two of the RSR for discussion at a national symposium event on the RSR form in February 2000. The results of these discussions then informed the third, Shadow RSR project. This operationalised the recommendations for section two of the RSR—the Shadow RSR and put the form out to trial.

THE RESEARCH

Aims

This third project, 'Definitions of ownership: the Shadow RSR' was undertaken by Cambridge Housing and Planning Research on behalf of the Housing Corporation between April and November 2000. The overall objective of the project was to develop and test the recommendations made in the previous project to the point that a finalised set of recommendations could be made and incorporated into the RSR and its Guidance Notes. In order to achieve this the project had to fulfil the following aims:

- a) to produce a revised RSR section two for the RSR Symposium in 2001. This will reflect operational reality as far as can be achieved within the existing regulatory framework, will limit the costs to RSLs of providing the information and ensure accurate data;

Table 1.1: **Total sample: number of RSLs**

RSLs by type	Corporation region								Total
	L	SE	SW	E	WM	NE	NW	M	
<i>Group structures</i>									
Parent RSLs of group structure arrangements	6	3	1	1	2	1	4	0	18
Subsidiary RSLs of group structures	8 (1*)	3	1	9	2	4	6	0	33 (1*)
<i>General needs housing</i>									
Very large stock or complicated structure	4	1	0	0	2	0	0	0	7
More managed than owned stock	1 (1*)	0	0	0	1 (1*)	0	1 (1*)	1	4 (3*)
Managed stock only	0	0	0	0	1	0	0	0	1
<i>Supported housing</i>									
Generally	2	1	0	0	0	0	0	0	3
Large amount of managed stock (small owned)	1	0	0	0	0	0	0	0	1
Small amount of stock (owned and managed)	0	0	0	0	1	0	0	0	1
Large amount of stock (owned and managed)	0	2	0	0	1	0	0	0	3
<i>Shared ownership</i>	0	0	0	0	0	0	1	0	1
<i>Private sector involvement</i>	0	0	0	0	0	1	0	0	1
<i>Large Scale Voluntary Transfer RSLs</i>	0	1	0	1	2	0	0	0	4
<i>Non-developing RSLs</i>	1	1	0	1	0	1	1	0	5
<i>Others</i>	4 (2*)	2	3	3	1	2	0	0	15 (2*)
Total	27 (4*)	14	5	15	13 (1*)	9	13 (1*)	1	97 (6*)

Figures in brackets: (*) indicates the number of BME RSLs

- b) to assess the impact of proposed changes on the RSR dataset and the time series data;
- c) to evaluate whether what is being requested is what is required by both the Housing Corporation and RSLs;
- d) to ensure that RSLs are able to respond to the revised data requirements proposed and thereby provide accurate data;
- e) to continue to investigate the particular problem of reflecting reality in the context of 'stock managed as owned', particularly in group structure arrangements and BME associations; and

- f) to identify continuing points of confusion experienced by RSLs when completing the form and provide clarification.

THE METHODOLOGY

One object of the project was to continue the consultative principles that had informed the earlier projects. This was desirable to ensure that the views of RSLs themselves would be incorporated into the resulting modified section two of the RSR which they would be required to complete. The approach taken involved a number of overlapping elements:

- *The RSR symposium*
Based on the recommendations made as a result of the findings of 'Definitions of ownership' a mock RSR was presented for discussion at the Regulatory and Statistical Return Symposium held by the Housing Corporation in February 2000. Taking account of the feedback from this event and in consultation with the Housing Corporation, a final draft of a Shadow RSR and the associated Guidance Notes were produced.
- *The Shadow RSR*
The Shadow RSR and accompanying Guidance Notes were sent to a sample of 125 RSLs that had been selected on the criteria described in Chapter two. The Shadow RSRs were posted out to RSLs in May with instructions that they should be completed and returned to CHPR by the end of June. Data were required as on 31 March 2000 so that they would be comparable with the data returned in the existing RSR. Although completion of the form was not a regulatory requirement, the Housing Corporation supported the process by negotiating with RSLs to ensure a high level of participation. A copy of the Shadow RSR can be found in Annex A. The total sample of RSLs participating in the survey is shown in Table 1.1.
- *The Shadow RSR helpline*
A Shadow RSR helpline was set up to support the process by providing assistance to any RSLs that were experiencing difficulties completing the form. A database containing a record of all queries received was maintained. This provided the researchers with an insight not only into points that required clarification in the Shadow RSR and/or the accompanying Guidance Notes but also into the RSLs' ability to provide data in the format requested.
- *The Shadow RSR Evaluation Form*
An Evaluation Form was developed and sent out to the sample of RSLs at the same time as the Shadow RSRs. A copy of the Evaluation Form can be found in Annex B.
- *The Shadow RSR database and comparisons*
The data returned in completed Shadow RSR forms were input into a database. Using figures provided by the Housing Corporation, comparisons were then made between the data returned in the Shadow RSR and the current RSR form for the RSLs in the sample.
- *The case studies*
In-depth case study analyses were conducted comparing the figures returned in the Shadow RSR with those in the current RSR of 41 RSLs. This comparison was carried out for all of the RSLs that we were intending to interview. In the case of group structures, the respective forms for all registered subsidiaries were compared. This stage not only informed the interview process but also increased our insight into how RSLs had completed the form in more detail than an interview led conversation could. Where discrepancies were found the RSL was notified and a researcher worked through each query individually with the RSL in question.
- *The interviews*
Forty-two RSLs that had completed and returned the Shadow RSR were then interviewed either by telephone or in person. The interviews served a dual purpose, first allowing the researchers to clarify the reasons for discrepancies in data between the two forms and second to obtain more detailed feedback about all aspects of the Shadow RSR than had been possible in the Evaluation Form.
- *Recommendations for the RSR 2002*
Initial recommendations resulting from the findings of the research were presented and discussed at a meeting to which representatives from the Housing Corporation regional and head office departments, the NHF and the DETR were invited. A revised set of recommendations for introduction in section two of the 2002 RSR, incorporating these comments, was produced.

THE REPORT

The structure of this final report reflects the evaluative nature of the project. The approach taken examines each of the recommendations starting from the previous stage of the research

and how they manifested themselves within the format of the Shadow RSR. Each recommendation forms the subject of a different chapter and within each chapter all relevant information from each stage of the research is brought together under a common format. In this way the findings of the research have been included in the following chapters:

Chapter 2 introduces the Shadow RSR and distinguishes the final version used in the research from section two in the current RSR.

In each of Chapters 3 to 11 the relevant results from each stage of the research are brought together in a set structure. As a result, each of these chapters contains the following elements:

- *What we asked for*
The main differences between the current and the Shadow RSR in terms of structure, definitions and objectives and what changes in data we expected to find as a result.
- *What we got*
Here we look at the changes in data that resulted directly from the recommendation. This information is taken from the detailed case study and database comparisons. Examining the helpline queries received also provides us with a further indication of why changes in data may have occurred.
- *What the RSLs thought*
Here we evaluate the qualitative feedback received via the Evaluation Forms and the interview process.
- *What the Housing Corporation thought*
Here we summarise the Housing Corporation's response to our recommendations and findings as discussed in a seminar.
- *Summary and recommendations*

Chapter 3 discusses the change in the definition of ownership and the potential use of the General Consent and Section 9 Consent as a definitional tool.

Chapter 4 addresses the Social Housing Standard and Non Social Housing Standard distinction in the level of information required about activities.

Chapter 5 examines the change in reporting approach from self contained and shared housing with supported housing as a subset to general needs and supported housing.

Chapter 6 discusses the inclusion of ownership and management matrices up front in the form.

Chapter 7 analyses the consolidation of some Parts in the form and the change in the ordering of the Parts.

Chapter 8 addresses questions and Parts that are new to the Shadow RSR.

Chapter 9 examines issues that require clarification within the Guidance Notes and looks at the design and format of the Shadow RSR.

Chapter 10 discusses the impact of proposed changes on the dataset and the time series data.

Chapter 11 discusses the dual use of the Shadow RSR as an overarching Group RSR.

Chapter 12 presents the conclusions of our evaluation by drawing together the evidence from earlier chapters.

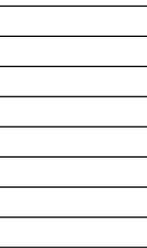
Chapter 13 sets out the recommendations for a new section two of the RSR to be introduced in.

Annex A: The Shadow RSR

Annex B: The Evaluation Form

Annex C: The interview structure

Annex D: RSR data comparisons: current RSR versus Shadow RSR



2. The Shadow RSR

The Shadow RSR is essentially an outcome of the Definitions of Ownership project. The assessment of actual tenurial and leasing arrangements in which RSLs are involved and the relative importance of emerging arrangements indicated that the basis for reporting in the RSR would ideally be based on management responsibilities. It was not possible to recommend that a definition based on management should be adopted, however, because of the wide variation in the terms of tenurial and leasing arrangements. As we could not identify any uniform transfer of responsibilities within these arrangements, a meaningful definition would be difficult to devise and even then the approach would compromise existing regulatory accountability and fail to ensure more accurate RSL data.

In light of this finding, the focus of the project, to some extent, shifted towards improving the approach of the RSR in addition to its definitional basis. The objective was to establish how the actual scale and nature of RSL management activity could be reflected in more detail in the RSR. In effect we were trying to achieve an approach that reflected both ownership and management responsibilities rather than ownership or management activities. The approach also aimed to reflect the realities of management by BME RSLs and within group structure arrangements where stock is often managed as owned (in practice all responsibilities for the property are transferred).

In recommending this approach, it was important that any changes to the RSR did not increase the burden of information on RSLs in the long term as this burden was already unanimously felt to be too onerous. Indeed, every effort was made to try to lessen the burden. While it was not possible to omit any of the information requested in section two, it was felt that the overall impact of the exercise in terms of resources could be lessened by creating a simpler approach and one that was proportional to the level of information actually needed by the Corporation. This approach also had the potential to produce information that could be used internally by RSLs.

THE RSR SYMPOSIUM: DRAFT SHADOW RSR

The findings of the Definitions of Ownership Project Phase II, recommendations, a draft Shadow RSR and notification of the Shadow RSR survey were presented to RSLs at the Housing Corporation's RSR symposium in London, February 2000. The draft Shadow RSR had been structured in accordance with the main recommendations resulting from the Definitions of Ownership project. The form aimed to achieve a balance between the needs of the RSLs interviewed during the earlier project and the Housing Corporation's data needs from the form. The main changes in the approach adopted were:

- **A change in the definition of ownership**

- a. *Self contained and shared housing stock*

The current RSR defines rental stock as owned where: *'the social landlord owns the freehold, or leases of 30 years or more (original term)'*.

In line with this definition, RSLs are required to provide the full range of information requested on all stock owned by them, regardless of whether they directly manage that stock or not. The basis for this responsibility comes from the requirement to monitor managing agents in the Performance Standards (Performance Standard B5: 'Performance Standards for registered social landlords' Housing Corporation. 1997).

Although the basis of reporting was to remain ownership as the 'least worst' option, the 30 year lease term was seen as inappropriate. Instead it was recommended that *the lease term should be reduced to 21 years (original term)* to bring it into line with the legal approach.

No big shift in data was anticipated as a result of this change as we had found that the majority of leases are either very long or very short. The anticipated benefit of the change was two fold.

- i First, it reflects the transfer of full rights over a property that a 21 year lease legally conveys so where a RSL is legally the landlord to a tenant, they are now responsible for the data for that property.

ii Secondly, the earlier research had highlighted that some RSLs spent a disproportionate amount of time agonising over how to include certain stock. Often this was stock held on leases of between 21 and 30 years. Although the numbers of these units are small, it is anticipated that the shorter lease length will reduce the time RSLs spend deliberating over the RSR.

b. Supported housing

The current RSR defines ownership of supported housing units differently to general needs even though they are reported as a subset of the total stock in ownership according to the definition used above. In the current RSR supported housing is defined as owned where the RSL: *'holds the freehold (and has not granted a lease of more than two years) or holds a lease of at least two years (original term)'*.

As a result of this subset approach, supported housing reported as owned in the current RSR represents not only a subset of units owned but also a subset of units that are otherwise reported as managed on behalf of others because they are held on a lease of less than 30 years (original term).

Although this dual definition approach was identified as a major cause of confusion and inaccuracy in the data returned, different management practices in supported housing seemed to justify its retention. This is because, in the case of supported housing leases, they were generally much shorter and the use of management agreements was much more widespread.

As a result, no change to the definition of ownership for supported housing was recommended because this would not meet the objective of reflecting RSL activities more accurately. At the same time, the problems caused by the duality of the definitions remained a concern and subject to continuing discussion as the Shadow RSR developed.

In line with this, the definition of ownership for supported housing that was utilised in the draft Shadow RSR was the *same as that used in the current RSR* with no amendments.

• **Ownership and management of social housing**

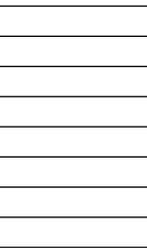
In the draft Shadow RSR two matrices, or tables, Parts A and B, were included up front to provide a comprehensive overview of all stock directly managed, sub categorised by ownership and management and then property type. Housing owned and managed was divided between the tables on the basis of whether it is subject to the Social Housing Standards (Part A) or not (Part B). Parts A and B do not actually increase the amount of information requested in the RSR but instead consolidates information currently requested in Parts B, F, G, J and K.

The impetus for the inclusion of these matrices was threefold:

- i First, they would provide a overview of an RSL's total housing management activity. This is difficult to picture in the current RSR because ownership and management information is dispersed throughout the form.
- ii Secondly, by drawing this information together to provide a total picture, it was anticipated that Parts A and B would improve the flow of information throughout the constituent Parts of section two and contextualise the more detailed information given about this stock in the individual Parts.
- iii Thirdly, the matrices would make the Housing Corporation's needs more transparent. They would facilitate a distinction between stock for which the Housing Corporation requires more detailed management data (the social housing standard stock) and that for which basic information is sufficient (non-social housing standard stock and activities). Again, this would effectively reduce the burden of information by making the level of information required proportional to the Housing Corporation's core regulatory requirements. At the same time it would enable the Housing Corporation to fulfil its aims of regulating a diverse sector.

• **Non-social housing and other activities**

A third matrix or table, Part D, was included in the draft Shadow RSR in line with the recommendations. A wide variety of RSLs thought



there was a need to reflect activities that are important to the business streams of RSLs. These are not a concern of the current RSR because its remit is unit based. This was felt particularly important to contextualise information that the current RSR does concern itself with, such as staffing details and resulting staff ratios. It was agreed by the Housing Corporation that this information would be valuable for the lead regulator, not only in providing a better understanding of each RSL on paper, but also by preventing unnecessary enquiries to the RSL that could, in themselves, be time consuming for both parties. Another justification for the inclusion of the table was the emerging policy response to the 'Regulating diversity discussion paper' (Housing Corporation. 1999).

The table represented an addition to the RSR form. However, it was felt that the findings of the research justified its inclusion in the light of the objective to reflect RSL activity more accurately and respond to the needs of RSLs, as well as to those of the Housing Corporation. This was despite the fact that it went against the objective to reduce the burden of the form for RSLs by requesting additional information.

The resulting table requested three levels of information about 'diversity':

- i First, whether the activity was non-social housing stock related, such as market rent activity, or whether it related to a service such as domiciliary care provided independently to stock of another RSL or organisation.
- ii Secondly, in order to show how important these activities are to the RSL, the table asked for information about activities accounting for more than 5% of turnover. For each activity, RSLs were requested to indicate the proportion of their gross turnover accounted for by each activity.
- iii Thirdly, the table asked RSLs to indicate whether the services were provided within a group structure, to other RSLs, local authorities or other organisations. This information aimed to highlight the extent to which RSLs are engaged with other sectors as well as with each other.

- **General needs and supported housing (not self-contained and shared)**

In the first instance, the current RSR collects information about stock owned on the basis of whether the stock is self contained or shared housing. Only then is supported housing distinguished as a subgroup of information. We found this approach to be flawed.

During the course of the research it became evident that one of the main burdens of the RSR process is that there is no added value involved for the reporting RSL. The majority of RSLs have distinct management policies and staff for general needs and supported housing on a separate basis. As a result, they also report internally on general needs and supported housing on a separate basis. This means that the data currently requested for the purposes of completing the RSR form have to be cobbled together from information systems that hold information on the basis of general needs or supported housing. Once the data have been extracted for the RSR it is generally not used internally for any other purpose despite the amount of resources involved in producing it. In most cases the RSR was viewed as a one-off event that had to be carried out but did nothing to assist the RSL in any way.

The researchers acknowledged that the RSR data would be more meaningful for RSLs if it were reported on the basis of general needs and supported housing. However, this would produce a four way split of data if it were still necessary for the Corporation to have data on a self contained and shared housing split. Following discussions with the Housing Corporation it was decided that they could be flexible on this point. The effect of taking this approach would be less detail on stock owned by unit type but more detail on stock by client type instead.

In line with the objectives of the research, the change of approach would fulfil the requirement for the RSR to reflect operational realities more accurately. The change in approach also fulfils the objective of lessening the burden of the RSR exercise by adding extra value to the data reported, as it is anticipated that the RSR data could then be used internally on a wider scale.

There would, however, be a direct impact on the nature of data contained in the RSR database. The ability to compare data on a time series basis would be affected and would need to be reviewed.

The general needs / supported housing approach manifested itself in a number of ways in the draft Shadow RSR produced:

- a) in the housing and management matrices;
- b) in detailed management information currently contained in Parts B: self contained housing, Part F: shared housing. Because a different definition applies to supported housing, a subset of information continued to be required;
- c) in lettings data which is currently on the basis of self contained and shared housing;
- d) in stock by local authority area, Part N.

- **Managed as owned**

While it was our conclusion that responsibility for reporting on the performance of stock in the RSR should continue to be based upon ownership, group structures and BME RSLs were identified as special cases. This was because of the inextricable link between the data returned in the form and the publication of performance information. RSLs in group structures, and to a lesser extent, BME RSLs, manage large amounts of stock that is not legally owned by them but is managed as owned. In the case of group structures, ownership is seen to rest with the group as a whole rather than being tied to individual members. In the case of BME RSLs ownership is inferred where stock is being managed pending its transfer into their ownership. Continuing to use ownership as the basis of management does not fulfil the objective of reflecting operational realities in these cases, particularly the reality of management practices within group structures.

In order to reflect this situation within the RSR and also provide contextual information for data in other Parts, the use of an Annex was recommended that could be elective or triggered by a question within the main form.

A 'Managed as Owned' annex was included in the draft Shadow RSR. This requested the total

number of units managed in this way on behalf of others according to whether they were: general needs or supported housing; subject to the social housing standards or not; and whether they were managed within a group structure, were units pending transfer into ownership from another RSL or other (catch all).

- **Reordering of parts**

The fact that the Parts in the current RSR skip between subject area was identified as a weakness in the form that made it difficult to cross reference between Parts for the purposes of ensuring that the data returned are accurate. The actual way in which completion of the form is often administered by RSLs, where different people are responsible for completing different Parts which do not run concurrently in the RSR also accentuated this problem of inconsistency. As a result we recommended that the Parts be reordered to improve the flow of information through the form.

Table 2.1: Draft reordering of the flow of information

The inclusion of the new ownership and management matrices provided a basis for improving consistency, as all data could be cross referenced back to the totals included in this overall picture. In addition, the ordering was changed to group data into like subject areas. As a result the draft Shadow RSR was re-ordered as indicated in Table 2.1. This aimed to group Parts in the following subject areas: housing owned and managed; lettings; rents; maintenance; acquisitions and developments; sales; local authority breakdown (includes all previous); and staff.

RSR SYMPOSIUM: FEEDBACK FROM RSLs

The RSLs present at the symposium were asked to discuss the draft Shadow RSR in one of four themed workshops. The themes were:

- 1 Diversity;
- 2 Rents;
- 3 Supported housing; and
- 4 Performance indicators.

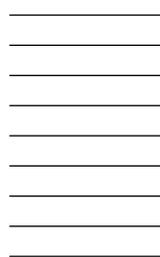


Table 2.1: Draft reordering of the flow of information

Subject area:	Current RSR part	Draft Shadow RSR part
Paid Staff and Governing Body	A	R
Self Contained Rental Stock	B	E (general needs) F (supported housing) (also matrices: A and B)
Sales Transfers and Demolitions	C	M
Self Contained Unsold Developments	D	P
Self Contained lettings	E	G (general needs/ supported housing)
Hostels and Shared Housing	F	E (general needs) D (supported housing) (also matrices: A and B)
Supported Housing Client Groups and Rents	G	H
Acquisitions and Developments	H	N
Housing Stock Built, Acquired or Rehabilitated Without Public Subsidy	I	O
Stock Owned by Others and Managed by You	J	– (matrices: Parts A and B)
Ownership and Management of Shared Ownership Dwellings (also matrices: Parts A and B)	K	K
Rent and Service Charges	L	I
Services to Tenants and Leaseholders	M	L
Housing Stock by Local Authority Area	N	Q
Average Weekly Rents and Service Charges	–	J
Housing and Management Matrices: SHS	–	Part A
Housing and Management Services: NSHS	–	Part B
Non-Social Housing Stock and Other Services	–	Part D
Stock Managed as Owned	–	Part S (Annex)

The draft Shadow RSR presented contained the following developing Parts:

- Part A—Stock to Which Social Housing Standards Apply: Ownership and Management Activity
- Part B—Stock to Which Social Housing Standards Do Not Apply: Management and Ownership Activity
- Part C—Information About the Stock Owned and Managed by You
- Part D—Turnover on non Social Housing Stock and Other Services
- Part E—General Needs Stock in Ownership
- Part F—Supported Housing in Ownership
- Part G—Lettings
- Part H—Supported Housing Client Groups
- Part I—Rents and Services Charges
- Part J—Average Weekly Net Rents and Service Charges (excluding supported housing) by Local Authority Area (same as in the current RSR)
- Part K—Ownership and Management of Shared Ownership Dwellings and Freehold Interests
- Part S—stock included in another RSL’s RSR that is not owned by you, but which you manage within a group structure, pending transfer or as if it is owned.

The following remainder of Parts were to remain unchanged, except by Part title:

- Part L—Services to Tenants and Freeholders
- Part M—Sales, Transfers and Demolitions
- Part N—Acquisitions and Developments
- Part O—Stock Built/Acquired/Rehabilitated Without Public Subsidy
- Part P—Unsold Developments
- Part Q—Stock by Local Authority Area
- Part R—Staff

The proposed Annex: Part S was introduced in the draft form to provide information about:

- Managed stock to which Social Housing Standards apply: Rented Stock.
- Managed stock to which Social Housing Standards do NOT apply: Rented Stock

The overall general response to the changes

made in the Shadow RSR was positive, albeit understandably cautious.

The delegates on the day were split in their opinion about the Shadow RSR, as to whether it should:

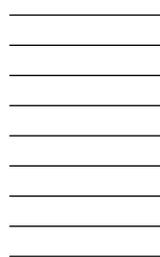
- i. require a simpler approach (lessen the burden of information); or
- ii increase the information requested to provide more accountability.

This divide mirrored the tensions that had been identified in the earlier projects—that RSLs want the RSR data to reflect their true operational realities whilst keeping the data requirement to a minimum.

RSLs reiterated that minimising the burden of information must remain an objective of the ongoing project although an increase in the burden in some areas could be legitimised where that information would result in a more accurate account of the operational reality of RSL activity. Some particularly relevant themes emerged from the workshops that provided the basis for further discussions about the developing Shadow RSR. These were:

The new Parts

- a) *Ownership and management matrices*
RSLs’ reactions to the matrices at Parts A and B were generally positive. However, there were some practical issues arising from the discussions that would impact on the contents of the matrices. Most notably, the relationship between the Ownership and Management: Non Social Housing Standard Social Housing matrices (Part B) and the Non Social Housing and Other Activities table (Part D) required clarification.
- b) *Non-social housing and other activities table*
RSLs had interpreted the function of Part D in two distinct ways. First, Part D should only include those services that had not been included in the Non Social Housing Standard Social Housing matrices to enable regulating diversity. This was the correct interpretation. Secondly, RSLs thought Part D should include the turnover of only those activities included in Part B.



It therefore became evident that the relationship between the ownership and management matrices and the other activities table would need to be made very clear both in the form and its Guidance Notes.

There was also discussion as to whether gross turnover or net turnover would be the most appropriate measures of the proportionality of these activities.

c) *Managed as owned annex*

RSLs remained most uncertain about the Managed as Owned matrices. Greater transparency and more appropriate contextual information were considered to be the benefit of the Annex. However, the main message, particularly from BME and group structure RSLs was that the Annex would need to go further and ask for more information. The fact that the Annex should reflect the proportion of staff involved in each activity was of particular importance to these RSLs.

As alternatives to the Annex, suggested methods of collecting information from group structures were: the use of a Group RSR or a change in the rules so that a whole group could be recognised as one association.

Supported housing

RSLs felt that the changes that we had made to the method of reporting—to general needs and supported housing—meant that it was desirable to harmonise the definitions of ownership for Supported Housing Client Groups with those used for other Parts in the new form.

Rents

RSLs proposed that the property sizes used to report rents should be expanded to include property sizes beyond 4+ bed properties. This would provide more meaningful data and allow more relevant comparisons between RSLs, as the current method resulted in comparisons of rent levels of RSLs with only four bedrooled properties with those that have five, six and seven bedrooled properties.

RSLs also felt that new developments should be stripped out of the total rental stock figure used for the calculation of the rental increase before the calculation is made.

The distinction between self contained and shared housing in rents data was not a popular one. RSLs would prefer to report on all rents instead.

Definitions

It was clear that robust Guidance Notes and definitions would be essential to the success of the resulting Shadow RSR. In particular, the need for better definitions was clear from all discussions that took place. Those terms that would require defining clearly or more clearly in the Guidance Notes to the resulting Shadow RSR were:

- a) What stock should be included as social housing/social housing standard/non social housing standard/and other.
- b) Ownership/management/and managed as owned.
- c) General needs and supported housing.
- d) Group structure.
- e) Sheltered housing—which is seen to sit uneasily between general needs and supported housing and requires clarification.

THE RESULTING SHADOW RSR: THE SURVEY SHADOW RSR

A survey Shadow RSR was finalised taking account of the feedback from the symposium discussions, further discussions with the Housing Corporation and other stakeholders and the emerging policy for 'Regulating a diverse sector'. When designing the Shadow RSR it was important that it could function effectively as a research tool for the project whilst providing a clear and workable example of the latest thinking on each issue. The resulting Shadow RSR embodied the following changes or additions that made it distinct from the current RSR:

- Modified definition of ownership applicable to ALL stock
- Differentiation between stock that is subject to the Social Housing Standards and that which is not for the level of detail required
- General Needs and supported housing basis for reporting
- Ownership and management matrices: ALL housing
- Consolidation of existing questions
- Change in the ordering of Parts
- Table of Other Services provided
- Additional information: to facilitate comparisons between the current RSR and Shadow RSR databases and collect information on 'Stock Managed Pending Transfer'
- Revised definitions and Guidance Notes
- Adoption of an overarching 'Group RSR' to facilitate reporting on a group basis IN ADDITION to individual RSR forms.
- Supplementary question about Section Nine transfers to clarify the distinction between ownership and management.

Because the project required the data returned in the Shadow RSR to be comparable with the current RSR, it was necessary to retain the self contained and shared housing approach in addition to the general needs and supported housing split adopted. As a result the burden of information was increased for the purposes of the survey. The intention in a final version of the form was, however, to reduce this burden below the current position. This was made evident in the supporting documentation that was provided to RSLs participating in the survey.

The proposed fundamental changes made to the current RSR in the form of the Shadow RSR are discussed individually in detail in the following chapters. A copy of the Survey Shadow RSR can be found in Annex A.

THE SHADOW RSR SURVEY SAMPLE: HOW THE RSLs WERE SELECTED AND RESULTS ANALYSED

Shadow RSR

The selection of the 125 RSLs to which the Shadow RSR would be sent was based on a number of criteria. A fundamental objective when setting up the sample was to include as many as possible of the 80 RSLs that had participated in earlier stages of the research. As these RSLs had been interviewed at depth about their experiences of the RSR we would be able to ascertain whether the Shadow RSR had been successful in resolving some issues of concern and improving the RSR experience. Although all of these RSLs were asked to participate in the project, 26 were unable to assist us. As a result, 54 were included in the final sample of RSLs that completed and returned Shadow RSR forms.

Those RSLs that had been involved in earlier projects had been selected to produce a representative (but not statistically valid) cross-section of RSLs by size, type, activities and managerial structures. Other factors such as the accuracy of data previously returned in the RSR and comments and queries about the RSR to the Housing Corporation had influenced which individual RSLs were selected to represent each subset of the RSL population. This approach was adopted again when selecting the remaining 45 RSLs asked to participate. As a result of the findings of the previous project it was particularly desirable to ensure that group structures, BME RSLs, LSVT RSLs and small non-developing RSLs were adequately represented during this stage of the research. The grouping of RSLs during the selection process is shown in Table 1.1.

A total of 180 RSLs were approached to participate in the project and from these we received 107 completed Shadow RSR forms. Because we had asked parent RSLs of group structures to complete an additional 'Group RSR', which would incorporate information for all registered group members combined, the total number of individual RSLs participating in the research was, however, lower than this. Table 2.2 shows that the total number of RSLs that participated in the research was 97, the

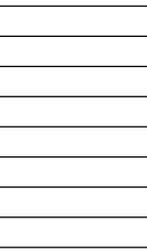


Table 2.2: **Shadow RSR sample**

RSLs by type	Shadow RSR forms returned	Analysis of Shadow RSR data	
		Groupings	Total
<i>Group structures</i>			
Amalgamated group forms	10	10	10
Parent RSLs of group structure arrangements	18	51	51
Subsidiary RSLs of group structures	33 (1*)		
<i>General needs housing</i>			
Very large stock or complicated structure	7	7	7
More managed than owned stock	4 (3*)	4	4
Managed stock only	1	1 (1)	2
<i>Supported housing</i>			
Generally	3	3 (1)	4
Large amount of managed stock (small owned)	1	1	1
Small amount of stock (owned and managed)	1	1	1
Large amount of stock (owned and managed)	3	3 (1)	4
<i>Shared ownership</i>			
	1	1 (3)	4
<i>Private sector involvement</i>			
	1	1 (1)	2
<i>Large Scale Voluntary Transfer RSLs</i>			
	4	4 (3)	7
<i>Non-developing RSLs</i>			
	5	5	5
<i>Others</i>			
	15 (2*)	15	15
Total	107 (6*)	107 (10)	117

Figures in brackets: (*) indicates the number of BME RSLs. () indicates the number of subsidiary RSLs that were included as both group members and examples of specific RSLs during the analysis.

additional 10 forms being the amalgamated Group Shadow RSRs.

The inclusion of group structures in the sample accounted for a large proportion of the total number of RSLs but was necessary to address the concerns raised by RSLs with respect to these arrangements in the earlier project. It was always an intention that during the analysis some subsidiary RSLs in the participating group structure arrangements would also be categorised individually to boost the sub-groupings. For example, a subsidiary of a parent in a group arrangement that specialises in supported housing would be included as both a group subsidiary and a supported housing RSL in the analysis of our results. This was not the case with all subsidiaries but those that we felt were typical

examples of a grouping in their own right that would have been chosen to represent a typology had they not been a subsidiary association. The resulting stratification in terms of the analysis of returned forms is shown in Table 2.3.

Evaluation forms

Unfortunately we did not receive completed Evaluation Forms from all of the RSLs that had returned completed Shadow RSR forms. Table 2.3 shows that a total number of 75 Evaluation Forms were returned by RSLs and how these RSLs had been grouped for the purposes of the analysis.

Table 2.3: **Evaluation forms**

RSLs by type	Evaluation forms returned	Analysis of evaluation form responses	
		Groupings	Total
<i>Group structures</i>			
Amalgamated group forms	4	45	45
Parent RSLs of group structure arrangements	11 + 3**		
Subsidiary RSLs of group structures	27		
<i>General needs housing</i>			
Very large stock or complicated structure	3	3	3
More managed than owned stock	2 (1*)	2	2
Managed stock only	0	0 (1)	1
<i>Supported housing</i>			
Generally	3	3 (1)	4
Large amount of managed stock (small owned)	1	1	1
Small amount of stock (owned and managed)	1	1	1
Large amount of stock (owned and managed)	2	2 (1)	3
<i>Shared ownership</i>	1	1 (3)	4
<i>Private sector involvement</i>	1	1	1
<i>Large Scale Voluntary Transfer RSLs</i>	3	3 (2)	5
<i>Non-developing RSLs</i>	5	5	5
<i>Others</i>	9 (1*)	9	9
Total	75 (2*)	75 (8)	83

Figures in brackets: (*) indicates the number of BME RSLs. () indicates the number of subsidiary RSLs that were included as both group members and examples of specific RSLs during the analysis .

** Evaluation Forms were received from three RSLs that had not returned completed RSR forms but had worked through the Shadow RSR in a theoretical exercise.

Interviews and case studies

The original aim of the project was to interview 40 RSLs that had completed the Shadow RSR to obtain more detailed feedback. A total of 47 RSLs were selected on a number of criteria:

- inclusion of a proportion of those that were involved in the original project, to ensure that the Shadow RSR had addressed their existing concerns about the RSR;
- errors made when completing the Shadow RSR;
- helpline contact;
- Evaluation Form comments.

a) Case studies

The project aimed to look in detail at the data returned in the shadow and current RSR forms in a series of case studies that would draw

comparisons between the two and examine the reasons for discrepancies. It was decided that utilisation of the sample of RSLs to be compared would serve to enhance the interviewing process and provide added value to both aspects of the research. As a result, the RSLs that we had originally selected to be interviewed also formed the sample for the case study stage.

Case studies consisted of cross checking data returned in the current RSR with that returned in the Shadow RSR. Any discrepancies of data, which were not a direct result of the change in definition of ownership, were raised with the RSL, if they were part of our interview sample as specific issues. Questions relating to the shift in data were discussed before commencing with the main body of the interview.

b) Interviews

We had intended that the sample of RSLs would again be boosted by the inclusion of RSLs that were subsidiaries of group structures as individual RSLs too. In effect, from one interview with a group structure we were intending to elicit not only a group response but also individual responses where these were different. Because in reality RSLs in group structures often have centralised information and research functions, one person had often completed Shadow RSR

forms for all individual subsidiaries as well as the parent. As a result, it was not possible for us to boost our sample by interviewing separate individuals from each group subsidiary, as was the intention. For the purposes of the analysis, 24 RSLs have been included, with six subsidiary RSLs additionally included where views within a group structure arrangement were different to that of the parent. Table 2.4 shows how the final interview sample relates to the original sample chosen.

Table 2.4: **Case study and interview samples**

RSLs by type	Original case study and interview sample	Case studies			Interviews	
		Case study comparisons done	Analysis of case studies groupings	total	RSLs interviewed	Groupings for the analysis of interviews
<i>Group structures</i>						
Parent RSLs of group structure arrangements	5	3	20	20	4	5 (+6 subsidiaries)
Subsidiary RSLs of group structures	20	17			19	
<i>General needs housing</i>						
Very large stock or complicated structure	4	4	4	4	3	3
More managed than owned stock	3 (2*)	3 (2*)	3	3	2 (1*)	2
Managed stock only	0	0	0	0	0	0
<i>Supported housing</i>						
Generally	1	1	1	1	1	1
Large amount of managed stock (small owned)	0	0	0	0	0	0
Small amount of stock (owned and managed)	0	0	0	0	0	0
Large amount of stock (owned and managed)	2	2	2 (1)	3	2	2 (1)
<i>Shared ownership</i>	1	0	0 (3)	3	0	0
<i>Private sector involvement</i>	1	1	1	1	1	1
<i>Large Scale Voluntary Transfer RSLs</i>	2	2	2 (2)	4	2	2 (2)
<i>Non-developing RSLs</i>	2	2	2	2	2	2
<i>Others</i>	6	6	6	6	6	6
Total	47	41 (2*)	41 (6)	47	42	24 (3)

Figures in brackets: (*) indicates the number of BME RSLs. () indicates the number of subsidiary RSLs that were included as both group members and examples of specific RSLs during the analysis.

3. The definition of ownership

A. WHAT WE ASKED FOR: CHANGE IN THE DEFINITIONS OF OWNERSHIP

1. A revised definition of ownership for general needs and supported housing

The Shadow RSR adopted a revised definition of ownership as recommended by the previous research. Lowering the qualifying lease term from 30 years to 21 years (original term) was justified in the case of general needs because of the identified tendency for properties considered legally owned to be included as owned in the RSR regardless of the existing guidance.

The previous research had found that having two definitions of ownership: one for general needs housing (leases of 30 years or more) and one for supported housing (leases of 2 years or more), was confusing for RSLs. Even so, the benefit of gaining a better picture of supported housing activities was thought to outweigh the problems caused by the confusion. In discussions that followed with both RSLs and the Housing Corporation it was, however, considered more desirable to re-harmonise the two definitions in the Shadow RSR. The impetus for this was the fact that proportionally the extra activity captured by the lower lease length did not justify the additional confusion to RSLs when completing the form. The change in the approach of collecting information on the basis of general needs and supported housing rather than self contained and shared housing also called for a unified definition of ownership to ensure that additional Parts were kept as simple as possible. The lowering of the lease length to 21 years in the definition would, however, reduce the impact on the data set of this shift.

In the Shadow RSR RSLs were required to include ALL:

- stock that is owned freehold, or on a lease of 21 years or more (original term).
- stock for which you have granted a lease of less than 21 years to another body.

B. WHAT WE GOT: REVISED DEFINITION OF OWNERSHIP

1. Changes in data resulting from the change in the definitions of ownership

Comparisons were made between like totals from the current and Shadow RSR databases in order to assess the implications of changes made in the form on the continuing RSR data set and time series data. Where discrepancies in data occurred, it was important to ascertain whether these were indeed a direct result of changes made in the Shadow RSR form or whether they had resulted from other factors. The case study comparisons discussed below were important in assessing these factors.

Shadow RSR data

The anticipated changes in the number of total stock data returned (including supported housing) as a result of the change in the qualifying lease term for ownership were:

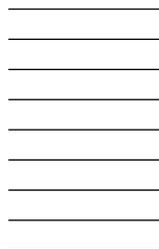
- increase in the number of units owned where units were held on between 21 and 30 year lease terms;
- reduction in the number of units owned where units were leased to others on between 21 and 30 year lease terms;
- reduction in the number of units reported as managed as owned.

1.1. Self-contained units owned

i) Increase in the number of units owned:

Our initial comparison showed that in 22 cases the total number of units owned had increased in the Shadow RSR. Of these 22 RSLs, seven had been interviewed for the case study stage of the research. Only two of these had larger number of owned units in the Shadow RSR than the current RSR as a direct result of the change in the definition.

Of the remaining five RSLs, three had made mistakes in the current RSR and were confident that the Shadow RSR numbers were more



accurate because the figures had been revisited. The remaining two RSLs had made mistakes when completing the Shadow RSR. One had included void units into their total twice by mistake and the other had failed to notice the instruction to complete the form as at the 31 March 2000. Instead the RSL had completed the form at 30 June 2000 and had sold some stock in the intervening period.

A comparison of the remaining 15 current and Shadow RSR forms, where the Shadow RSR had higher numbers of units owned than the current RSR, revealed that for eight Shadow RSR forms there was no obvious reason for the increase in the number of units reported. We are assuming that the increase in the number of units owned is due to the change in definition. Four RSLs had not carried their totals figures forward to Part C of the Shadow RSR from where the analysis was taken. On closer inspection, there was in fact the same number of units. Finally, two Group Forms had recorded no stock in their current RSR forms but had included this stock in the Shadow RSR, while one form was incorrectly completed.

ii) Decrease in the number of units owned:

Eighteen RSLs had lower numbers of self contained units owned in the Shadow RSR compared with the current RSR and half of these had been interviewed for the case studies. The discrepancy in five of these was a result of RSLs failing to carry their totals figures forward from Parts A and B to the questions from which the data for the comparisons were drawn in the Shadow RSR (Part C). In all cases the full number of units were recorded correctly in Parts A and B of the Shadow RSR.

Two RSLs had made mistakes in the current RSR that had been rectified in the Shadow RSR, such as units reported as owned when they should have been included as managed, resulting in discrepancies. Similarly, the remaining two RSLs had made errors in the data provided in the Shadow RSR form rather than in the way that it had been completed, resulting in the lower numbers of units. One RSL had omitted 16 staff units because they were unsure of where they should go. Another RSL had made errors when

reporting ownership and management as a result of the complex inter-group arrangements to which they were party to.

The remaining nine RSLs' current and Shadow RSR forms were examined in closer detail. Three RSLs had an unexplained decrease in the number of self contained units owned, which we assume to be a result of the change in definition. Of the remaining four RSLs, three had not carried forward their totals to Part C of the Shadow RSR. If they had, the figures would have been the same, resulting in no change, while one RSL had incorrectly completed the Shadow RSR.

1.2. Shared housing bedspaces owned

i) Increase in the number of bedspaces owned:

There were more shared housing bedspaces recorded as owned in the Shadow RSRs of 24 RSLs when compared with the current RSR. Ten of these had been interviewed in case studies and in the majority of cases (6), the numbers reported were actually the same but totals had not been calculated correctly in the Shadow RSR.

Three of the outstanding four RSLs had omitted units from the current RSR completely that were included in the Shadow RSR as a result either of the way that the data were collected or clarification in the Guidance Notes. Conversely, the remaining group RSL had incorrectly included units as owned in the Shadow RSR that should not have been included because they are owned by a subsidiary association.

Further analysis of the comparisons highlighted that 11 of the remaining 14 RSLs had no increases in the number of shared housing bedspaces owned. Data inputting error of the Shadow RSR form had caused this mistake. Of the remaining three RSLs, two had incorrectly completed their Shadow RSR forms while the third, a group parent, had recorded no stock owned on the current RSR form but had included stock owned by subsidiaries on the Shadow RSR form.

ii) Decrease in the number of bedspaces owned:

Twenty one RSLs had included fewer shared

housing bedspaces as owned in the Shadow RSR than in the current RSR. Eleven of these had been interviewed during the case study stage of the research. Again it was found that in six of these cases the total numbers owned were in fact the same. The discrepancy had resulted from the failure to calculate totals from subtotals figures correctly. Two RSLs could not provide us with a breakdown of their owned bedspaces to enable us to ascertain the reason for the discrepancy.

Only in one case had the change in numbers been a direct result of the change in the definition of ownership with 75 shared housing bedspaces held on a ten year lease recategorised as managed rather than owned.

Nine of the remaining 10 RSLs had in fact not experienced a decrease in the number of bedspaces owned. Although analysis of the data highlighted discrepancies between the current and Shadow RSR forms, on closer examination the two remained the same. Five differences occurred because of data inputting error and totals were the same as in the current RSR. Four RSLs recorded bedspaces under 'other' in Part B and while this is correct, the data did not show up on analysis. Finally, one RSL had a decrease in owned bedspaces with no obvious reason we assume it to have occurred due to the change in definition.

1.3. Self-contained units managed on behalf of others

- i) Increase in the number of units managed on behalf of others:

In the case of 19 RSLs, the number of managed self contained units increased. Seven of these RSLs had been interviewed in the case studies.

In two of the case studies the totals were actually the same in both forms and had differed in the comparison because the Shadow RSR had not been correctly completed at the point from which the comparative data was extracted. In another case the Shadow RSR numbers were incorrect because some figures had been double counted into the total. Here the totals should have also been the same in both forms.

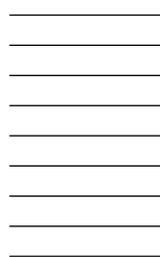
Three RSLs had reported more stock in the Shadow RSR because incorrect data had been used in the current RSR. One RSL had always felt uneasy about including self contained supported or shared general needs units in the form so had omitted them instead. The format of the Shadow RSR had clarified that there is no assumption in the RSR that shared housing is always supported and general needs housing is always self contained. Similarly, the second RSL had included information about a local authority managed scheme on the basis that this rent information should not be included in their rent envelope. The third RSL had omitted staff units in the current RSR because no rents were charged on them and they had interpreted the RSR to be geared towards rental stock only.

In only one case was the net increase in the number of units managed on behalf of others the result of the change in the definition of ownership. Here the RSL had included 56 supported housing units on a lease of ten years as managed in the Shadow RSR rather than .

Further analysis of both current and Shadow RSR data found that six of the remaining 12 RSLs' forms were in fact the same. The discrepancies highlighted in the data analysis resulted from two RSLs incorrectly completing the form by missing totals boxes, two were due to data inputting error and two had double counted data. A further three RSLs had completed the group parent form as not owning or managing any stock while the shadow parent form had been completed on an owned and managed basis. One RSL did have an increase in the number of units managed on behalf of others as the result of the change in definitions, while a further RSL is assumed to have a shift in the number of managed units as there was no obvious reason for the increase in managed stock. Finally one RSL had incorrect data on both the current and the Shadow RSR forms making meaningful analysis impossible.

- ii) Decrease in the number of units managed on behalf of others:

The comparisons indicated that 24 RSLs had reported less units managed in the Shadow RSR



than in the current RSR. Ten of these had been interviewed during the case study stage.

The figures should have been the same in eight cases. Discrepancies had resulted from omissions in the data returned in the Shadow RSR from two RSLs. Similarly, units mistakenly included in the current RSR resulted in discrepancies in two other cases.

In two cases the data were the same but because unit numbers for some types of properties had been collected on the basis of combined self contained and shared, they had not been extracted in the Shadow RSR total used for the comparison. One RSL had reported different data because the data used to complete the Shadow RSR were at the 30 June and not the 31 March as in the current RSR.

In only two cases were the decreases in units managed a direct result of the reclassification of stock in line with the definition of ownership. One RSL had previously reported 12 flats held on a 29 year lease as managed but they were included as owned in the Shadow RSR. Twenty seven units were also excluded by another RSL because of reclassification into ownership rather than management.

The remaining 14 RSR forms were compared. Seven RSR forms showed no obvious reason for the decrease in the amount of stock managed on behalf of others. It was assumed that the decreases in managed stock were due to the change in the definition of ownership. Three RSR forms were actually the same with differences showing between the two forms because of data inputting error. Two RSLs did not report their management activity for commercial properties on the Shadow RSR which had been included on the current. Because of inputting error (totals were not carried through to the total box) one RSL actually should have shown an increase rather than decrease in managed stock although there was no explanation in the Shadow RSR as to how this shift came about. Finally just one RSL experienced a decrease in units managed on behalf of others because of the change in the definition of ownership.

Shared housing bedspaces managed on behalf of others

- i) Increase in the number of bedspaces managed for others:

Of the nine RSLs where numbers had increased, four had been interviewed in the case studies. In three cases the figures were higher as a result of errors in the current RSR. One of these RSLs was a group structure RSL that had failed to include some stock managed between members of the group arrangement. The second RSL explained that they had made a mistake because the information is collected from three different housing managers with no way of checking the accuracy of the data provided by them. In this case a scheme had been accidentally missed out of the Shadow RSR figures. The third RSL had omitted shared general needs units in the current RSR because they had understood shared housing to be associated with supported housing.

Only in the case of one of the RSLs interviewed had the change in numbers been a direct result of the reclassification of supported housing stock held on a ten year lease and previously reported as owned in the current RSR.

A further five increases were noticed when analysing the current and Shadow RSR forms. Three of these were in fact the same and were either incorrectly completed or had a data inputting error. One form had been incorrectly completed and no meaningful analysis could take place while finally one RSL had experienced a shift from ownership to management.

- ii) Decrease in the number of bedspaces managed on behalf of others:

Three of the 12 RSLs that had lower numbers of shared housing bedspaces in management in the Shadow RSR than in the current RSR were interviewed in detail. In all three cases errors had resulted in the discrepancies between the two RSR forms. In one case both forms were incorrect and they should have reported the same number of bedspaces managed. One group RSL had missed 74 units out of their form as an oversight. They explained that these are really considered to

be neither owned nor managed. They technically manage the units on behalf of the parent RSL but do not carry out the management themselves. This indicates that in some cases there could be a trail of data passed between organisations before it reaches the owning RSL for the purposes of completing the RSR. In the third case, the current RSR contained incorrect data because the respondent had felt uneasy about including sheltered general needs bedspaces in the current RSR as owned, again because of the presumption that shared housing is in some way inherently viewed as supported housing in the current RSR.

Looking at the current and Shadow RSR forms in closer detail revealed that five RSLs experienced a decrease in the number of shared housing bedspaces managed on behalf of others. However, there was no obvious reason for these decreases and it is assumed that they were down to the change in definitions. The remaining three should have remained the same but showed an apparent decrease because of totals not being carried forward to the totals boxes.

Supported housing owned

In the current RSR, ALL stock should be included as owned and either self contained or shared or be included as managed only. It is then tested for ownership under Part G: Supported Housing as a subset of housing with a different qualifying lease term for ownership of two years or more (original term). As a result of the reharmonisation of the definitions of ownership that applied to all stock in the Shadow RSR, we expected everything owned to be included in the totals of self contained and shared housing in the Shadow RSR that have been discussed above.

To gauge the impact of the change in the definition of ownership on the number of supported housing units reported as owned in the two RSR forms it was necessary to compare the total number of supported housing units owned—self contained and shared housing bedspaces combined.

The anticipated changes in the number of supported housing units reported as owned as a result of the change in the definition of ownership were:

- Decrease in the total number of units owned as a result of the longer qualifying lease duration;
- Increase in the total number of units where units were leased to others on a lease of more than two years.

The change of definition should not have impacted on the number of units managed on behalf of others because these units should always have been included in the current RSR as managed for others where they were held on a lease of less than thirty years. The findings of data comparisons have, however, highlighted that RSLs do include supported units in the current RSR as managed on behalf of others incorrectly.

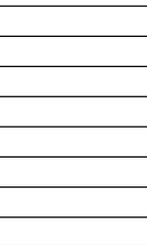
- i) Increase in the total number of supported housing units owned:

In the comparison of the two datasets, there was a net increase in the case of 17 RSLs (Annex D, Figure D.16). Four of these had been interviewed during the case study stage.

In two cases the net increase was an error. In the first of these the RSL had used unrevised data collected for the current RSR when completing the Shadow RSR and had not updated these data. The second had returned the same amount of data in Parts A and B as owned but had failed to carry this total forward in the form to the point where the data were extracted for the comparison.

In both of the remaining two case studies we found that the RSLs had reclassified sheltered housing stock as supported housing rather than general needs in the Shadow RSR, resulting in the net gain.

Comparisons were carried out for the remaining 13 RSLs who had experienced an increase in the amount of supported housing owned. Five RSLs



did not include supported housing for older people with support needs on the current RSR, but did include them in Part F6 of the Shadow RSR. A further five RSLs' supported housing remained the same between the two forms and were shown incorrectly as increasing due to data inputting error. This left one RSL with an unexplained increase and one which we attribute to the change in definition.

- ii) Decrease in the total number of supported housing units owned:

Of the 16 RSLs that had experienced a net decrease in the number of supported housing units owned, 7 had been interviewed in case studies. One increase had been the result of data inputting error and another was the result of a mistake in the current RSR. In both of these cases the data should have been the same in both RSR forms. One RSL had a lower figure because they had included staff units in the total supported housing figure in the current RSR but not in the Shadow RSR.

The remaining four RSLs had experienced a net decrease in the number of units owned as a result of the reclassification of stock as owned and managed:

- 162 units that were reported as owned but were now managed plus six units that had been missed out of the current RSR.
- 1133 units that were reported as owned but were now managed.
- 18 supported housing units on a 20 year lease now included as managed instead of owned along with 50 PFI units that were not included in the Shadow RSR total because they had not been distinguished as supported housing in the total breakdown in Part B, plus 1 unit that had been missed out of the Shadow RSR.
- *'a balance of fewer owned because they were on short leases, more owned because they were managed on short leases by others and more owned because they had omitted some units that were not owned or managed in the current RSR but had included them in the Shadow RSR'* (Large complicated RSL).

between the two RSR forms highlighted that five had experienced a decrease in the number of units owned as a result of the change in the definition of ownership, shifting units from ownership into management.

Two RSLs' data had decreased for supported housing between the two forms for no apparent reason and no explanation could be found. One RSL, due to a data inputting error, had experienced an increase in the units rather than a decrease. This increase, as above, was due to stock for older people with support needs not being included in the current RSR but being included in the Shadow RSR. Finally, one RSL attached a note to the Shadow RSR explaining that by transposing current RSR data across to the Shadow RSR, he could not make the figures reconcile.

Queries to the helpline

There was only one query to the Helpline about the definition of ownership to be used in the Shadow RSR. This was from a large RSL specialising in supported housing. The query was in relation to sheltered housing and whether stock should be included that is held on two-year leases. Therefore the crux was the change in the definition of ownership for supported housing in the form—the change from 2 year to 21 year minimum terms.

C.1. WHAT THE RSLs THOUGHT: REVISED DEFINITION OF OWNERSHIP

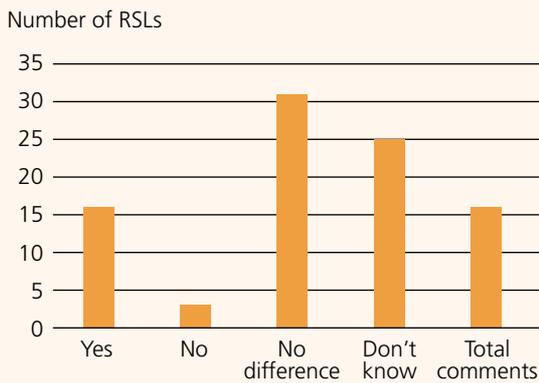
Evaluation Form responses

We included a number of questions in the Evaluation Form that sought to assess whether the change in the definition of ownership had achieved its aims by making the data reflect the level of responsibility more accurately, thereby providing a more appropriate picture of RSL activity. We also wanted to identify whether the change in the definition had caused any additional difficulties rather than solving existing problems. Seventy seven percent, or 75 out of 97, Evaluation Forms were returned.

Of the nine remaining RSLs, further analysis

Do you think that the change in the lease term in

Figure 3.1: Responses from the evaluation form: change in the definition of ownership: does the 21 year lease term provide a better reflection of the transfer of responsibilities with leases?



the definition of ownership results in a definition that provides a better reflection of the transfer of the ownership of responsibilities with leases?

Figure 3.1. shows that only 22% of RSLs responded positively to the question. The majority response, 41% of all RSLs responding, was that the change in lease terms had made no difference.

Sixteen RSLs provided additional comments. The majority of these (78%) stated that the change in definition was either not relevant to them or had made no significant change because of the current profile of ownership within their stock. Indeed this would support the findings of the earlier project—that the majority of general needs properties are indeed held freehold or on very long lease terms. This also applied to supported housing RSLs responding in this way, because their lease lengths are characteristically less than ten years and so remain unaffected by the change in the definition of ownership for supported housing. Certainly group structure RSLs felt that, while the definition did not impact on the number of units owned to any significant effect, it did nothing to disentangle the characteristically complex set of management and ownership structures common within group arrangements.

One of the supported housing RSLs included above stated that they have lease lengths ranging from 10 to 99 years in duration. The only implication of the new approach had been to shift some of these properties out of management and into ownership. As this would be part of the yearly categorisation that would have to take place for the purposes of completing the RSR form anyway, the change would not cause any additional work.

A large general needs RSL felt the revised definition would work better for them because it legitimised current practice where stock leased to others on leases of twenty five years or more are not reported by them as owned on the basis of arrangements with the RSLs to which they have transferred the stock. Instead the receiving RSLs currently report them as owned. Again, this allows the RSL to omit rent information that is essentially controlled by another RSL from their own figures.

One RSL agreed that it is right that ownership should be geared to the legal definition of a long lease. Similarly, another felt that this was a more appropriate definition of ownership although they felt that even 21 years is a long qualifying period for ownership.

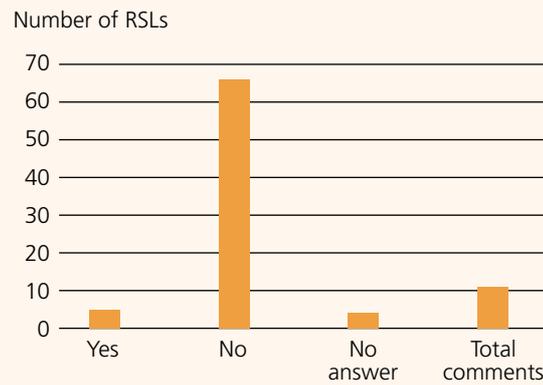
Only one RSL made reference to the mechanics of the approach by stating that their information systems do not track lease lengths.

Did the change in the lease term from 30 years (original term) or 2 years (original term) to 21 years in the definition of ownership cause any additional difficulties in determining what stock you own for the purposes of the Shadow RSR?

Figure 3.2 shows that the change in the definition would not cause any additional difficulties for the vast majority of RSLs. Only five RSLs said that additional difficulties would result from the change. These were either RSLs specialising in supported housing or those in group structure arrangements.

Eleven RSLs provided additional comments on the subject. Three of these were merely to contextualise answers by clarifying that they have

Figure 3.2: Responses from the evaluation form: change in the definition of ownership: did the change to a 21 year lease term cause difficulties determining what was owned?



no stock on lease and therefore it follows that a change in the lease length would not cause any additional difficulties. Another RSL again contextualised their answer by stating that all of the leases granted to others are less than 5 years in duration so there would be no impact on the classification of their stock.

Five RSLs made comments relating to the mechanics of the change. Four of these made reference to the need to reclassify stock on information systems and the difficulties in doing this. For one RSL the implication would merely be a change to the data queries that are used year after year for extracting the RSR data. Another RSL stated that they would have to reclassify some units currently recorded as owned by others but managed by them. Whilst they noted that this would, in some cases, require retrieving information relating to lease length from archived material, they did not consider the task unduly onerous given the small numbers involved. For one supported housing RSL, however, the task would be more onerous. They have over 800 units on leases of between 21 and 30 years. They knew that they were all over two years in duration for the purposes of reporting supported housing owned in the current RSR but were unsure how many are leases of 21 years or more. They do not have computer systems in place to provide them with this information so for the

purposes of the Shadow RSR their legal department had to trawl through lots of paperwork in an off site storage area to get the relevant details.

One RSL stated that they had ignored the change in lease length when completing the Shadow RSR because they couldn't easily measure the change required. As a result the data returned in the Shadow RSR is unlikely to reflect any modifications in stock numbers. Similarly, a comment received by another RSL indicated that the data returned in their form was not returned in line with the objectives of the research. Here they had continued to define owned stock as that on leases of 30 years or more.

Did you experience any difficulty determining whether stock in your management should be included in the Shadow RSR as owned or managed? Did you have the same difficulty when completing the current RSR 2000?

As figures 3.3 and 3.4 show, 16 RSLs (21%) had experienced difficulties with this element of the Shadow RSR. Only eight of these, however, had experienced the same difficulty when completing the current RSR. This would seem to indicate that to some extent the Shadow RSR had created new problems.

Figure 3.3: Responses from the evaluation form: change in the definition of ownership: difficulty in determining owned or managed stock in the Shadow RSR

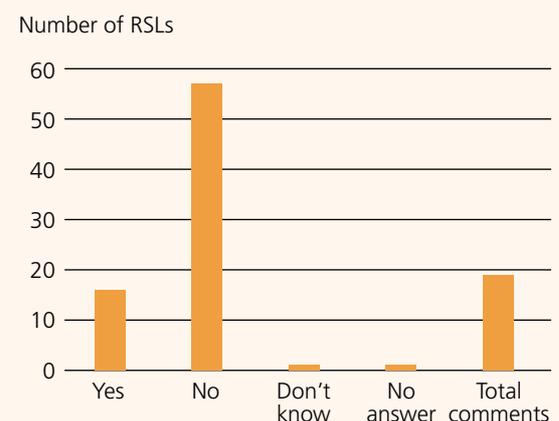
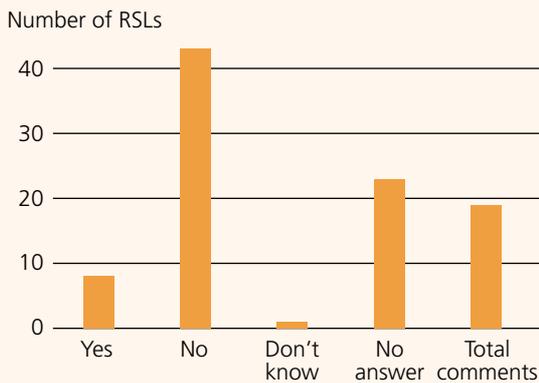


Figure 3.4: Responses from the evaluation form: change in the definition of ownership: difficulty in determining owned or managed stock in the current RSR 2000



Nineteen RSLs provided additional comments on the issue of distinguishing between ownership and management. Some of these comments reiterated difficulties outlined in the earlier question. These were related to the need to reclassify stock on information systems, data queries and the additional manual input required in some cases. These would therefore not be long-term issues with the change in definition but a short term cost of the change in the data required.

Four RSLs had contextualised their answers by stating that they do not manage any stock on behalf of others or explaining how they had categorised their stock.

The real difficulties that RSLs continued to experience when categorising stock as managed or owned centred around stock types. These had been identified as particularly difficult to include in the current RSR in the earlier research projects. Four RSLs stated that residual freehold responsibilities were still difficult to reconcile with the guidance on ownership. This grey area results from the fact that in principle the RSL is not the owner because the property has been disposed of by long lease to an individual, local authority or other organisation. At the same time, however, as residual freeholder the RSL has responsibilities for certain aspects of the property for which it charges a service charge.

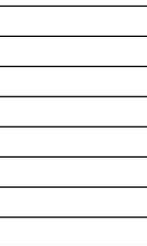
Another RSL found it difficult to decide whether stock in the process of transfer into their ownership should be included as owned. The Shadow RSR had adopted the same approach to this as the current RSR does and intends that only stock available for letting at 31 March should be included as owned. This infers that the transfer would need to be complete. This guidance, however, only features in the Guidance Notes of both forms in relation to the inclusion of units as acquired or developed and not up front in the notes where the core guidance on ownership is located. There is therefore a case for ensuring that guidance on both residual freehold management and the point at which a property becomes owned are clarified up front in the Guidance Notes.

One RSL had included stock owned by them but located in Scotland in their Shadow RSR. They stated that some of this stock is regulated by Scottish Homes. Because the data supplied to Scottish Homes are in a slightly different format to that in the Shadow RSR, the data had been adapted for the Shadow RSR but as a result may have contained validation errors.

Three RSLs made positive comments about the change, commenting that the Guidance Notes provided sufficient information with respect to the distinction and that it was just a matter of working through them. One stated that they had not experienced any difficulty in categorising the information in the Shadow RSR but had in the current RSR.

A third of comments, the biggest group, came from group structure RSLs both on an individual subsidiary and parent basis and also in relation to the amalgamated Group RSR form. Four of these related to the particular difficulty of determining who manages and owns what property within a group. A further comment, inter-related with the first, highlights the reality of a degree of double counting both within groups and between RSLs.

Two other of these 'group' comments were more fundamental. The first questioned how a definition of ownership could then be applied to an amalgamated group return. The second stated that the term 'group' like that of 'managed' is



not easy to define and as a result, the netting of units across structures would be inherently inconsistent as a result. These comments are discussed in further detail in Chapter Eleven.

Interviews: Change in the definition of ownership

Of the 24 RSLs interviewed, 75% said that the change to the definition of ownership had not made any difference to either their general needs or supported housing recorded. 21% did have a shift from ownership to management and 4% were unable to say whether there had been any impact on numbers.

Of the 21% of RSLs who noticed a difference in the units recorded between the current and the Shadow RSR, 19% were supported housing providers and all the changes made were small. The one RSL who noticed a change in ownership for general needs properties stated that this too was small scale, 10 units.

A.2. WHAT WE ASKED FOR: LEASES WITH SECTION 9 CONSENT

Although adopting a management basis for reporting in the RSR had been ruled out by the findings of the previous project, the researchers were keen to continue to explore alternative ways of collecting the information that would provide both accurate data and a fuller reflection of the operational realities of RSLs.

Discussions about our recommendations with RSLs and the Housing Corporation identified a need to provide a better distinction between the definitions of ownership and management in the context of the data requirements of the Shadow RSR. In particular, a distinction between a lease and a management agreement remained outstanding in definitions. It was proposed that this distinction could be made by referring to General Consent and Section 9 disposals.

'The Housing Corporation's consent is required by Section 9. of the Housing Act 1996 to the disposal of any land by an RSL. The purpose of this consent requirement is to ensure that there is no improper disposal of publicly funded property and that public funds are properly protected at all

times.' Para 2.1 *Disposing of Land (Section 9 Consent), The Housing Corporation, October 1996.*

All leases of less than seven years and three months where there is no premium, only an annual rent, can be disposed of under The General Consent 1996. If disposals do not meet the requirements of the General Consent precisely, Section 9 Consent is given at the Housing Corporation's discretion on individual application.

This requirement applies to every single leasehold disposal of RSL land, which includes properties, regardless of the length of lease granted. The consent not only transfers the ownership of each property for the duration of the lease but it also transfers responsibility for the property as far as the Housing Corporation is concerned. For the duration of any relevant lease the new owner also becomes liable for any public grant as this transfers with the building.

By implication, any arrangements between RSLs over property that has not been a disposal subject to a Section 9 Consent would be defined as management activity. Where a Section 9 disposal has been made, the disposing RSL relinquishes responsibility for providing information about the unit as owned in the RSR. This responsibility is transferred, regardless of the length of the lease. Any lease made without Section 9 Consent would not constitute a disposal unless the duration of the lease term was 21 years or more (original term). If less than twenty one years, the property will be defined as managed by the leaseholder and the freeholder or head leaseholder remains the owner for the purposes of reporting in the RSR.

As a result, the definition of ownership would develop and become three-fold:

Property should be included as owned where the RSL:

- a) *holds the property freehold and has not disposed of the property on a lease of more than twenty one years or a lease of less than twenty one years with Section 9 consent;*

- b) holds a lease of twenty one years or more (original term); or,
 c) holds a lease of any length on property transferred with Section 9 Consent, regardless of the length of the lease.

Because the findings of the previous research project had not provided the researchers with background information that could indicate how RSLs themselves viewed and used the Section 9 Consent, the Shadow RSR and research process were used to assess whether this approach would be feasible.

B.2. WHAT WE GOT: LEASES WITH SECTION 9 CONSENT

A 'Supplementary Part' was included in the Shadow RSR which aimed to establish the relevance of the approach by assessing: the incidence and scale of Section 9 disposals; which parties collate information about the Section 9 Consent; how the information is stored and its potential for retrieval and how these units were recorded in the shadow. A specific question about the proposed Section 9 Consent approach was also included in the Evaluation Form.

The supplementary Part

- Units transferred to another RSL on lease with Section 9 Consent

First, we asked RSLs if they had transferred any units to another RSL by lease with the Housing Corporation's Section 9 Consent in the past. Table 3.1 shows that only seven RSLs (7%) had made transfers in the past although an additional five RSLs stated that they did not know if they had or not. Two of these positive responses had, however, come from amalgamated Group RSR forms and in effect were double counting. Therefore, it could only be positively stated that five individual RSLs had made such transfers. The number of units transferred was necessarily insignificant. Of the five RSLs, three provided the total number of units transferred—a total of 1481 self contained units and 28 shared housing bedspaces had been transferred on lease with Section 9 Consent.

Of the seven RSLs that had made transfers, only three said that they could identify the units transferred on their current information systems and it follows that these were the same RSLs that had provided us with the number of units transferred. This meant that in almost half the cases where the approach would be relevant, RSLs would be unlikely to be able to provide accurate data.

The units that had been transferred with Section 9 Consent generally continued to be included in the transferring RSL's RSR return as owned by them, despite the transfer of full responsibility that takes place with such a transfer.

- Units received from other RSLs transferred on lease with Section 9 Consent

Table 3.2 shows that only three of the RSLs that had completed the Shadow RSR had received units transferred on leases with Section 9 Consent from another RSL. In addition eight RSLs did not know whether they had received units under these terms. Of the three, only two stated that they could identify these units on their current information systems.

The actual number of units transferred was only provided by one of these RSLs and here the scale was not great. In this one case 26 self contained units had been transferred. Where units had been received in this way, they were likely to be included in the RSL's RSR return as owned. It is likely that at the moment there is a degree of double counting of these units within the RSR dataset because both transferring and receiving RSLs include the units as owned.

Helpline queries

There were three queries to the helpline about Section 9 Consents and the Supplementary Question in the Shadow RSR. Two of these queries were from group structure RSLs and one was from a supported housing RSL. In some respects the queries highlighted a deficiency in the instructions for the Supplementary Part. In all cases the RSLs were asking whether only those units transferred with Section 9 Consent during the year April 1999–March 2000 or whether all

active Section 9 Consent transfers should be included. One RSLs was also unclear whether transfers made under the General Consent should also be.

C.2. WHAT THE RSLs THOUGHT: LEASES WITH SECTION 9 CONSENT

The Evaluation Forms

RSLs were asked whether they thought adopting an approach where stock would be deemed to be owned on a lease of any length if transferred with the Housing Corporation’s Section 9 Consent would help clarify the difference between short leases and management arrangements held between RSLs.

Figure 3.5 shows that while 37% of responding RSLs thought the approach would clarify the definition of ownership, slightly more, 39%, did not know whether the approach would be helpful.

Seventeen of the responding RSLs provided additional comments. Six RSLs said that the approach would need very clear guidance but were of the opinion that all RSLs know if they have transferred or received units with Section 9 Consent and when that consent is required. Certainly they saw the key relevant question as being about whose performance the form is

trying to capture. They felt it reasonable to assume that responsibility would transfer with any form of ownership that Section 9 applies to. One RSL, however, felt that if the approach was adopted, it would have to become even broader than this and include DETR consent under S133 of the Housing Act 1988 because of the growing number of stock transfer RSLs. Certainly, the approach was viewed as limited because it only applies to leases between RSLs and three RSLs questioned why freehold transfers had not been included in our proposed approach.

Some support was given to the approach on the basis that this would avoid certain RSLs including rent levels that had been set by others in their calculations for the RSR.

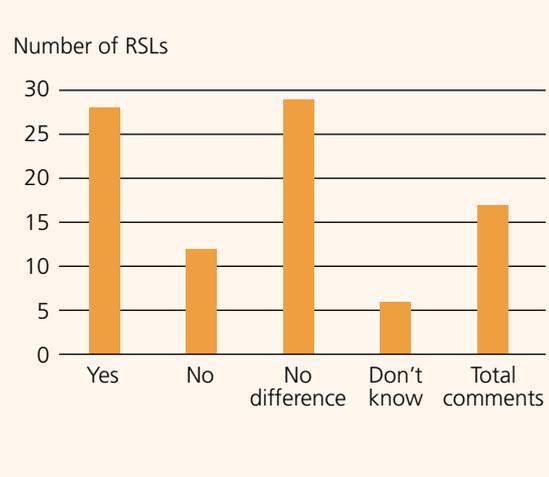
Other RSLs comments were less supportive of the approach. For one RSL *‘the change would have a virtually null effect’* and group RSLs noted that they have a range of complex structures that were not covered by Section 9 arrangements. Only one RSL, however, said that they did not understand the question or its significance and felt it far too esoteric to be of value.

D. WHAT THE HOUSING CORPORATION THOUGHT

The Housing Corporation was asked whether the change in the definition of ownership would impact on the use of data internally and whether the harmonisation of the definitions of ownership for general needs and supported housing was acceptable in light of the resulting changes to data for supported housing.

There were no real problems anticipated with respect to lowering the lease term to 21 years for general needs stock. There was, however, an air of caution over the increase in the lease term for supported housing. Data previously recorded as owned would be reported as managed and as such, there are implications over data that will be lost. Also it was explained that more and more RSLs use managing agents to deal with their stock and therefore the data have to be transferred from the agent to the RSL, raising concerns over the accuracy of the data. It was agreed the guidance would need to be given to owners and managers with clear definitions of

Figure 3.5: Responses from the evaluation form: Section 9 Consent approach



supported and general needs housing. These definitions would also have to be fully understood within the Corporation.

It was agreed that the Guidance Notes would include units transferred under the General Consent Order or with Section 9 consent as owned, regardless of lease length. Although not all RSLs supported this approach, it was felt important to avoid the double counting that had been identified.

E. SUMMARY AND RECOMMENDATIONS

1. Revised definition of ownership: summary

- In the Shadow RSR RSLs were asked to include stock as owned where held freehold or on a lease of 21 years or more (original term). This was a shorter lease term than that applied in the current RSR, which is 30 years in duration.
- The revised definition of ownership also differed to that in the current RSR because it applied not only to all stock but to all subsets of that stock. In the current RSR definitions are not harmonised as supported housing, as a subset of all housing, is reported as owned if held on a lease of two years or more (original term).
- A net change in the data returned was anticipated—more stock included as owned due to the shorter lease length but less stock included as owned where stock is leased to others on terms of between 21 and 30 years.
- In terms of supported housing it was anticipated that this net effect would result in more dramatic shifts of data from ownership to management.
- Comparisons of the current and Shadow RSR data sets showed that ten RSLs had included more self contained units as owned and three RSLs had included less as owned in the Shadow RSR as result of the revised definition. The converse was true when the numbers of units managed on behalf of others were scrutinised.
- There were no increases of shared housing stock owned in the returned Shadow RSRs as a result of the revised definition but the numbers had decreased in Shadow RSRs returned by two RSLs. Similarly, the numbers managed on behalf of others had increased in these two cases.
- Greater change was evident when the previous subset of supported housing was compared between the forms. In line with our expectations that the numbers of units in ownership would fall overall, the number of units owned in returned Shadow RSRs was higher in only three cases whereas nine RSLs reported a decrease in numbers owned as a result of revised definitions.
- In most cases where the data had changed between the two forms we found that this was the result of mistakes in both the current and Shadow RSRs. In a significant number of these, stock that had been excluded from the current RSR due to assumptions about its aims and purposes had been included in the Shadow RSR. Examples include: supported self contained housing and general needs shared housing previously excluded because of the assumption that the current RSR views self contained as general needs and shared housing as supported housing; stock considered to be neither owned nor managed and, non social housing stock such as market rent and nursing homes.
- To 63% of RSLs completing the Evaluation Form, the revised definition had either had no impact, confirming the findings of the previous research or considered the change to provide a better reflection of responsibilities.
- Five percent of RSLs experienced more difficulties classifying stock owned as a result of the change. This was a short term effect of the change that had impacted on the ease of extracting information from internal information systems. In only one case was this difficulty viewed as onerous.
- Twenty one percent had experienced difficulties distinguishing between units

owned and managed but half of these had experienced the same difficulties when completing the current RSR. In cases where this was a new problem difficulties resulted for a number of reasons including the difficulty of extracting data from systems (short term effect). In the main these difficulties did, however, apply to specific stock types. Difficult stock types to define were noted as, residual freehold units, stock in the process of transfer and stock located outside of England. Group structure RSLs were most likely to experience difficulties because of the disentanglement of ownership and management within the arrangement that had invariably caused double counting both in the current and to a lesser extent Shadow RSR forms.

2. Summary: Leases with Section 9 Consent

- Information was gathered about stock transferred on leases with Section 9 Consent in the Shadow RSR in order to assess the feasibility of using the approach to help clarify the distinction between these leases, where less than 21 years in duration and management agreements or short leases without consent.
- The number of RSLs that had either transferred properties to others or received transferred properties from others was very low within the sample. An element of double counting was, however, identified where Section 9 transfers had been made.
- Thirty-seven percent of the RSLs responding thought that reference to Section 9 Consents would clarify the distinction between ownership and management in these cases but subject only to good guidance.
- Less formal feedback indicated that the approach would not be popular in its own right amongst RSLs, particularly as these units were often not individually identifiable on internal information systems.

3. Recommendations

We recommend that the definition of ownership in the RSR be revised and harmonised across all stock. The qualifying lease term should be 21 years or more (original term) applicable to all housing.

We also recommend that the Guidance Notes should make reference to units transferred under the General Consent or with Section 9 Consent, in order to clarify the fact that these units should also be included as owned due to the ratified transfer of responsibility that has taken place in the eyes of the regulator.

4. Social Housing Standard and Non Social Housing Standard approach

Both of the previous projects had highlighted the fact that RSLs often deliberated over small numbers of units and how these should be included in the RSR for a disproportionate amount of time with respect to the whole process. Characteristically these units were considered difficult to reconcile with the objectives of the RSR form by reasons of funding, arrangements under which they were managed or by reason of their purpose. Examples are properties used for non-core purposes such as housing students and key workers, and other rented properties that were let at sub-market or market rents rather than social housing rents.

As a result we recommended two matrices should be included up front in the form, one that catalogued all housing ownership and management activity and a second that catalogued other housing and non housing activities. The idea of the first matrix was to provide an overall detailed picture of the number of units owned and managed and the purposes of these units. It was felt important to distinguish the purpose of a unit because it allowed a more contextual approach when looking at details about the stock such as staff ratios, lettings and rent levels. The second matrix was to enable RSLs to provide a fuller picture of activities that are significant to their business in areas that are not the concern of the RSR's regulatory functions. It would also facilitate the regulation of diversity by the Housing Corporation.

When the developing recommendations were being discussed with RSLs and the Housing Corporation much time was spent determining exactly what categories of housing should be differentiated in the recommended ownership and management matrices (discussed in Chapter Six). At the same time the findings from the Housing Corporation's consultation on *Regulating Diversity* were being incorporated into the Housing Corporation's policy to regulate the diversity of RSLs. It was therefore agreed that the approach taken in the Shadow RSR should reflect this developing policy and that ownership and management information should be reported in

two matrices, rather than the three proposed at the RSR Symposium.

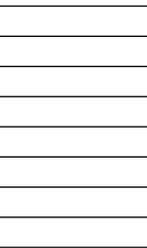
- The first matrix would include categories of stock subject to the Social Housing Standards (SHS), as defined in the Performance Standards.
- The second would include categories of stock not subject to the Social Housing Standards (NSHS).

In line with this initial approach, more detailed information would only be requested in the rest of the form for the stock included in the first matrix. In effect this made the Housing Corporation's data needs more transparent, by reflecting the regulatory requirement for information and minimising the existing burden for detailed information about the total stock holding.

As the design of the Shadow RSR was finalised before the Housing Corporation published 'Regulating a diverse sector; the Housing Corporation's policy' in May 2000, it became immediately evident that the detail of the approach in terms of definitions and categorisations would require careful review if the approach were to be incorporated into a final RSR for 2002. It was also important that we ensured that RSLs were able to differentiate between stock that is subject to the Social Housing Standards or not on their information systems to ensure accurate data. It is extremely important to ensure that the categories used in the final matrices are those that are in line with both the definition of housing to which the Social Housing Standards apply and the regulating diversity agenda.

A. WHAT WE ASKED FOR

We asked RSLs to produce an overall summary of their housing ownership and management activities in Parts A and B of the Shadow RSR on the basis of whether it was subject to the SHS or not.



Social Housing Standard and Non Social Housing Standard Housing—Parts A and B

- **Part A** asked for information about stock owned and managed to which the Social Housing Standards apply even if a waiver had been obtained.
- **Part B** asked for information about stock to which the Social Housing Standards do not apply.

Definitions:

The definition provided of **Housing to which the Social Housing Standards apply**, was taken from the Performance Standards and, in short, included:

- 1 Housing that had received public subsidy.
- 2 Housing which had been transferred to an RSL from a public sector landlord.
- 3 Housing developed with charitable or other funds (other than commercial loans) from private sources intended to provide social housing, for example stock built or purchased before government grant was available.
- 4 Housing falling within the definitions of Temporary Social Housing or Temporary Market Rented Housing.

Examples of **Non Social Housing Standard** stock were given as:

- Market rented other than Temporary Market Rented Housing.
- Housing for students and keyworkers provided with financial support from an employer, University or Health Trust.
- Services whose primary purpose is not housing, for example, nursing homes registered under Part II of the Registered Care Homes Act 1984, and nightshelters in which there is no landlord/tenant relationship.

B. WHAT WE GOT

1. Changes in the data resulting from the distinction made between Social Housing Standard and Non Social Housing Standard Stock

In theory the SHS/NSHS approach should have no impact on the total number of units reported as owned and managed by a RSL in the RSR form. What the distinction does is remove stock from the total that can then be omitted from the rest of the form because it is proportionally less important in regulatory terms. As a result of this, we would expect the total number of units reported in later Parts to change in cases where the RSL has a combination of both SHS and NSHS stock. **This change should always be a decrease.**

Parts in which RSLs were only required to report SHS stock that may result in a decrease in the units reported:

- Lettings
- Rent and Service Charges
- General Needs Assured and Secure Average Weekly Net Rents and Service Charges (by local authority area)
- Housing Stock by Local Authority Area

Also, self contained units owned by number of bedrooms, self contained and shared housing vacancies, numbers of accessible general housing units and numbers of accessible wheelchair units from General Needs and Supported Housing.

However, the SHS and NSHS distinction resulted in the inclusion of NSHS stock in the Shadow RSR that had never been included in the current RSR.

This finding emerged from comments made in the Evaluation Forms, interviews and during the case study comparisons made between the current and Shadow RSRs. These units had invariably been left out of the current RSR for two reasons. The first was that RSLs thought that the units were no concern of the current RSR form. This implies that RSLs had made assumptions about the purpose of the form that were not in

line with the guidance provided. The second reason was that it had been difficult for RSLs to determine where these units should be included in the current RSR and so they had been left out altogether.

In order to examine the data for the shifts in stock numbers that we had expected to find, comparisons were drawn between the numbers of general needs lettings reported in both the current and Shadow RSR forms.

- **General needs lettings—total first/new lets**

- a) *Increase in the number of first/ new lettings reported*

The initial results of the comparison showed that four RSLs had reported more lettings made in the Shadow RSR than in the current RSR. This was not in line with our expectations that the numbers would decrease.

We had interviewed two of these RSLs in the course of the case study interviews. The results of these discussions had shown that the increases were not a result of the changes in the Shadow RSR. In both cases, the data provided in the current RSR was incorrect. As a result the number of lettings should have been the same for the first RSL. The second RSL explained to us that the Shadow RSR figures reported were more accurate because they had revisited their database for the exercise but in the case of completing the current RSR they *'didn't go to the lengths required'*.

Two group forms showed an increase in the number of first/ new lets between the current and Shadow RSR forms. This is because they reported incorrectly not owning or managing any stock on the current form but on the shadow subsidiaries were included, thus including all stock.

- b) *Decrease in the number of first/ new lettings reported*

The number of lettings reported in the Shadow RSR was lower in the returns of 12 RSLs than they had been in the current RSR. This is a shift in

data that we had expected to find. We interviewed five of these RSLs during the case study stage. We found that in only two cases had the numbers decreased as a result of the data returned being based on SHS stock rather than all stock.

Among the remaining three RSLs, the decreases came from errors. One RSL had failed to enter totals into the column from which the comparative data had been taken. A second RSL had returned the wrong figures as a consequence of splitting the data four ways—self contained, shared, supported and general needs. Not completing the question in the Shadow RSR at all, so the comparative data was missing, was the cause of the decrease in the third case.

Two RSLs did not carry through their totals to the totals boxes, if they had the figures would have been the same. A further two RSLs had included supported housing first/new lets on the current and these had not been included on the shadow. There was therefore no real increase. Finally, one RSL had an unexplained difference in figures between the two .

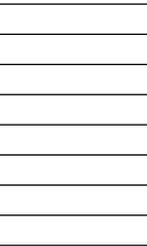
- **General needs lettings—total re-lets**

- a) *Increase in the number of re-lets reported*

The initial comparisons between the current and Shadow RSR indicated that the total number of re-lets had increased in the case of four RSLs. Again, this was a shift that we had not expected the comparison to reveal. We had interviewed one of these RSLs during the case study interviews and found that there was a higher number of re-lets included in the Shadow RSR because this was the more accurate form and the current RSR was actually incorrect.

The same two group RSL forms, as above, included subsidiaries stock in the Shadow RSR not included in the current form. There were, in effect, no increases in the number of re-lets between the two forms.

One RSL reported different numbers between the two forms for which we could find no explanation.



b) Decrease in the number of re-lets reported

In line with the expected shift in data, the number of re-lets had decreased in 22 cases of the results of the comparison. Of these 22, we interviewed 10 RSLs for the case studies. In only two of these had the decrease resulted from the omission of Non Social Housing Standard stock from the base sample. In all other cases except one, where the question in the Shadow RSR had not been completed at all, the decrease had resulted from errors in one or other of the returns. One RSL had noted that a mistake had been made in the current RSR as a result of lettings information being provided in two different Parts.

Six RSLs incorrectly completed the current RSR by putting supported housing re-lets in with general needs. The shadow, in these cases, was correctly completed.

Three RSLs simply didn't carry their figures through to the totals box and if they had done so the figures would have been the same as in the current. Two RSLs had figures between the two forms which did not match and for which there has no obvious explanation.

2. Helpline queries

Three RSLs contacted the helpline with three queries about the differentiation between Social Housing Standard and Non Social Housing Standard stock in a definitional sense. Two of these RSLs were from group structures and one was a general RSL (other).

All of the queries related to the categorisation of stock that had not received public subsidy but that was nevertheless let as social housing at sub-market rents. In the case of the other RSL it was evident that the stock in question had indeed received charitable funding in the past and so was actually subject to the Social Housing Standards. In the case of the group RSLs, the stock had been privately financed and so it emerged that by definition it was not subject to the Social Housing Standards regardless of what rent levels were charged or whether it was treated as SHS stock internally. This served to

highlight the confusing overlap between the definition of social housing and the definition of stock to which the Social Housing Standards apply.

The second group structure RSL's query related to shared ownership and 100% leasehold properties that had not received any public funding and how these should be categorised within the framework of SHS / NSHS stock in Parts A and B. As all shared ownership and leased stock had been purposefully included in Part A so that it would feed through the form, instructions were given in line with this approach.

These queries served to highlight the fundamental importance of the need for clear guidance to facilitate the use of the distinctions made in the Ownership and Management matrices and to ensure accurate data. All of these queries not only served to highlight the difficulties that RSLs experienced when categorising their stock into SHS/NSHS but provided an indication of the weaknesses of the approach as it manifests itself in Parts A and B and the requirement for tight and clear guidance.

It is no surprise therefore that one of the queries made in relation to Parts A and B by another group structure RSL highlighted another aspect of potential confusion which was picked up upon in further detail in later stages of the project. This related to the categorisation of staff units. These were included as a category in NSHS stock in the Shadow RSR, but many RSLs were unable to reconcile their view of this stock with that of the form. The reasoning for this was that generally speaking units utilised for staff accommodation had been publicly funded and if they ceased to be occupied by staff, which could happen at any time, they would revert back to the core social housing rented stock.

C. WHAT THE RSLs THOUGHT**1. Evaluation Form responses**

Questions in the Evaluation Form asked RSLs whether the split had made it clearer to understand what stock should be included in other Parts in the form and whether it would

reflect the scale of activity more fully. This aimed to evaluate whether the Social Housing Standard differentiation had met its aims.

a) *In Parts A and B we ask you to account for all of the housing stock that you own and manage that is either Social Housing Stock or not. Did this breakdown up front in the form make it clearer to understand what stock should be included in other Parts?*

Figure 4.1. shows that half of the RSLs felt that the increased transparency that we had aimed to achieve had resulted from the change in approach. Only 20% felt that the breakdown into Social Housing Standard and Non Social Housing Standard stock had not clarified what data the Housing Corporation needs.

Twenty nine RSLs provided additional comments on the form, almost two thirds being from RSLs in group structure arrangements. Only 25 of these were directly relevant to the SHS/NSHS discussion. The remaining comments were relevant to the discussion on the supported housing and general needs housing distinction, which is also fundamental to the division of data in Parts A and B and then in the rest of the form. This again highlights the multi-level distinctions that RSLs are required to make in Parts A and B when reporting the totality of ownership and management and in turn, the difficulty of discussing the related

definitional basis of the matrices—the definition of ownership, the SHS/NSHS distinction and the general needs and supported housing distinctions—in isolation.

Sixteen of the comments were generally very positive. Ten RSLs stated that the SHS/NSHS distinction had made the form easier to complete and much more ‘friendly’. This was particularly expressed with relation to the fact that detailed information about NSHS stock is no longer required in the subsequent individual Parts in the Shadow RSR. The reduction in the level of detail on voids and rent levels was mentioned specifically. Three RSLs felt that it had successfully clarified what should be included in the rents data.

Two group structure RSLs thought the distinction was particularly useful for them because it provided an overall group picture of activities by type.

Three RSLs had gone that one step further and had the insight to state that the distinction would allow easier validation checks to be built into the electronic RSR.

A positive response to the main question had, in one case, come with a health warning. They felt that the guidance would have to be very clear on what should be included as Social Housing and Non Social Housing Standard stock to ensure accurate data.

Five comments identified areas requiring clarification. As such, they related to particular problems experienced by the RSLs in relation to the categorisation of their stock and the related definition of ownership and other factors fundamental to the functioning of Parts A and B. The two comments that related to the definition of ownership have been included in the discussion in Chapter Three. The remaining three comments were related to the confusion that RSLs had experienced when attempting to categorise their stock into sub-categories within the SHS/NSHS framework.

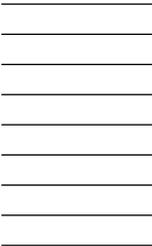
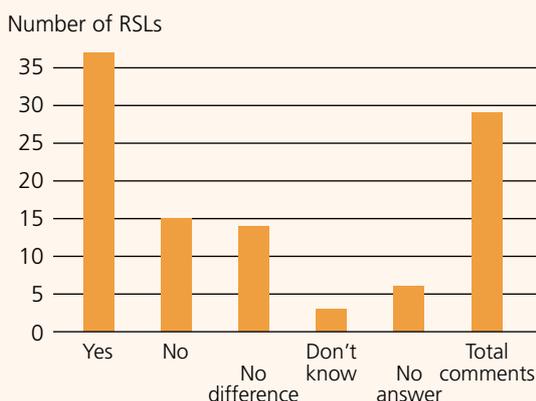


Figure 4.1: Responses from the evaluation form: needs of the form made clearer by the Social Housing Standard breakdown?



Staff units were considered particularly confusing. Again, this was because ‘staff accommodation’

had been included in Part B—stock to which the Social Housing Standards do not apply. RSLs argued that the stock they utilise to accommodate staff would otherwise be used as SHS rental stock and indeed, could shift to this use at any time. Much of it, by definition in terms of funding, does fit into the definition of SHS stock and as such they were reluctant to include the stock as NSHS. Certainly when deliberating over what categories of housing should be included as SHS or NSHS, staff units had been an anomaly. Their positioning in Part B had resulted from the fact that in the current RSR they are identified separately and RSLs are not required to provide information about rent levels for staff units.

In relation to rents, one RSL felt that it had not been made clear whether they should include the rent levels of NSHS stock in the Shadow RSR or just those of their SHS stock.

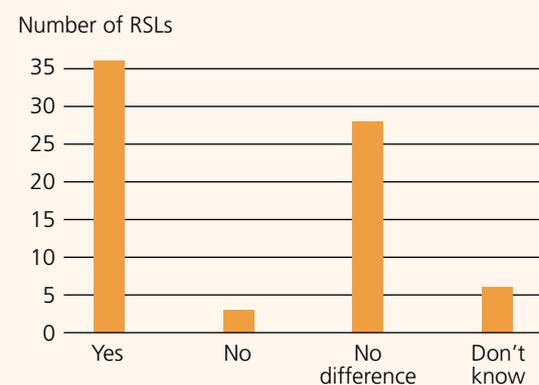
One RSL noted that it had not been made clear how shared equity should be categorised within the SHS/NSHS approach taken. As shared equity is largely considered to be a tenure of its own, the Shadow RSR treats these units as a distinct category in Part A: Leased Housing. This is to indicate that further details of this stock should be reported in later Parts in the form. This will be discussed further in Chapter Six.

Two negative comments related to the fact that the RSLs do not keep data on information systems by which they could identify what stock is SHS/NSHS or any funding information that could work to this effect. The comments therefore did not indicate whether the distinction had clarified previous confusion over what to include in the various Parts of the Shadow RSR but instead identified difficulties with the mechanics of making the distinction from which the needs of the form could become clearer.

b) *Do you feel that this format to data collection and the change in the basis of reporting reflects the scale of your RSL's activity more fully?*

Figure 4.2. shows that almost half of the RSLs responding thought that the scale or, as some

Figure 4.2: Responses from the evaluation form: Social Housing Standard distinction reflects the scale of activity more fully?



RSLs had amended, the diversity, of their activities were more fully reflected by the approach in the Shadow RSR.

The majority of the rest did not think this had been changed by the distinction. When the overall stock holding owned by RSLs was compared to their responses in this question, these answers were contextualised by the fact that they all owned only stock categorised as SHS. This means that the problems that the SHS/NSHS distinction was incorporated to overcome did not apply to these RSLs in any case.

c) *Relevant comments from other questions:*

When asked whether they owned any stock to which the Social Housing Standards apply that they had experienced difficulties categorising as either general needs or supported housing, two RSLs had made comments relevant to the distinction between SHS and NSHS stock.

The first highlighted the difficulty of categorising stock on the basis of funding where in reality it is all managed as if it is SHS, regardless of whether it had been developed with SHG or private funding. The second, related comment to some extent, questioned the approach in Parts A and B. This resulted from their view that a distinction made by funding criteria was at odds with the general needs and supported housing criteria.

The mixing of funding of bricks and mortar with the resident’s status as criteria for categorising stock in the form was considered flawed.

2. Interviews: Social Housing Standard and Non Social Housing Standard approach

We asked RSLs if they experienced any difficulty defining stock as Social Housing Standard or Non Social Housing Standard in Parts A and B of the Shadow RSR.

Of the 24 RSLs interviewed 68% had no problems defining and recording their stock into the SHS/NSHS categories and found the categorisation quite clear.

Conversely 8% did experience difficulties defining their stock in this way due to the way that their databases were set up. In both cases computer systems do not distinguish between SHS and NSHS stock. For one RSL this meant there would be a possibility of double counting staff units as they had to be extracted manually from the database. Extracting data requested in this way would be ‘impossible’ for the other RSL.

A further 8% had problems with staff/student accommodation. Interestingly both RSLs had problems because of the changing nature of their stock. One RSL who has staff units did not know how to record them because a proportion of the units are used as offices. They could, however, be re-utilised to accommodate staff at any time. Similarly, student accommodation recorded by another RSL does not always remain student accommodation—students may stay on in the accommodation after completing their studies and will no longer be classed as ‘students’ but become mainstream tenants instead.

The remaining 16% of RSLs raised a range of difficulties defining their stock as SHS or NSHS. One RSL acts as a managing agent to private landlords. A proportion of these units managed would be subject to the Social Housing Standards and a proportion would not. Distinguishing between the two would be difficult. Another RSL had problems defining leasehold properties into Parts A and B because they are PSE. Nursing homes, by virtue of the source of funding, were

raised as an example of difficulties because one RSL had needed to ask their finance department if they came under the Social Housing Standards umbrella or not. For one large complicated RSL, who also completed a Shadow RSR on behalf of a subsidiary, the Guidance Notes were seen to be failing:

‘A list of examples would have been helpful, for Non Social Housing Standards we should have taken out the Right to Buy freehold and the same applies to [our subsidiary]. I had to look at the Housing Corporation circular rather than the Guidance Notes’.

Similarly, a subsidiary of a Group RSL (who had no problems with the categorisation) found that it was not an easy task deciding where to record their stock. They admitted that this was due to over familiarity with the current RSR but they also felt that there was a general issue about definitions—the Guidance Notes needed to be more specific.

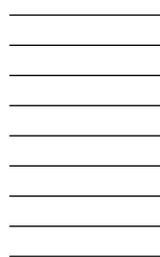
For one Group RSL, distinguishing between SHS and other stock resolved problems that they had faced in the current RSR when recording vacant units. Another RSL found the separating out of stock resolved problems they had experienced with the current:

‘Other information gets lost, by putting it in Part B we know where it is and can forget about it. In the current it slips through the back door and gets lost’ (Large complicated RSL).

Distinguishing and separating stock out in this way proved to be problematic for two RSLs and ‘to answer properly would be difficult’ for them. Certainly this was the biggest argument against adopting this approach—‘The shadow causes additional analysis extracting what is Social Housing Standards and what is not. We will argue with the Housing Corporation not to do it’.

D. WHAT THE HOUSING CORPORATION THOUGHT

Questions about the use of the Social Housing Standards were put to the Housing Corporation. In particular, what impact would reporting in this way have on particular parts and if this change



was supported. It was agreed that this distinction was acceptable for all Parts. For data at the local authority level, it was decided to just collect total stock figures on NSHS stock to provide comparative totals in the time series. There were some grey areas with respect to the definition of what stock does and does not fall within the definition of the Social Housing Standards. There is an assumption that all key worker accommodation is not SHS applicable, but there is key worker stock that had been funded with Social Housing Grant. Again, clear definitions were needed on what constitutes SHS stock. The Housing Corporation liked the principle of this being the basis of regulation. However, they highlighted the fact that the terminology could change from 2001, when a new approach would be introduced.

E. SUMMARY AND RECOMMENDATIONS

1. Summary

- The distinction between SHS and non SHS stock was introduced in the Shadow RSR to signpost to RSLs what stock the Housing Corporation need to collect full details about and what stock they merely need to know about in line with their regulatory responsibilities.
- An impact of the change on the data set was anticipated in the individual Parts because they would provide detailed figures only for SHS stock rather than all stock as in the current RSR. The total stock reported should not, however, change as a result of the approach.
- The overlap between the definitions of Social Housing and Social Housing Standard stock did cause some confusion and highlighted the need for better guidance on the distinction. This applied particularly in more transient stock such as staff units that may return to the rental stock at any time or student accommodation that can become general rented following graduation of the tenant.

transparency had clarified what should be included in the RSR and its constituent Parts, particularly rents data. An added benefit of the approach had been the inclusion of a body of stock not previously included in the current RSR before due to assumptions about the nature of the data required by the Corporation and the purposes of that data.

- Almost half of the responding RSLs considered the approach to reflect the scale, or diversity, of their activities more fully. The vast majority of the remaining RSLs had seen no impact because their activities are not diverse and therefore the distinction had made little difference to the data returned.
- The vast majority of RSLs experienced no difficulties defining stock in line with the approach. In only a small number of cases did RSLs report that they would experience short term problems categorising stock in this way because funding information does not feature on internal information systems.
- Despite the impending change to the terminology of regulation and the Social Housing Standards, the Housing Corporation supported the distinction.

2. Recommendations

We recommend that the distinction between SHS and non SHS stock or its future equivalent approach be adopted in the RSR, up-front in the form. From this point on the more detailed breakdown of stock will be required for only that stock initially reported as SHS.

We recommend that comprehensive guidance be applied to the distinction including examples of types of stock that may be included in each category.

- This was a popular approach. The vast majority of RSLs felt that the increased

5. General needs and supported housing

Once a RSL has determined what stock is owned for the purposes of the current RSR, they are then required to provide management information about this stock on the basis of whether it is self contained or shared housing (including hostels). As noted, the current RSR then goes on to request details about housing used to house residents requiring support based on a different definition of ownership. As a result, detail about supported housing represents a subset of the original data recorded as owned but with additional stock that would otherwise be included as managed on behalf of others.

The previous project found that this basis for recording was not desirable for three main reasons:

- 1 Reporting on the basis of self contained and shared housing does not reflect internal managerial practices or reporting practices of RSLs. As a result the data produced for the RSR is often meaningless to internal operations. Instead we found that a wide range of RSLs collect and report information internally on the basis of whether it is general needs or supported housing in order to facilitate in-house management teams—general needs or supported housing departments.
- 2 The positioning of supported housing within the overall data collection exercise in the current RSR causes widespread confusion amongst RSLs, which directly impacts upon the accuracy of the data.
- 3 Because of the way that the current RSR is constructed, there is a widely made assumption that information requested for the self contained stock relates to general needs housing and that requested on shared housing stock relates to supported housing. The result is inaccurate data.

Switching to a general needs and supported housing basis rather than a self contained and shared approach was one of the few ways in which an element of added value for RSLs could

be introduced into the RSR exercise. The intention was that this new approach would facilitate the internal use of the data produced for the RSR thereby lessening the burden.

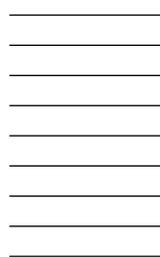
It is also anticipated that the switch would have the added benefit of improving the accuracy of the data returned by avoiding the use of subsets and thereby minimising the level of confusion surrounding the form's fundamental aims and objectives.

A third objective of the change in approach is to provide a better reflection of RSLs' activities within the Shadow RSR.

A. WHAT WE ASKED FOR

Because the Shadow RSR was required to function as a research tool, RSLs were in fact asked to report on both basis, so within general needs and supported housing they were still required to distinguish between self contained and shared housing. This was so that comparisons with the current RSR form could be made by the researchers. The intention of the original recommendation to adopt this approach was that the self contained and shared housing distinction would be dropped wherever possible in any final revised version of the Shadow RSR form.

We asked RSLs to categorise their stock into general needs and supported housing for the purposes of the form. Joint equity and leasehold management would remain a distinct category unaffected by this approach. The distinction was supported by revised definitions in the Guidance Notes and was physically incorporated into the body of the form via the initial matrices, Parts A and B. The definition of supported housing remains subjective to some degree because it relies on the test outlined below. General needs is not supported housing by default.



The definition of supported housing: Shadow RSR Guidance Notes

The term 'RSL supported housing' will apply where an individual holds a Registered Social Landlord tenancy at the same time as receiving support, including intensive or supportive housing management, provided by an RSL, under the terms of a formal undertaking. So three conditions must be met before housing is determined to be supported rather than general needs housing:

- a A RSL must have a landlord/tenant relationship with the individual receiving the support.
- b The level of housing support provided must be over and above that which would generally be provided by a RSL managing general needs housing.
- c A RSL must have formally taken on responsibilities for providing the housing related support to the resident(s) concerned, either directly or indirectly through a formal relationship with another organisation or voluntary body.

Performance Standards and Regulatory Guidance for RSLs, published in December 1997, contains a detailed interpretation of the above.

The categorisation of sheltered housing had been identified as a particularly grey area for RSLs when making the distinction between general needs and supported housing. This was primarily because sheltered housing may be categorised as either general needs or supported housing in the current RSR depending on the level of support provided to residents. It is not by virtue of its name supported housing. This distinction is, however, made on a very ad hoc basis that has resulted from RSLs' own subjective judgements of the sheltered housing and support provided by them. In some cases all sheltered housing was included as supported, while in others definitions and the test for supported housing were applied rigorously. This resulted in inconsistent data in the

current RSR. In addition to this there appeared to be a body of housing that whilst called 'sheltered', did not incorporate the features of sheltered housing in any definitional sense. Indeed, the housing received no support or extra facilities at all but had been developed in a form traditionally associated with sheltered housing. In some respects this was an issue of terminology and in no way can the Guidance Notes to the RSR attempt to normalise the wide variety of terms and jargon applied to housing and services by RSLs.

In light of these considerations, it was important that the categorisation of sheltered housing should be clarified in the context of the general needs and supported housing approach being pursued in the Shadow RSR. To not do so would potentially frustrate the aim to produce more accurate data. As a result, sheltered housing was distinguished within Part A as a separate category of housing with three sub-categories—standard sheltered housing, sheltered housing with support and very sheltered housing. This is discussed in more detail in Chapter Six. The definitions of supported sheltered housing provided in the Shadow RSR are set out below. Instructions on the form directed RSLs to include standard sheltered housing as general needs. Sheltered housing would be included as standard where it did not meet the test of sheltered housing with support or very sheltered housing.

The definition of sheltered housing: Shadow RSR Guidance Notes

- a. Sheltered with support
These are specially designed units for older people. A minimum requirement of this type of accommodation is that it must have an alarm system and warden support (visiting or residential). The support can be provided by staff who are not wardens but provide similar services. Units which have communal facilities such as a common room, laundry room or guest room, but no residential or visiting warden support (or a warden equivalent) should be excluded.

b. Very sheltered

These are known as category 2.5, ‘frail elderly’ accommodation or ‘extra care housing’. This type of housing is for older people who have fairly high support and personal care needs. The accommodation includes a range of communal facilities and additional features such as special bathrooms, sluice rooms etc. All individual dwellings and communal facilities are accessible by a wheelchair user. Wardens provide intensive support to residents. Full details of the design standards of this type of housing can be found in the Housing Corporation’s ‘Scheme Development Standards’, August 1998.

B. WHAT WE GOT

1. Changes in data resulting from the change to general needs and supported housing instead of self contained and shared housing

Because the change of approach to general needs and supported housing in the Shadow RSR relates to the management information provided for SHS stock rather than the total number of units owned, it should not, in theory create any additions or losses of units from the dataset. The direct result will be a change in the basis of the information in the dataset. The change in information is difficult to assess by straight comparisons because the comparative data does not exist in the current RSR database. The implied impact of this change is therefore discussed in Chapter Ten.

- **General needs**

It was not possible to evaluate the data returned for general needs housing in the Shadow RSR because there has never been a separate category in the current RSR on a consistent definition of ownership that we could use to make a comparison.

- **Supported housing owned**

Results of the comparison between the total numbers of supported housing units reported as owned in the shadow and current RSR forms

were discussed in Chapter Three. The analysis of the results aimed to assess the impact of the change in the definition of ownership. We had expected to find an overall decrease in the number of units reported as owned due to the longer qualifying lease term.

The comparison and case study interviews showed that in a small number of cases the number of supported housing units in ownership had in fact increased due to the reclassification of sheltered housing from general needs to supported housing in the Shadow RSR. In more cases, however, there had been a net decrease as a result of the reclassification of stock as managed rather than owned.

- **Supported housing owned and directly managed**

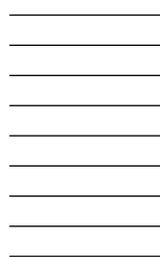
As a result of the change in the definition of ownership and the basis of reporting management information on SHS only in the Shadow RSR, we would expect the net number of supported housing units owned and directly managed to be lower in the Shadow RSR due to the recategorisation of stock as managed rather than owned.

a) Increase in the number of supported housing units owned and directly managed

A comparison between the current and Shadow RSR forms showed a net increase in the numbers of units both owned and directly managed in the case of 19 RSLs from our sample. We had interviewed four of these during the case study stage of the research.

The increase had resulted from errors in the current RSR in two of these because units had been missed out. In the third case the error was on the Shadow RSR, again because units had been included as managed directly in the Shadow RSR rather than managed by another.

In only one case did we find that the discrepancy was a result of the Shadow RSR approach. Here a large supported housing RSL had recategorised 965 very sheltered category 2.5 units as supported housing in the Shadow RSR rather



than general needs as they had been reported in the current form. This level of sheltered housing is also intended to be included as supported housing in the current RSR. The implication therefore, is that in the Shadow RSR exercise RSLs examined the guidance more closely, expecting it to have changed, and in the process have discovered changes that had not previously been taken on board as they should have been in the current RSR.

Further analysis of the datasets revealed fifteen RSLs recorded an increase in their total supported housing owned and directly managed between the current and Shadow RSR forms. Of these, five did not include units for older people with support needs in the current but did in the Shadow RSR. In the case of three RSLs the data was in fact the same between the forms. Three RSLs had a shift because of the change in definition of ownership. Stock which had not been recorded as owned and directly managed on the current RSR form was recorded this way in the shadow. No obvious reason for increases could be found on three forms, while a group RSL had recorded stock in the current RSR form on the basis of a non stock holding parent but had completed the shadow on behalf of the whole stock owning group incorrectly. Finally, because of inputting error, one RSL appeared to have an increase in supported housing owned and directly managed when in fact they had recorded a decrease between forms. No obvious reason for this could be traced.

b) Decrease in the number of supported housing units owned and directly managed

The number of units owned and directly managed actually decreased in less cases than it had increased. When the comparisons were made, 16 RSLs had reported fewer units in direct management. We had interviewed half of these during the case study stage and in half of these the totals should have been equal. In two of the cases where the totals should have been the same, errors, one in the current RSR and one in the Shadow RSR, had caused the difference. In a third case the numbers had been reported correctly in Parts A and B but had not been carried forward in the form to the point from

where the data was extracted. In a fourth case the reason for the discrepancy was not identified.

Of the remaining four RSLs, the net decrease in the numbers of units directly managed was a result of the recategorisation of stock. The definition of ownership was directly responsible in three cases, two of these being specialist supported housing RSLs. In the third case a number of NSHS units were responsible for the balance in numbers between the two forms. Although reported in the Shadow RSR in Part B, they were not required to be included in the breakdown of supported housing by client type from where the comparative data was taken.

Further analysis of the datasets revealed eight RSLs had experienced a decrease in their total supported housing owned and directly managed between the current and Shadow RSR forms. On closer inspection three forms were in fact the same. Two RSLs had not carried their totals through to the total boxes while the third decrease was because of data inputting error. No explanation could be found for a decrease in a further three RSLs' Shadow RSR forms. One RSL had experienced a shift because of the change in definition of ownership, while another RSL had in fact shown an increase in total supported owned and directly managed units, for which no obvious reason could be found.

• Supported housing units managed on behalf of another

In line with the overall shift in data anticipated in the Shadow RSR, when comparing the data from the current and Shadow RSR forms we expected to find that the number of units managed on behalf of others had increased as a result of a decrease in units defined as owned.

a) Increase in the numbers of supported units managed on behalf of another

The comparison of data between the two forms did indicate that the number of units managed on behalf of others had increased in ten cases. We had interviewed four of these, all of which had reported a decrease in the numbers of units owned and directly managed by them. In one

case the increase was the result of an error in the data returned in the current RSR, the Shadow RSR being correct.

Three RSLs had recategorised stock in line with the definition of ownership in the Shadow RSR resulting in the net gain of units managed for others.

Further analysis of the current and Shadow RSR data sets revealed that six RSLs recorded an increase in their total supported housing managed for another. Of these, two reported a shift from ownership into management because of the change in definition of ownership. Three had an unexplained increase which was assumed to be because of the change in definition of ownership. Finally, data inputting error caused a false increase for one RSL whose data was in fact the same between forms.

b) Decrease in the number of supported housing units managed on behalf of others

The comparison showed a net decrease in eight cases. Of these we had interviewed only one RSL and had found that the reason for the discrepancy in this case had been a mistake made on the Shadow RSR. This was because the figures had been input into the wrong line and so were missed in the data used for the comparison. Further analysis revealed seven RSLs recorded a decrease in their total supported housing managed for another. However, for five RSLs, no explanation could be found when cross analysing the data sets. One RSL did not complete Part F in the shadow while the other RSL could not make the figures match when transferring data from the current to Shadow RSR.

2. Helpline queries

There were two helpline queries made by two RSLs that were directly related to the general needs and supported housing basis for reporting. Both were large RSLs, one general needs and one supported housing.

The supported housing RSL disagreed with the categorisation of sheltered housing with support as supported housing. The general needs RSL

explained that it was not possible for them to spend time identifying and extracting general needs units from their database that are receiving floating support. Instead the units were double counted as the RSL felt the process would be too time consuming relative to the whole Shadow RSR task which was not a regulatory requirement. They would be able to do this if necessary but were unlikely to restructure information systems in relation to floating support because of the mobility of it.

C. WHAT THE RSLs THOUGHT

A number of questions were included in both the Evaluation Form and the interview from which we can assess whether the change to a general needs and supported housing rather than self contained and shared housing basis had achieved its objectives. At the same time it was important to gauge the implications of the change and ensure that any difficulties caused by the change in approach did not outweigh the benefits.

1. Evaluation Form responses

More questions were asked about this change to the RSR than any other in the Evaluation Form. The questions sought to find out what impact the change would have on: the quality of data in the RSR; its retrieval and the resources involved in this; the potential to utilise the RSR data for internal reporting; how relevant the approach is in relation to internal data management and whether any difficulties were experienced by RSLs when categorising their SHS into general needs and supported housing.

a) When retrieving data, please indicate what implications the change to general needs and supported housing will cause in the quality of the data and the level of resources required to complete the Shadow RSR in both the short term and the long term.

1.1. Retrieval of data: short term implications:

Figure 5.1 shows that 23% of RSLs thought that a general needs and supported housing approach would make data retrieval more difficult in the short term whereas 12% thought the change

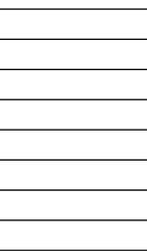


Figure 5.1: Responses from the evaluation form: change in the basis of reporting to general needs and supported housing: short term implications for the retrieval of data?

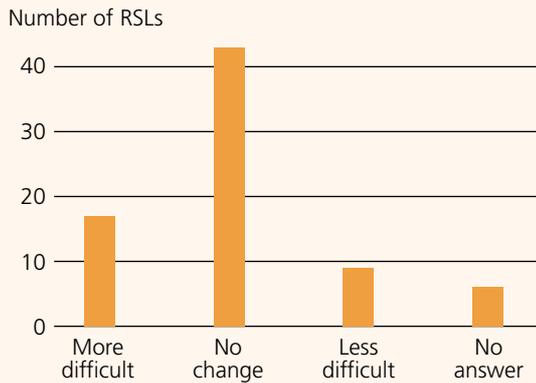
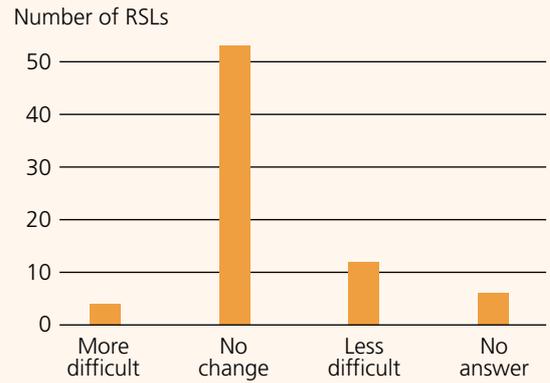


Figure 5.2: Responses from the evaluation form: change in the basis of reporting to general needs and supported housing: long term implications for the retrieval of data?



would make retrieving data less difficult in the short term. For 57% of RSLs, however, there would be no change.

1.2. Retrieval of data—long term implications:

In most cases, the difficulties caused by the change in approach would not impact on the RSR exercise in the longer term. Figure 5.2. shows that only 5% of RSLs thought that the retrieval of data on the general needs and supported housing

basis would create long term difficulties. In contrast, 16% of RSLs thought the change would make data retrieval less difficult in the future. 71% of RSLs anticipated no implications of the change in the longer term.

2.1. Quality of data—short term implications: Only 6% of the responding RSLs thought that the change in approach would result in less accurate data in the short term. As figure 5.3 shows, the vast majority thought the accuracy of their data

Figure 5.3: Responses from the evaluation form: change in the basis of reporting to general needs and supported housing: short term implications for the quality of data?

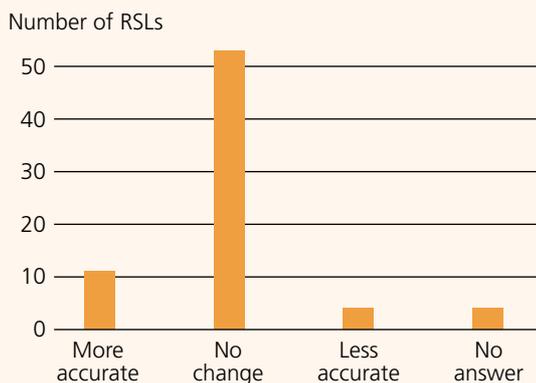
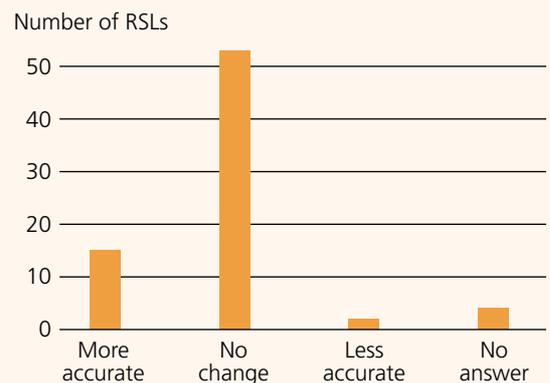


Figure 5.4: Responses from the evaluation form: change in the basis of reporting to general needs and supported housing: long term implications for the quality of data?



would be unchanged and 15% thought it would actually become more accurate.

2.2. Quality of data: long term implications:

Figure 5.4. shows that in the long term only 3% of the RSLs thought that their data would become less accurate in the long term as a result of the approach. The fact that the number of RSLs that felt their data would be more accurate increased in relation to the long term perspective, highlights the difficulties that may come with any changes to the RSR and the time lag between introduction and implementation into information systems. What is important is that not only is there a decrease in the number of RSLs likely to have inaccurate data in the long term but there is a similar decrease of those that did not anticipate a change in the accuracy of their data in long term. This indicates that overall the accuracy of data is likely to increase in the long term if the general needs and supported housing approach is adopted.

3.1. Resource levels required—short term implications:

A quarter of the RSLs thought that the resources required to complete the RSR exercise would increase in the short term. Figure 5.5 shows that immediately, 7% would require less resources and

61% would require no change from the current level of resources employed.

3.2. Resource levels required—long term implications:

In the long term the level of resources required to complete the RSR exercise would be less than it currently is amongst 8% of the RSLs. Figure 5.6 shows that this balances out with 8% of RSLs thinking that the level of resources required will increase in the long term. In the vast majority of cases (77%), however, there would be no long term change in the level of resources required to complete the exercise.

b) The change in the basis of recording was recommended to facilitate internal use of the data produced for the RSR. Do you think that the change of reporting to general needs and supported housing will allow you to use the RSR data more easily for internal reporting requirements?

Only 15% of RSLs answered that the general needs and supported housing approach would not facilitate internal use of the RSR. Figure 5.7 shows, however, that almost a third would find it easier to use the data for internal reporting requirements and for 45% there would be no change.

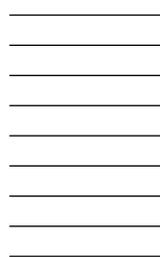


Figure 5.5: Responses from the evaluation form: change in the basis of reporting: short term implications for the level of resources required?

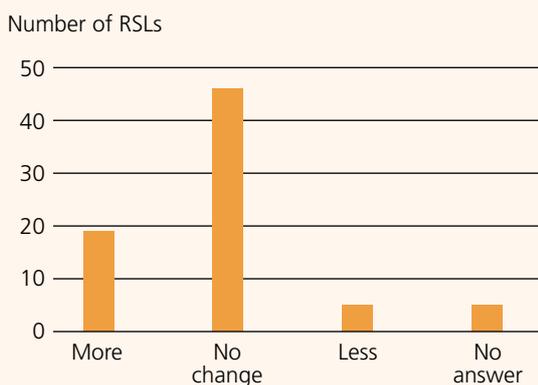


Figure 5.6: Responses from the evaluation form: change in the basis of reporting: long term implications for the level of resources required?

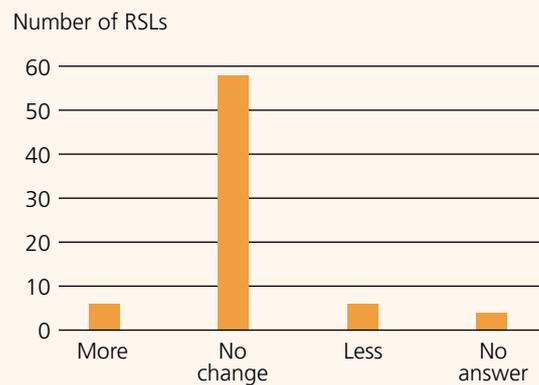
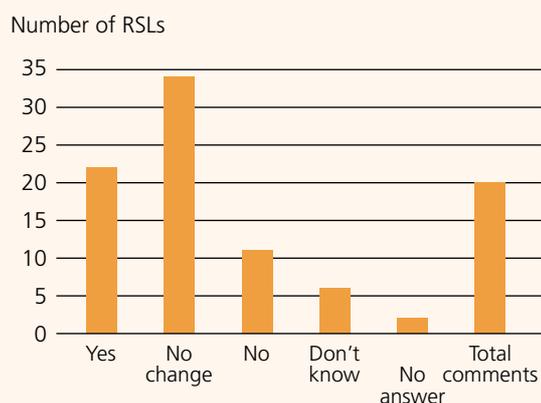


Figure 5.7: **Responses from the evaluation form: change in the basis of reporting: ability to use the RSR data more easily for internal reporting requirements?**



Twenty additional comments were provided to support answers given to this question. A quarter of them were contextual, as these RSLs do not have both general needs and supported housing. Consequently the change would have no impact on their reporting procedures. Similarly, in two comments the RSLs noted that their stock numbers are so small that there would be no significant change to the pattern of reporting.

One large supported housing RSL noted that their internal reporting requirements are for far richer data than the RSR requires. In the case of a LSVT RSL they stated that internally they are likely to report separately on their stock and services. This is because in the longer term they do not anticipate that the services provided by them will necessarily be limited to housing type. If they are providing services independently of housing type then the inclusion of Part D in the Shadow RSR will facilitate this split in approach. Another supported housing RSL could not see how the changes made would alter the data produced for the RSR. In their opinion Parts B, F and G in the current RSR already require the degree of analysis that the Shadow RSR demanded.

Five RSLs positively stated that the general needs and supported housing split is a much more sensible and useful approach than the current self contained and shared housing split to data in the current RSR. The approach matches internal

management structures more appropriately, particularly as in some RSLs general needs and supported housing management is viewed as two separate areas of the business. Despite the improvement, one supported housing RSL commented,

'The change will mean that the structure of the RSR's data fits more closely with our current standard report format. However, because we already use the same definitions of general needs and supported for internal purposes the potential further use of data is not that great. Of far more potential consequence is data referring to stock to which the SHS apply and that to which they do not.'

This highlights that other aspects of the change in approach to reporting in the Shadow RSR may be just as useful as the general needs and supported housing split.

Elsewhere, comments contextualised answers to questions with reference to other specific issues. In two cases these related to definitional issues. One RSL that had answered 'don't know' to the question said that clearer definitions in the guidance would be necessary to facilitate the use of the data internally. In another case of a large supported housing RSL there was concern expressed about the recategorisation of almost a thousand very sheltered self contained units from general needs to supported housing in line with the definitions used in the Shadow RSR. This has implications for the way that these units are regarded internally by the RSL and so would require a review of their own internal categorisation of stock into general needs and supported housing.

In terms of the match between internal reporting and reporting for the purposes of the Shadow RSR, but not in terms of the general needs and supported housing split, two RSLs, one group structure and one supported housing RSL, were concerned about the categorisation required by Part A in relation to 100% leasehold housing. They stated that they would find it difficult to split their 100% leased housing into previous tenure in terms of whether it was LSE or shared ownership before 100% equity was acquired by

the purchaser. This is because they report on 100% leased housing internally as one category.

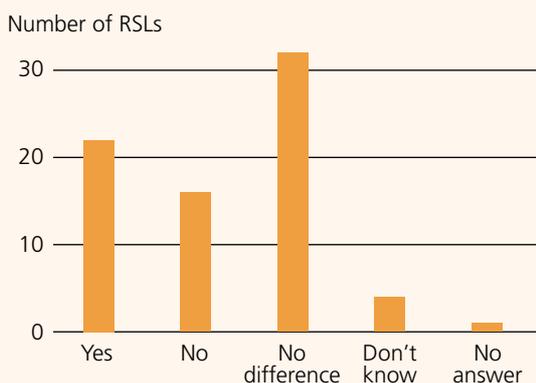
Two group RSLs noted that their particular problem is not the distinction between general needs and supported housing but the distinction between ownership and management in a group context. As such the proposed change in the basis of reporting will make little, if any change, to the use of RSR data for internal reporting requirements.

The objective to reflect operational reality in the Shadow RSR by switching to a general needs and supported housing basis was further evaluated.

c) *Do you feel that this format to data collection and the change in the basis of reporting more closely reflects your RSL's internal data management?*

The number of RSLs that responded positively to this question was exactly the same as in the question discussed above. Figure 5.8 shows that 29% of RSLs felt that the change reflected internal data management more closely. However, a slightly higher percentage of RSLs had responded negatively in this question than in the previous one—21% compared with 15% respectively. As a result of this shift, slightly less RSLs had stated that the change would make no

Figure 5.8: Responses from the evaluation form: change in the basis of reporting: more closely reflects internal data management?



difference—43% compared with 45% in the previous question.

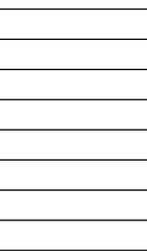
We also asked RSLs whether they had experienced any difficulties categorising SHS into general needs or supported housing. This was important to ascertain because it was the SHS stock for which further management detail was requested in the Shadow RSR on a general needs and supported housing basis.

d) *Do you own any stock to which the Social Housing Standards apply that you had difficulty categorising as either general needs or supported housing?*

Figure 5.9 shows that 29% of RSLs had experienced difficulties categorising stock. Of the remaining RSLs, the vast majority had not experienced any problems. There were 28 comments made in relation to this question.

The majority of these comments (64%) were made in relation to the categorisation of sheltered housing. This is not surprising in light of the findings discussed so far in this chapter. The main points to emerge were the need to distinguish between standard sheltered housing and sheltered housing with support more clearly in the Guidance Notes and the many different categories of sheltered housing that RSLs manage. Three of these RSLs did, however, note within their answers that nevertheless, they favour the recommended change and would like to see the self contained and shared split abolished. One non-developing RSL also noted that they had experienced the same confusion when including their sheltered housing in the current RSR and had at first included them incorrectly.

Three RSLs (11%) had experienced difficulties when including floating support packages in the Shadow RSR. In one case this related to the problem that in principle support packages are viewed internally as being made available to individuals rather than to properties. Their view was that categorisation as supported housing does not sit solidly with the approach that we had taken in the Shadow RSR. Similarly, in another case the RSL explained that counting



floating support as supported housing is difficult for them because for all other stock being supported housing is a function of the property, whereas floating support is viewed as a function of the tenant. Another RSL noted that they provide floating support to general needs properties for which they do not receive any supported housing management grant (SHMG). In light of the absence of supported housing funding they do not consider the properties to have a supported housing function. This highlights the difficulties of determining property type on the basis of the function of the property rather than the status of the tenant. However, it must be noted that floating support was found to be an area of confusion in the current RSR and on balance, in most cases the inclusion of a specific sub-category had resolved these problems in the Shadow RSR.

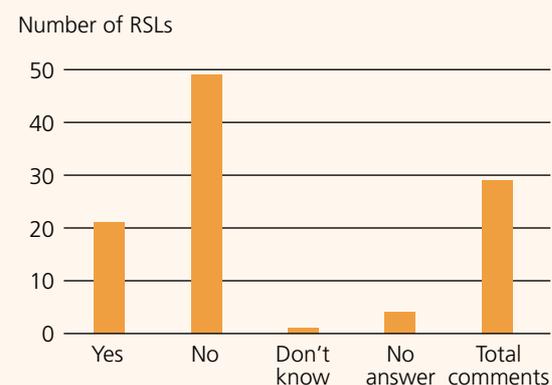
Four of the comments stated that they had difficulty categorising specific property types into the general needs and supported housing format. These were:

- a foyer;
- staff accommodation;
- housing located in Scotland; and
- shared ownership and 100% leasehold properties.

In the case of shared ownership / 100% leasehold properties, the RSL thought that the general needs and supported housing split had actually made the form clearer because previously it was possible to view this housing as self contained (Part B of the current RSR) but it is clearly a distinct category in the Shadow RSR. In this respect they find the Shadow RSR better but still experienced some confusion as to whether repairs and other management information should be included for these properties within Part M. The previous research found that the basis of stock used for reporting in the equivalent Part of the current RSR differed between RSLs because it is the only Part that is based on all stock in management rather than ownership. Further clarification of this point in the Guidance Notes could be required.

One RSL that is both a subsidiary of a group structure and supported housing RSL stated

Figure 5.9: Responses from the evaluation form: change in the basis of reporting: difficulties categorising SHS stock into general needs and supported housing?



positively that they found the approach very straightforward and it had made *'things even easier for us'*.

There were two additional comments that have been discussed in Chapter Four because they were directly relevant to the SHS/NSHS distinction rather than the general needs and supported sub categorisation.

Other relevant comments included in the responses to other questions that are relevant to the general needs and supported housing distinction.

All three of these relate to the categorisation of sheltered housing. Two RSLs felt that this basis to data collection and the format in which it was set out in Part A of the Shadow RSR made it much clearer to determine how properties should be included in the return, particularly sheltered housing units. Another RSL felt that the distinction of sheltered housing in Part A was so successful in clarifying previous confusion as to the inclusion of sheltered housing that they not only think that the breakdown should continue in future RSR forms but that the breakdown should be carried throughout the form. This would result in a three way split of SHS stock—general needs, sheltered housing and supported housing throughout.

2. Interviews: general needs and supported housing

We asked RSLs if categorising their stock into general needs and supported housing rather than self contained and shared was a better basis for collecting data. We also asked if the subsection for sheltered housing made the distinction easier.

Seventy one percent of RSLs interviewed preferred recording their stock by general needs and supported housing rather than by self contained and shared. This was overwhelmingly because these RSLs had set up their internal housing management information systems in this way. It had therefore been easier to extract the information for completing the Shadow RSR than was the case with the current RSR.

Twenty nine percent of the interviewed RSLs either did not like the change or found it made no great difference. As one RSL noted, *'we still need to know how much shared accommodation we have'* (Supported RSL).

While another RSL said, while the other says *'if we are interested in supported then we should be interested in shared. Does it make a difference if it is shared or self contained?'* (Group parent RSL).

The main argument from the remaining RSLs brings us back to the ongoing assumption in the current RSR that self contained properties are general needs and shared housing s supported housing. One RSL had said, *'it is just another way of looking at it. The problem for us is determining how many self-contained units are supported housing'* (Non-developing RSL).

When asked if the subsection for sheltered housing in Part A had made the distinction between general needs and supported housing easier with respect to sheltered housing, 54% said it did and that it was a clear and useful way of recording this stock within the total stock holding. Nevertheless, problems persisted. One RSL found sheltered housing difficult to categorise because they have some very sheltered, within the total sheltered stock, that is included differently in the Shadow RSR and therefore requires them to disaggregate the properties. In fact the current RSR also requires this disaggregation indicating

that the properties are currently incorrectly included in the current RSR anyway.

A further 17% of RSLs said the distinction was not applicable to their stock because they do not own any sheltered housing, while a further 13% said it made no difference.

We also asked RSLs if the Shadow RSR had resolved any problems experienced when completing the current RSR. In response, 33% of the RSLs interviewed said that they liked the split between general needs and supported housing, finding this way of reporting much easier than the present approach of self contained and shared housing. One RSL noted that the Shadow RSR approach gives *'more space for oddities'* (Group subsidiary RSL), while another said, *'In the current RSR nursing homes are not clear where as in the shadow it is'* (Private finance RSL).

However, one RSL described how the Shadow RSR created problems that were not experienced with the current RSR, *'The very sheltered problem—there was a large section I could not complete because of this. We could restructure the [internal reporting] tables but this would create an artificial split because [sheltered housing] falls into two business streams. In this sense it created problems.'* (Supported: Large owned/managed RSL).

We also asked RSLs, in a theoretical question, what information they would drop from the RSR given the option. In response one RSL felt that the breakdown of supported housing should not be mandatory but should be based on its proportional importance in the overall stock holding. The impetus for the comment was the difficulty in gathering information from managing agents to complete the RSR, *'all the stuff on supported housing should be dropped. There should be a threshold, for example, you only complete if you have more than 50 or 100 supported housing units or they account for a certain percentage of your total stock. It is difficult for us to get the information about supported housing from our agents and causes a disproportionate amount of work, especially as our supported housing units are disproportional to the rest of our stock'* (LSVT RSL).

This reiterates the difficulty that RSLs experience in providing detailed information about stock owned but not managed by them. This difficulty was identified in the previous research, particularly in relation to supported housing. Often the managing agent is not necessarily familiar with this level of reporting because their focus is care and support rather than providing a core housing management function.

D. WHAT THE HOUSING CORPORATION THOUGHT

Questions about the proposed change in the basis of reporting, from self contained and shared to general needs and supported, were put to the Housing Corporation. The recommendation was supported and agreed, although there were some concerns. One main concern was the probable loss of the ability to compare RSR data with other data sources such as CIPFA. The change impacts rent data including rents by property size and because service charges and shared housing would be included in the rent envelope for calculating the average annual increase.

E. SUMMARY AND RECOMMENDATIONS

1. Summary

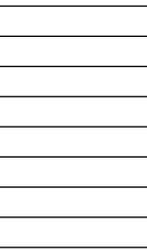
- A change to the basis of reporting from self contained and shared housing to general needs and supported housing was recommended because this reflects internal management and could therefore facilitate more accurate data and view of an RSL's activities. It was also anticipated that the change would facilitate the use of RSR data internally thereby lessening the burden of information to a small extent.
- Sheltered housing had been identified as a particularly difficult area in earlier research so this was categorised separately for the purposes of the Shadow RSR. From this initial categorisation sheltered housing was signposted as either general needs or supported housing for the purposes of the rest of the form.
- As a result of the change, the intention would be to lose the self contained and shared split in the longer term so that all units, whether self contained or shared, would be included on the basis of client type rather than building type.
- RSLs continued to experience difficulties when categorising sheltered housing and housing receiving floating support. In other cases these difficulties had been resolved by the approach of the Shadow RSR.
- Although the change may impact on the retrieval and quality of data and the resources required to produce that data in the short term, the long term implications of the change were indicated to be minimal. Indeed, it was anticipated that the accuracy of the RSR data would in fact improve in the longer term as a result of the approach.
- 71% of the RSLs interviewed thought that this basis would be better than the self contained and shared housing approach. This is largely because internal information systems are also designed around the general needs and supported housing distinction.
- A third of the RSLs interviewed would experience the added benefit of being able to utilise the RSR data for internal reporting purposes or vice versa as a result of the change.
- In a third of cases the change in the basis of reporting had also resolved some problems that result in inaccurate data in the current RSR. This is largely due to the assumption that the current RSR views all self contained units as general needs and shared housing bedspaces as supported housing.
- Despite concerns about the ability to compare the RSR data with other data sets such as CIPFA, the Housing Corporation supported the change in approach because the benefits seemed to outweigh the problems. The distinction of sheltered housing at the beginning of the form was also supported in order to clarify its inclusion within the rest of the form due to the on-going confusion identified.

2. Recommendations

We recommend a change in the basis of reporting within the RSR to general needs and supported housing rather than self contained and shared.

We also recommend the additional distinction of Sheltered Housing at the beginning of the form to clarify its inclusion as either general needs or supported housing in the later Parts.

We recommend that new guidance is required to support this change including better definitions that must flow from the Housing Corporation.



6. Ownership and management matrices

Although the recommendations discussed in Chapters Three, Four and Five are all intrinsic to the functioning of the ownership and management matrices, they are largely of definitional significance. In comparison the inclusion of the ownership and management matrices was a physical change to the dynamics and mechanics of the form. Rather than requiring RSLs to retrieve data from information systems in a different way to previously, this recommendation impacts on what is done with that retrieved data.

In the original draft Shadow RSR, discussed at the RSR Symposium, stock owned and managed by RSLs had been separated into three distinct groups: social housing stock to which the Social Housing Standards apply; social housing stock to which the Social Housing Standards do not apply; and non-social housing stock. In the final Shadow RSR stock was separated into two groups: Part A—Social Housing Stock to which the Social Housing Standards Apply and Part B—Other Housing Stock. The reasoning behind this streamlined approach was two fold. First it aimed to provide a clearer approach in light of the confusion that RSLs had expressed when discussing the relationship between the three parts in the draft Shadow RSR at the RSR Symposium. Secondly, the approach embraced the Housing Corporation's emerging Regulating Diversity strategy. Because the policy had not been finalised at the time when the Shadow RSR was drafted for the survey, it was always the intention that the detail of the approach would be reviewed if the findings of the research justified the inclusion of the matrices up front in the form.

The original objectives of the recommendation to include management and ownership matrices were:

- 1 to provide a more detailed picture of RSLs' ownership *AND* management activities reflect the diversity of the organisation and the scale of those diverse activities; and
- 2 to contextualise other information provided in the RSR.

In addition, the matrices provide clarification. Based on the totality of ownership and management activities presented in Parts A and B, the matrices function as a signpost that guides RSLs to include the correct data on stock in later Parts by cross referencing throughout the form. Fundamentally, they clarify what stock should be included in the form as SHS or NSHS and general needs or supported housing. As a result, it was intended that the concerns identified in the earlier projects about where stock should be included in the form that led to inaccurate data would be minimised. This is because the matrices require RSLs to define their stock in line with the approach of the return at the beginning of the exercise. As a result these decisions are made on the totality of stock rather than on the various subsets throughout the form as is the case in the current RSR.

A. WHAT WE ASKED FOR

Part A asks for information on all social housing stock that is owned in line with the revised definition of ownership or managed on behalf of others and is subject to the Social Housing Standards.

Inclusion of stock in Part A—Social Housing Stock to which the Social Housing Standards apply

The basic test is twofold:

- is it social housing?
- and
- is it subject to the Social Housing Standards?

If the answers to both questions are **yes**, then the stock should be included as owned or managed in **Part A**.

If the answer to one or both of the questions is **no**, then the stock should be included in **Part B—Other Housing Stock**.

If stock is both social housing and subject to the Social Housing Standards, RSLs are then required

to categorise their stock by general needs or supported housing. To facilitate this distinction subcategories were included for clarification.

Part A: The distinction between general needs and supported housing by sub-category

General needs includes:

- General needs rented housing
- Standard sheltered housing

Supported housing includes:

- Sheltered housing with support
- RCH Part I rented housing and sheltered housing
- Unregistered supported housing
- Floating support

An additional category, **‘other rented housing’** was included as a catch all—this would identify what stock RSLs had continuing difficulty including in the form regardless of the changes made and guide discussions about the final format of any resulting matrices.

Although sheltered housing is included directly under the general and supported housing categories described above, in Part A it is distinguished as a separate category with instructions as to whether it should be included as general needs or supported housing throughout the rest of the form. This approach was used to clarify the fact that sheltered housing may be of either type depending on the level of support provided. It also allowed the researchers to assess exactly how this stock had been included in the current RSR and whether this had differed in the Shadow RSR.

All of Leased Housing was also included in Part A of the Shadow RSR as a distinct category. Although this does not sit well with the test for rented housing, it was necessary to include this stock in Part A because the fundamental function of Part A is to act as a signpost to include stock in the rest of the Parts. Again, subcategories were used in Part A from which referencing could be made throughout the form.

Part A: leased housing subcategories

Dwellings where the purchaser has not yet acquired 100% of the equity includes:

- LSE
- Shared ownership
- other

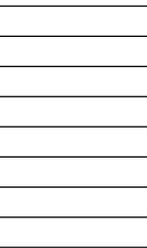
Dwellings where the purchaser owns 100% of equity includes:

- LSE
- Shared ownership
- other

The category for 100% leased housing was included in response to the difficulties RSLs expressed in the earlier projects about the inclusion of leasehold management and residual freeholder activities.

All other housing that does not meet the test in Part A and is not leased housing should be included in Part B. In principal, Part B collects information on the basis of two categories of housing with subcategories in each to clarify what types of housing are expected to be included. For the purposes of the Shadow RSR, however, Part B had three categories because the first had to be split into self contained and shared housing bedspaces (as was Part A under each category). This was to allow the Shadow RSR to function as a research tool.

Although this sub categorisation of stock appears to be very detailed, it only asks RSLs to categorise data that is currently extracted and then combined in order to complete the current RSR. Indeed, whilst the current RSR expects the data to be reported as a whole, it then goes on in various Parts to request a series of breakdowns. The shadow takes a different approach by requesting a contextualised total picture of stock with sub categories that are then carried forward in the form to wherever indicated.



Part B: categories and subcategories

Sub-market rented housing includes:

- General housing
- Sheltered housing
- RCH Part I housing
- Other specialist housing
- Housing with floating support
- Staff accommodation

Other rented housing includes:

- PFI units
- Units provided for asylum seekers
- Student accommodation
- Keyworker accommodation
- Other sub-market rented units
- Market rented units
- Other non-SHS units

Social housing not subject to the Social Housing Standards should be included in the first category above. Non-social housing should be included in the second category above.

Within each of Parts A and B, RSLs are then requested to indicate by whom the stock that they own is managed and on whose behalf they manage stock. The categories used for the breakdown of stock managed on behalf of others were less detailed than in Part J of the current RSR, which requests the same data. The categories used for these purposes are set out below.

Parts A and B: management of stock

Owned stock

- Stock owned and directly managed
- Stock owned by you but managed by another RSL
- Stock owned by you but managed by a local authority
- Stock owned by you but managed by another organisation

Other managed stock

- Stock managed on behalf of another RSL
- Stock managed on behalf of a local authority
- Stock managed on behalf of another organisation

It is important to reiterate that although Parts A and B are very detailed, they do not request data not previously requested throughout the current RSR. The difference in the Shadow RSR is that the data are requested in two places rather than several.

Part B also includes two columns of information about the NSHS stock that do not feature in Part A. These are:

- % of gross turnover of any housing activity that accounts for more than 5% of total gross turnover; and
- % of gross capital employed in each activity.

Requesting this information is in line with the Housing Corporation's policy for 'Regulating a diverse sector'. Its inclusion in the RSR is justified by the assertion in the published policy document that the Housing Corporation will use the RSR to classify and self certify which of RSLs' activities fall outside their description of social housing. The policy states that, an RSL will be considered to be diverse where the 'materiality threshold' is exceeded, the materiality threshold being 5% of either gross turnover or capital employed in activities that fall outside of the description of social housing.

B. WHAT WE GOT**1. Changes in the data resulting from the inclusion of the ownership and management matrices**

Because the definition of ownership, the SHS/NSHS distinction and the general needs/ supported housing splits are fundamental to the determination of where stock should be included in Parts A and B, the comparisons of the data returned in the Shadow RSR with those in the current RSR has been reviewed in earlier chapters. The actual use of management and ownership matrices in the form should have no impact on the data other than to clarify where and how stock should be reported in the form.

From the results of the initial comparisons, the matrices seem to have fulfilled their objective to increase the accuracy of the data returned in the form. Not only had RSLs included units in the

breakdown that had been excluded from the RSR exercise in the past, but also RSLs had categorised their housing more accurately. It must be noted, however, that revisiting data from a fresh perspective may have resulted in more accurate data anyway.

There were a number of RSLs that did not complete Parts A and B accurately. These RSLs fell into three groups:

- i those that had been reluctant to participate in the research;
- ii those that could only give the exercise a limited amount of time and resources; and
- iii those that had merely taken the data returned in the current RSR and attempted to fit them into the Shadow RSR approach.

In all other cases where data were missing from Parts A or B or were inaccurate, this resulted from the present inability of internal information systems to meet the needs of the Shadow RSR format for data collection.

2. Helpline queries

How to reconcile stock within the ownership and management matrices was the second most frequent reason why RSLs had contacted the helpline. Ten direct queries were made by eight RSLs. One of the group structure RSLs and a LSVT RSL contacted the helpline twice on this subject.

There were also four more queries that were not specific to the mechanics of Parts A and B but were associated with it. Again this highlights the multi faceted basis that underpins the data returned in Parts A and B—the SHS/NSHS and general needs/supported housing approach. One of these associated queries was from a RSL that had also made a direct query about Parts A and B.

Direct queries relating to Parts A and B

The ten queries fell into three broad themes. First was the issue of within which categories stock should be included. The second theme related to the instructions and definitions for Parts A and B and the need for greater clarity. The third theme was the problem of sheltered housing in terms of

both definitions and the association of sheltered stock with general needs or supported housing for the purposes of the rest of the form.

Forty percent of the queries were related to the categories of stock included in Parts A and B of the form. These related to the following categories:

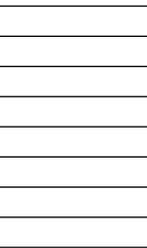
- Staff accommodation
- Student accommodation
- Right to Buy leasehold property
- Wheelchair user units for people of all ages

Twenty percent of the queries highlighted the need for better instructions and guidance for completing Parts A and B (or the fact that RSLs do not necessarily read instructions and Guidance Notes and so the objective of the Part needs to be made more evident within its structure).

- One query was to clarify what stock should be included in lines 1 and 2 of Part A. They had understood the form to mean that ALL stock should be included in these and then some would be double counted in the remaining categories below.
- The second query was about the inclusion of floating support provided where support is provided to the tenant of another RSL in a property owned by that other RSL. It was therefore not evident that only the actual units owned and managed should be included in Part A and it is Part D that was designed to capture information about such additional activities.

Forty percent of the queries were essentially about the categories used to allocate sheltered housing with different levels of support, how these were defined and how these subcategories related to the distinction within sheltered housing of general needs and supported housing for the purposes of the rest of the form.

- Two of the queries were about the difference between the categories of standard sheltered housing and sheltered housing with support.
- Two RSLs asked how the stock that they term sheltered housing with extra support and extra care sheltered housing for the elderly,



should be categorised within the categories used in Part A of the form.

Much of the continuing confusion about categories of sheltered housing was a direct result of the wide range of terminology used to describe it.

Queries associated with Parts A and B

These followed a similar pattern and again served to highlight how clear guidance is fundamental to consistency in reporting between RSLs.

- One query related to the inclusion of privately funded shared ownership, 100% leasehold and submarket rent dwellings within the existing categories in Parts A and B.
- Two of the queries were about the categorisation of stock into Parts A or B in line with the definition of the stock as SHS or NSHS.
- One query was to question the categorisation of sheltered housing into general needs and supported housing for the purposes of the rest of the form.

C. WHAT THE RSLs THOUGHT

The qualitative feedback that we received about Parts A and B was essential for evaluation purposes in the absence of the ability to assess its success through data comparisons without making assumptions. For this reason, a number of questions were included in both the Evaluation Form and the interviews. The analysis of data and responses in Chapters Three, Four and Five are, however, also important to the functioning of and desirability of Parts A and B in any resulting RSR form. Parts A and B are also fundamental to the change in the flow of information in the Shadow RSR that is discussed in Chapter Seven.

1. Evaluation Form responses

In line with its objectives, RSLs were asked whether they thought Parts A and B would produce more accurate data.

Do you feel that this format to data collection and the change in the basis of reporting is likely to produce more accurate data?

Figure 6.1: Responses from the evaluation form: change in the structure of the form: likely to produce more accurate data?

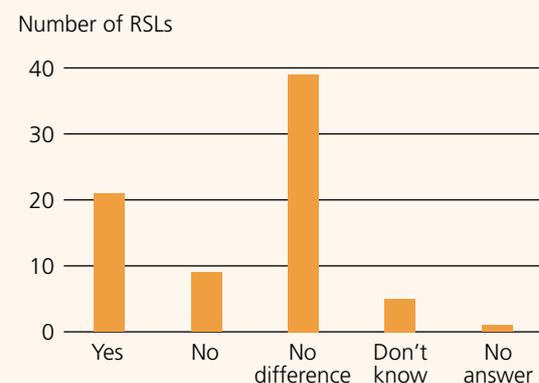


Figure 6.1. shows that only 28% of RSLs thought that the change would produce more accurate data whereas just over half thought that there would be no difference.

Directly relevant comments from other questions asked in the Evaluation Form were:

In Parts A and B we ask you to account for all of the housing stock that you own and manage that is either Social Housing Standard stock or not. Did this breakdown up-front in the form make it clearer to understand what stock should be included in other Parts?

One large supported housing RSL commented that they thought the Shadow RSR was much harder to complete than the current RSR because in their opinion it flows backwards. They felt the summary should be at the end and be the result of the form rather than the beginning of it.

Whilst the 'building blocks' approach is understandably more appropriate to some forms of data, this comment must be contextualised by the function of Parts A and B to clarify the stock for which detailed management is required in the other Parts of the form. If the summary were positioned at the end of the form, it would be meaningless to make this distinction.

2. Interviews: ownership and management matrices

We asked the interviewees if they found it easy to decide what categories to include their stock in within Parts A and B.

From the sample, 38% experienced no difficulties categorising their stock, stating that they found Parts A and B easy and straightforward to complete. Where difficulties were experienced a third of these pertained to the categorisation of stock as sheltered and/or supported housing.

Problems with supported housing

Sheltered and supported housing continued to be types of housing, particularly with respect to floating support, that were considered to be extremely difficult to record accurately. The difficulty categorising floating support largely resulted from situations where support is provided to a tenant rather than a property—strictly speaking the view is that floating support has no significance for categorisation by unit or tenancy types. As one RSL commented, *‘floating support is impossible...we are forced to classify stock by building type and not tenant packages because of the way it is funded’*.

One RSL felt it was important that the Guidance Notes should emphasise that sheltered housing comes under general needs. This is not necessarily true in all cases but indicates that the point requires further clarification. Another RSL felt that the definition of ‘supported housing’ requires clarification. Particular confusion arose over the category of ‘sheltered with support’ and its relationship to ‘supported housing’. One RSL argued that, *‘a [number] of units are sheltered with support but we don’t provide the care as part of the package and it is therefore not supported... In the shadow these units would come under supported housing’*.

This RSL felt that ‘supported’ is a ‘catch all term’ which needed a clearer definition. Furthermore the RSL had difficulty reporting on ‘unregistered supported housing’ that it could not include as registered under Part I (RCH Part I). As in earlier studies, difficult stock in definitional terms continued to account for most of the problems

that RSLs associated with the form. In this case the stock in question was described as, *‘non registered care homes’* rather than *‘unregistered’*.

It continues to be the case that supported housing needs more clearly defining if RSLs are to record this area of their housing activities accurately in any RSR form.

Only one supported housing provider thought that it would be easier to validate their data if the data requested were asked for in more detail, rather than trying to slot all they provide into a few categories. They would then be able to provide a broader picture of their supported housing activities.

Other problems categorising stock

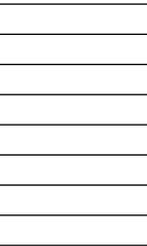
One RSL thought there should have been another box in Part A for ‘other letting arrangements’ so that they could include stock of other tenure types. In this case the RSL had ‘assured non shorthold’ tenancies which were not included in the RSR because there was nowhere to record them. This large complicated RSL went on to suggest that under the title ‘general needs’ there should be separate columns for tenure type in Part A. In their opinion, *‘it may not be worth doing, but it may cause imbalances if it isn’t’*.

This last comment is difficult to reconcile with the basic aims of Parts A and B. Whilst it would clarify the signposting from Part A to the rents Parts, it would largely result in duplication. It would also increase the size of Part A, which is anyway daunting on first sight. To increase the amount of information requested in the form would go against the objective of decreasing the burden unless additions have added value in some other way.

We also asked RSLs if there were other relationships that they have with other organisations including other RSLs that were not reflected in the matrices.

Seventy five percent of the RSLs had recorded everything within the Shadow RSR.

Of the remaining 25%, 8% had not included



provisions for local authorities. One RSL excluded stock let on a 20 year lease to a local authority and questioned 'why this stock should not be examined in the same way' particularly as local authority stock is social housing. Another RSL manages an out of hours service for a local authority that was not recorded within the Shadow RSR.

One large supported housing provider did not include 12 properties they own on behalf of a small BME association. This omission was a result of the fact that these units do not appear on the owning RSL's database. Although the RSL owns the properties, they are not responsible for any of the management functions such as rent collection. This particular RSL felt that the financial risk lies with the managing RSL and as such, the units should be recorded as the managing agent's i.e. recording on a management rather than ownership basis. This would be justified for them because the 12 units are totally insignificant and 'have no bearing on our rents'.

One LSVT RSL has 'a small portfolio of shops in non-high street locations that are all commercial properties' that were not recorded in the Shadow RSR.

Cluster units were omitted from the Shadow RSR by one mainstream RSL 'because the wording on the shadow was such that it didn't want cluster schemes'. This highlights the difficulties of providing guidance that is interpreted differently depending on the terminology that people use and the way in which the terminology used differs.

It was queried whether day centres, leased stock or other services managed on behalf of a local authority should be recorded on the RSR because the RSL considered them to fall within 'social housing'. While the day centre is not residential it is still a building that is used specifically for social purposes.

Finally one large complicated RSL gave a very comprehensive answer of both units managed on behalf of themselves and units they manage on behalf of others, arrangements involving a range of RSL and non-RSL organisations.

When asked if the Shadow RSR had resolved any problems experienced with the current RSR, two main benefits of the shadow emerged. First, two RSLs commented on the usefulness of recording ownership and management in this way. Secondly, the recording of market rented properties was found to be easier in the shadow than in the current form.

D. WHAT THE HOUSING CORPORATION THOUGHT

The Housing Corporation was asked whether the ownership and management matrices (Parts A and B), included the appropriate categories and whether there were any policy developments that needed to be reflected. It was agreed that the categories were correct, but that there were some areas that needed clarifying. These were mainly definitional. Floating support and sheltered housing were the main areas requiring clarification. It was also suggested that PFI units should be excluded from the categories in Part B and that 'asylum seekers accommodation' should be included in Part A.

E. SUMMARY AND RECOMMENDATIONS

1. Summary

- The inclusion of ownership and management matrices up front in the form, one for SHS stock and one for NSHS stock was recommended to facilitate this distinction and to provide a detailed overview of an RSL's total stock related activities from which data throughout the rest of the form flows. In addition this overall picture would contextualise information provided in other Parts such as staffing.
- For NSHS stock the materiality of this activity is also measured within the matrix.
- A direct result of the inclusion of the matrices in the Shadow RSR was more accurate data. Not only had units previously omitted from the RSR exercise been included in the Shadow RSR but the categorisation of units was generally more accurate.
- The distinctions made between sheltered

housing, general needs and supported housing to assist the clarification of different categories of sheltered housing within the remainder of the form was particularly successful in this respect.

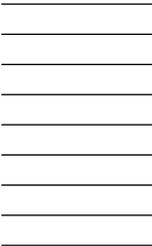
their relationships with other Parts of the forms are essential to their success. We recommend that amendments to the Guidance Notes be incorporated to ensure that the aims of the Parts are fulfilled.

- There were three distinct groups of RSLs where the matrices had not been accurately completed, those reluctant to participate in the research, those with limited resources available for the exercise and those that had attempted to fit the data returned in the current RSR into the Shadow RSR approach.
- Difficulties that were experienced by RSLs when completing the Parts were a product of the definitional aspects of the matrices rather than their inclusion per se. These generally related to the definitions of SHS and NSHS stock and general needs and supported housing stock.
- Two RSLs felt that the matrices should sit at the end of the form rather than the beginning, to function as a summary rather than a starting point. This would frustrate the aims of the matrices and also impact on the ability to cross validate data from the initial point in the electronic form.
- The Housing Corporation supported the inclusion of the matrices up front in the form. With respect to the categories included in the breakdown within each matrix, there was agreement that little amendment was necessary. Definitions and guidance would, however, need to be supplied by the Corporation to clarify the basis for inclusion of data in the form and particularly address areas of stock where confusion persisted.

2. Recommendations

We recommend that two matrices cataloguing all housing ownership and management functions of RSLs should be included at the beginning of the form, one for SHS stock and the second for NSHS stock.

Clearer and more comprehensive guidance and instructions for completion of the matrices and



7. Consolidation of Parts and change in the ordering

There were a number of factors identified in the previous research that resulted in the recommendation to consolidate some questions and Parts and to reorder the Parts in Section Two of the RSR form. Basically these were:

- There seemed to be no logical flow of information through the form. RSLs felt the Parts skipped between different subject areas and as a result it was difficult to obtain a clear picture of the level of consistency in the data or what the data were showing.
- A number of people within each organisation rather than one person often complete the RSR. As a result the form is carved up into the Parts that require input from different people. This means that quite often no one person sees the whole of the form or knows how the data returned in the Part for which they are responsible relate to data returned in other Parts. This practice continues, despite the switch to an electronic form because the form is printed out and distributed in the same way as for the paper form.

In light of these findings, the recommendation was that the form should be reorganised with the objective of ensuring that more accurate data are returned

As a result of the recommendation the form was re-designed. The core elements of the approach taken in the Shadow RSR are:

- 1 introduction of the ownership and management matrices up front in the form to provide a comprehensive overview of stockholding and activities;
- 2 consolidation of like questions from various Parts that were previously scattered throughout the form; and
- 3 a reordering of the Parts to improve the flow of information.

The introduction of the ownership and management matrices was central to the changes made in the Shadow RSR. In addition to providing an overview, reflecting ownership and management activities in more detail, they also

acted as a signpost to other Parts by providing a basis for cross referencing throughout the form. To achieve these ends, ownership and management information that had previously been requested in different Parts of the form was consolidated in one place.

The change in the basis of reporting from self contained and shared housing to general needs and supported housing also demanded a degree of consolidation of information that had previously been included in various Parts.

A. WHAT WE ASKED FOR

1. Consolidation of Parts

The first and most notable change in the form was the introduction of the ownership and management matrices. These became Parts A and B and have been discussed in some detail in Chapter Six. When drafting these Parts the intention was to provide a detailed overview without increasing the amount of information required by the form. As such, Parts A and B bring together questions found in other Parts of the current RSR. The details are given below:

Parts A and B: consolidation of information in the current RSR

Parts A and B collect information that in the current RSR are found in:

Part B—self contained rental stock

- Question B1: units for wardens or other staff
- Question B4: total units owned
- Question B5: sheltered units for older people with support needs
- Question B6: number of units directly managed or managed by some organisation
- Question B8: supported housing

Part F—hostels and shared housing

- Question F1: hostels and shared housing bedspaces owned
- Question F3: sheltered bedspaces for older people with support needs
- Question F7: number of bedspaces directly managed or managed by some other organisation

Part G—Supported housing

- Question G3: supported housing by type

Part J—Stock owned by others and managed by you

- Question J1: accommodation managed for others

Part K—Ownership and management of shared ownership dwellings and freehold

- Question K2: number of units directly managed or managed by some other agency
- Question K3: residual freehold responsibilities
- Question K5: management only

- Question F4: units designed or modified to accessible general housing or wheelchair user standards

Part F—supported housing in ownership (SHS only)

- Question B4: total units owned by number of bedrooms
- Question F1: total hostels and shared housing owned
- Question B3: vacant units
- Question F2: vacant bedspaces
- Question G2: supported housing vacant
- Question B6: units designed or modified to accessible general housing or wheelchair user standards
- Question F4: units designed or modified to accessible general housing or wheelchair user standards
- Question G1: supported housing by client group

N.B. As it was necessary to retain the self contained and shared housing split the Parts in the Shadow RSR contained twice as much data as they would were the proposal to drop this split pursued.

The second main change to the approach of reporting adopted in the form that had an impact on the restructuring that took place, was the shift to a general needs and supported housing categorisation. The details are below:

Change of Parts in line with the general needs and supported housing approach:

Parts included in the Shadow RSR and their respective questions in the current RSR:

Part E—general needs stock in ownership (SHS only)

- Question B4: total units owned by number of bedrooms
- Question F1: total hostels and shared housing owned
- Question B3: vacant units
- Question F2: vacant bedspaces
- Question B6: units designed or modified to accessible general housing or wheelchair user standards

Not only did this have a direct impact on restructuring, it also provided the baseline for the consolidation of other Parts. This impetus complimented our aim to group subject areas together to improve the flow of information. This was done as follows:

Consolidation of Parts

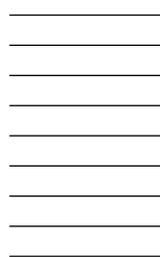
Parts included in the Shadow RSR and their respective questions from the current RSR:

Part G—lettings (SHS)

- Part E: self contained lettings
- Question F6: hostel/shared housing lettings

Part H—rent and service charges: general needs and supported housing (SHS)

- Part L: rent and service charges
- Question G4: supported housing rent and service charges



2. Change in the ordering of the Parts

In line with the aim to improve the flow of information throughout the form, the Parts were grouped by subject type. Starting with the overall picture of ownership and management, the Parts follow on to provide information about the management of these units: rents; newly acquired or developed units; sales, transfers and demolitions; stock by local authority area; and staff.

B. WHAT WE GOT

1. Data comparisons

It was anticipated that the consolidation and reordering of Parts would have no direct impact on the data returned. We expected that the only changes in data would result from improved accuracy in the Shadow RSR.

Certainly the data returned about lettings in the Shadow RSR (discussed in Chapter Five) were more accurate in the Shadow RSR as a result of the consolidation of the questions.

2. Helpline

We had only one query that related to uncertainty about a new consolidated Part. One large general needs RSL questioned the absence of room to include information about general needs stock that is let on arrangements other than assured or secure tenancies—other letting arrangements. As a result, they were concerned by an apparent discrepancy between Parts A, E and H in their completed Shadow RSR.

In the previous research RSLs questioned why the Housing Corporation could not be more proactive in calculating data from the RSR. As 'other lettings' would represent the balance of stock between Parts E and H it was our intention that the Housing Corporation could calculate the difference if required. This was in line with the objective of minimising the burden of information for the RSL.

C. WHAT THE RSLs THOUGHT

1. Evaluation Form responses

In order to assess whether the aims of the changes had been achieved, we asked RSLs:

- a) *Do you think that the change in the structure of this questionnaire and the implied change in the flow of information are an improvement on the RSR 2000 in its current format?*

Figure 7.1. shows that two thirds of the RSLs responding thought that there had been an improvement, whereas only 17% did not.

We received 28 separate comments from RSLs on this subject. Because the flow of information in the Shadow RSR is based upon the distinctions made in Parts A and B, which act as a reference point for inclusion of stock throughout the remaining Parts, many of the comments related back to this starting point.

25% of the comments contextualised the RSLs' answers because, although they did think the Shadow RSR was an improvement, they noted that definitions needed clarification. Use of the term 'general needs' in Part A was considered problematic by a number of RSLs and needed defining more carefully.

One RSL liked the form particularly because it allowed them to indicate the type and scale of other activities undertaken that are not housing based in Part D (discussed in Chapter Eight).

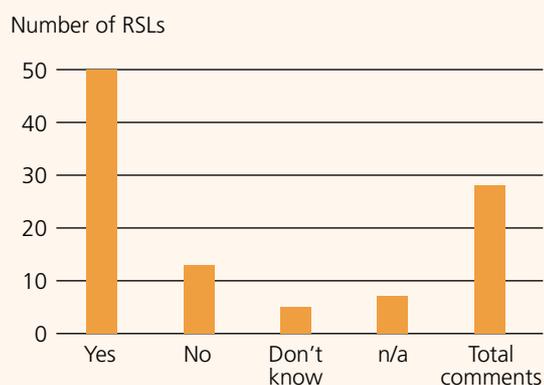
Four RSLs thought the Shadow RSR was more logical and much more 'friendly'. In particular they thought that the separation of general needs and supported housing made the form more logical. One RSL particularly liked the fact that all stock is held in the mutually exclusive Parts A and B in the Shadow RSR.

Four RSLs, however, thought that the Shadow RSR was an improvement only on the condition that the self contained and shared housing split is abolished. In one case this was because the RSL felt that the four way split in the Shadow RSR

Comparison of the shadow and current RSR structures

Shadow RSR	Current RSR
Part A Social housing stock owned or managed on behalf of others	New Part (see Chapter Six) • Parts B,F,G,J and K
Part B Other housing stock owned or managed on behalf of others	New Part (see Chapter Six) • Parts B,F,G,J and K
Part C Additional information about the stock in Parts A and B	New Part (for research: see Chapter Eight)
Part D Other services provided by RSLs	New Part (see Chapter Eight)
Part E General needs stock in ownership	Part F—hostels and shared housing and Part B – self contained housing stock
Part F Supported housing in ownership	Part B—self contained housing stock, Part F—hostels and shared housing, and Part G—supported housing
Part G Lettings	Part E—self contained lettings and Part F—hostels and shared housing
Part H Rent and service charges – general needs and supported housing	Part G—supported housing and Part L—rent and service charges New question (see Chapter Eight)
Part I Assured and secure average weekly net rents and service charges (excluding supported housing)	Part O—average weekly net rents and service charges (excluding supported housing)
Part J Ownership and management of shared ownership dwellings and freehold interests	Part K Ownership and management of shared ownership dwellings and freehold interests
Part K Services to tenants and leaseholders	Part M Services to tenants and leaseholders
Part L Sales, transfers and demolitions	Part C Sales, transfers and demolitions
Part M Acquisitions and developments	Part H Acquisitions and developments
Part N Housing stock acquired or rehabilitated (re-improved) without any public subsidy	Part I Housing stock acquired or rehabilitated (re-improved) without any public subsidy
Part O Self contained unsold developments	Part D Self contained unsold developments
Part P Housing stock by local authority area	Part N Housing stock by local authority area
Part Q Paid staff and governing body members	Part A Paid staff and governing body members

Figure 7.1: Responses from the evaluation form: change in the structure of the form: improvement on the current format?



created too many information cells. For the rest, self contained and shared housing is a meaningless split internally and therefore one that makes the RSR exercise complicated.

Two RSLs thought that the Shadow RSR represented only a slight change for the better. They noted that much of the information contained in the Shadow RSR is identical to that in the current RSR. They felt that the change in the flow of information had made little or no difference to them.

One large supported RSL felt that neither the shadow nor the current RSR form represented a useful way to transmit data. The reordering in the Shadow RSR, whilst more logical, would be confusing if the same numbering characters are used in the final version. For example, they felt that it would be better if Part B in the current RSR became Part Two in the RSR 2002 and so on.

Three RSLs made reference to the fact that the current RSR is an electronic form and the Shadow RSR was paper. Two RSLs noted that the Shadow RSR would have to be computerised and a third said that the electronic version of the RSR is so superior to the paper version that it would be unfair for them to compare the current and Shadow RSRs.

2. The interviews

We asked the RSLs interviewed if the changes to the Shadow RSR had a positive or negative impact on their experience of completing the form.

The physical structure of the Shadow RSR is different to the current in three respects:

- inclusion of the ownership and management matrices in Parts A and B;*
- re-ordering of the Parts into ownership, rents, development, sales and staff; and,*
- restructuring of the Parts e.g. including all lettings questions in one Part, all rents in one Part, etc.*

The primary aim of these changes was to improve the flow of information throughout the form.

In comparison with the current RSR, do you think the changes (matrices, re-ordering, restructuring) had a positive or negative impact on your experience of completing the form?

Seventy nine percent of the RSLs interviewed felt that the changes in the structure of the form had a positive impact. Comments ranged from it being more user friendly, helpful, logical, and easier because of the changed flow of information. One RSL found the flow more logical but noted that, *'it needs to be taken further. For example, it needs to collect general needs/ sheltered/ supported housing rents and the rest of the form needs to be consistent with Part A which provides clearly identified areas of operation to analyse'* (Mainstream RSL).

A number of RSLs thought the flow of information was better and the Shadow RSR was more user friendly but found it difficult to compare the paper version with the electronic version. They felt it would have been more helpful if the Shadow RSR had been presented electronically to enable validation.

Of the remainder, two RSLs felt that the ownership and management matrices, Parts A and B, would have been better positioned at the back of the form. They would prefer to see the information flow in the opposite direction, building up to a summary rather than starting with it.

Two RSLs found that the changes had not made much difference. This was because, *'each member of staff records different sections, we will still have to photocopy [the form] and split [it] up for completion'* (Group parent and LSVT RSLs).

Negative responses tended to have come from those RSLs that had tried to transcribe current RSR data into the Shadow RSR. They resulted from the difficulties in attempting to do this because of the changes made. It is difficult to assess what experiences they would have had if they had completed the Shadow RSR as a fresh exercise as intended. In fact only one RSL in our interview sample chose to complete the form from scratch, all the rest used the same data in the Shadow RSR that they had extracted from information systems to complete the current RSR.

Following on from this we asked RSLs: Is there any other restructuring that could take place or the inclusion of additional Parts that you think it would be beneficial to incorporate into the return? Reasons?

Sixty seven percent said that they could not think of anything else that would be beneficial to be included in the return. Underlying this response was the fact that they did not want to see any increased weight of data collection. The remaining 33% gave a variety of answers. In only two cases did the response duplicate that for the previous question. This was the suggestion made by two RSLs that Parts A and B should be at the back of the form rather than the front.

One RSL felt that sheltered accommodation should be broken down by client group in the same way as supported housing is. They felt that it would *'be beneficial for both us and the Housing Corporation to get a feel for the use of sheltered housing'*, (BME RSL) (more managed than owned stock).

A supported housing provider felt that the breakdown of vacancies by whether they were available or not available for letting should be extended to include supported housing.

A LSVT RSL would like to see an additional question in the breakdown of protected and

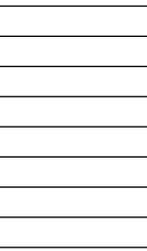
assured rents, *'we are asked to provide average rents for all...2500 [tenants] are paying below average rents and others are paying above average. Average doesn't mean anything to our tenants and there should be an additional question for LSVT RSLs. We would then be able to see what convergence is necessary as our tenants have the guarantee for as long as they remain in the property'*.

One group RSL had expected the Shadow RSR to relate more to Performance Indicators and Best Value. They also supported any additions to the form that focused on the management and ownership issue.

Another RSL would like to see separate shared ownership and leasehold Parts because they feel that leasehold properties are still owned by them whereas staircased shared ownership properties are not.

A BME RSL also felt that a better approach would be for the RSR just to cover the most 'salient points'. On the basis of this information the Housing Corporation would then be able to ask additional questions at a later date. This would, in effect, reduce the burden of information in terms of the short deadline for completing the form. This tied in with another comment made by a large supported housing RSL. They noted that the timetable for completing the RSR is tight and falls when other returns are due. In relation to the current deadline of 31 May they asked, *'Could it not be extended till the end of June? We need more time'*.

A general theme was that the RSR needs to be made more consistent with other financial returns so that they can all report on the same units. There was also the feeling that some data were duplicated with other sources such as CORE data. RSLs questioned why the Housing Corporation could not obtain data directly from these other sources instead of requiring duplicated information. It is important to note, however, that the lettings information requested in the RSR is used to benchmark CORE. It features in the RSR because not all RSLs participate in CORE whereas all are required to complete the RSR.



The benefits of computerisation were a recurring theme. It not only highlighted how popular the computerised version of the RSR form has become but also how difficult it is to compare the two forms because of the additional attributes that a computerised version has that could not be duplicated in the paper version.

D. SUMMARY AND RECOMMENDATIONS

1. Summary

- In order to improve the flow of information throughout the form and facilitate the inclusion of the ownership and management matrices up front that includes information previously found in a number of individual Parts, a degree of re-ordering and consolidation took place.
- The change to a general needs and supported housing basis for reporting also demanded a degree of consolidation of information and enabled other consolidation of like questions such as those for rents and service charges.
- 67% of responding RSLs thought that the restructuring had resulted in a more logical flow of information through the form. Where RSLs had experienced difficulties, this was because they were attempting to fit the current RSR data into the Shadow RSR approach without any additional reworking.
- There was a split in attitude to reporting amongst the specific comments provided by RSLs. Some would be happy to produce even more detailed information such as categorising all stock by tenancy type in the matrices and reporting on sheltered housing separately throughout the whole form. Other RSLs were happy with the changes that had been made in the Shadow RSR but on the condition that the self contained and shared housing split is indeed abolished in the longer term in favour of general needs and supported housing.

2. Recommendations

We recommend that the consolidation of Parts and questions and the re-ordering of Parts featured in the Shadow RSR should be adopted and incorporated into the final RSR 2002.

8. New questions and Parts

New questions and Parts were included in the Shadow RSR for two reasons: to meet RSLs' concerns identified in the previous research and to facilitate its use as a research tool for the Shadow RSR project. Additions to the form were:

- 1 Part C: Additional information about the stock reported in Parts A and B;
- 2 Part D: Other services provided by RSLs; and
- 3 Question H4: Percentage increase in assured and secure rents excluding new additions.

A. WHAT WE ASKED FOR

1. Part C—additional information about the stock reported in Parts A and B

This Part was incorporated for both reasons. It was primarily included to ensure that the Shadow RSR could function as a research tool. This was because it contained questions included in the current RSR that were not fundamental to the approach taken in the Shadow RSR but which were necessary to facilitate comparisons of the data returned in the two forms.

Part C: questions included to facilitate comparisons of the data returned

Questions in Part C and how they relate to the current RSR:

Question C1: total SHS self contained units owned by number of bedrooms

- Question B4: total self contained units owned by number of bedrooms

Question C2: total NSHS self contained units owned by number of bedrooms

- Question B4: total self contained units owned by number of bedrooms

Question C3: temporary housing stock managed on behalf of others by type

- Question J2: Temporary housing stock managed on behalf of others by type

Because the self contained and shared housing

split in the current RSR would be dropped if our recommendations were accepted, there would be no breakdown of self contained units by number of bedrooms in the final version of the new RSR. Such a breakdown would require RSLs to analyse their data on two basis, which would not be desirable in light of the aims of the project. As a result, questions C1 and C2 were included for the purposes of the ongoing research project only. If the general needs and supported housing distinction is adopted in the final version of the form, questions C1 and C2 would become defunct and would be omitted from the form.

Question C3 provides a breakdown of stock that is managed on behalf of others under temporary housing initiatives. The Shadow RSR collects information on stock managed on behalf of others within the ownership and management matrices in Parts A and B. To include the further breakdown of these units within the matrices would, however, have been too complex.

Question C3 has therefore remained in the Shadow RSR as a distinct question because it did not logically sit anywhere else in the form. The extent to which the information collected in the question would tie in with the new Shadow RSR needed to be assessed. This is particularly so in relation to the switch in categorisation to general needs and supported housing rather than self contained and shared

Part C also included new questions.

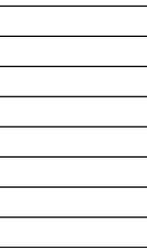
The first was a *Yes/No question*:

C4. Did you manage any of the units reported in Parts A and B within a group structure?

This question was included to act as a trigger question. A positive response alerts the regulator to the fact that a fuller picture of the group arrangement should be available in an overarching Group RSR.

The second new question was also a *Yes/No trigger question*:

C5. Are any of the units reported in Parts A and B



column I (managed on behalf of others), managed pending an agreed transfer of those units into your ownership in the future?

By including this question and the following two new questions we aimed to reflect an aspect of management activity that did not sit well with the ownership approach. We had found that some RSLs were concerned that the units that they 'owned as managed' in every way except legally could not reflect the true extent of their business. In most cases the RSLs that actually own the units managed by the other RSL would prefer not to include these units as owned. This is because the rents, which are invariably set by the managing RSL, are required to be included in the rent information provided by the owning RSL in the RSR. The question also facilitates the monitoring of the success of Housing Corporation policies such as the Black and Minority Ethnic housing policy.

A positive answer to question C5 directed the RSL to complete questions C6 and C7. The Guidance Note to the question stated that:

Management of stock pending transfer into your ownership in the future

Stock should be deemed to be pending transfer into ownership where the owning party at some point has given some formal undertaking to this effect in the past. This includes properties that have not yet been transferred resulting from both the development process and past policy initiatives such as the Housing Corporation's Black and Minority Ethnic housing policies.

Question C6 asked RSLs to record the number of units from Part A, column I (Social Housing Standard stock) that are managed as owned pending transfer, to whom these units will be transferred and the number of FTE paid equivalent staff posts dedicated to the management of these units. Staff information was included in order to reflect the extent to which these arrangements could affect overall resourcing and staff ratio figures.

C6 (C7). Stock included in another RSL's RSR that is not owned by you but is managed pending transfer into your ownership in the future: Social Housing Standard (NSHS) rental stock

Managed on behalf of:

- HC code of the owning organisation

*Units managed by you on behalf of others pending transfer into your ownership: by property type:**

- General needs units
- Supported housing units

Total FTE paid staff dedicated to these units.

*Question C7 only asks for total units here, otherwise the format of the question is the same.

Question C7 asks for similar although less detailed information about non social housing standard stock managed as owned. In this case the question asks for information under the same three headings. However, it asks only for total units rather than the breakdown between general needs and supported housing found in question C6.

2. Part D—other services provided by RSLs

Findings of the previous research provided the basis for the introduction of Part D. These impact on the overall aims of the Shadow RSR. In many respects Parts A, B and D combined should provide a succinct summary of a RSL's core and non core activities and the respective importance of different aspects of those activities. Part D represents two aims new to the Shadow RSR:

- The concern relating to the possible inaccuracy of the business profile of some RSLs which emerges from the current RSR because of its narrow focus on stock prompted the inclusion of Part D. This concern was identified amongst RSLs, particularly group structure and supported housing RSLs in the previous research.
- It provides an opportunity for RSLs to catalogue their non-stock dependent activities,

which is beneficial in a number of ways. First it reflects the extent to which the sector is involved in the wider community, for example, the scale of involvement in regeneration and community sustainability work. Secondly, it captures the fuller diversity of RSL activity and the extent to which activities other than housing management are becoming increasingly important. By asking RSLs to indicate what activities accounted for either more than 5% of gross turnover and/ or 5% of gross capital employed during the year, we aimed to reflect diversity in line with the emerging strategy on regulating diversity and the approach of materiality that it had adopted.

Question D is a Yes/No trigger question. It allows RSLs to indicate that they do provide other services by asking:

Part D—other services provided by RSLs

Question D: Did you provide any services between 1 April 1999 and 31 March 2000 that you have not included in Parts A and B?

If a positive answer is given, the RSL is directed to report further details only of *those activities that accounted for more than 5% of gross turnover and/or activities in which you used more than 5% of gross capital during the year to 31 March 2000.*

Other services were defined as, *those activities that can not be quantified in terms of unit numbers. Examples of such activities would include: care and repair contracts, domicillairy and/or social care services, refurbishment/ property maintenance & community regeneration.*

For those activities that exceeded the threshold, the following details were requested:

- Services (please specify)
- % of gross turnover (per service)
- % of gross capital used (per service)
- Services provided to: (please tick)
 - Own tenants and residents of the local community
 - RSLs within the same group structure
 - Other organisations

At the time of drafting the Shadow RSR the approach taken in Part D in terms of the application of thresholds to individual additional activities was developing. Because of the timing, it does not match the final ‘Regulating a diverse sector’ policy approach.

‘Regulating a diverse sector: the Housing Corporation’s policy’: Part II. Para. 15.

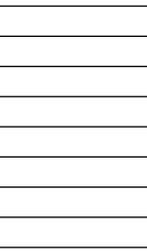
Materiality

If a RSL employs less than 5% of either turnover or capital in activities that fall outside our description of social housing then we do not regard it as a diverse organisation in terms of this policy. We require RSLs to self-certify, using the annual regulatory and statistical return (RSR), whether they fall above or below this ‘materiality threshold’.

The final approach looks to whether RSLs additional activities taken together are more than 5% of turnover or capital in total. The Shadow RSR took a slightly different approach in only asking for individual activities to be specified where they alone accounted for more than 5% of turnover or capital used. If Part D were retained then to fulfil its objectives the more general approach would be applied.

3. Question H4: percentage increase in assured and secure rents excluding new additions

In the Shadow RSR a new question was included in the newly consolidated Part H—rents and service charges. The question is almost exactly the same as question H2, which also features in the current RSR as question L2. This question was introduced to collect data each year that enables the RPI+1% cap on the increase in average assured and secure self contained rents to be monitored in order to determine compliance with the Social Housing Performance Standards.



H4 General needs stock (assured and secure rent tenancies) at 31 March 2000 excluding new additions

What was the percentage increase in your weighted average 'assured and secure' rents (including service charges eligible for housing benefit) for your self contained units between 1 April 1999 and 31 March 2000 when any new additions to the stock in line 21 have been extracted?

Question H4 requests the same information as L2 in the current RSR, but with new units that have come into ownership over the twelve months excluded from the calculations. It provides an indication not only of the impact of new rent levels but also of the true increase over the year to existing tenants.

B. WHAT WE GOT

Four RSLs contacted the helpline with five queries directly about new questions and Parts included in the Shadow RSR. One of these was from a group structure RSL and three were from supported housing RSLs. There was also one associated query from an LSVT RSL.

Because these are new questions and Parts, it was not possible to compare the data received in the Shadow RSR with data in the current RSR. We have however, summarised the information that was returned.

1. Part C—additional information about the stock reported in Parts A and B

1.1. Helpline queries: Part C

There was one direct and one associated query about question C2 and its relationship with Part B.

- One RSL noted that the Shadow RSR asks for information not included in the current RSR because it in effect requests a breakdown by staff units by property size.
- The associated query serves to show the current inaccuracy of the prevailing RSR and the success of Parts A and B in dealing with

this. The RSL had never included its student accommodation before and wanted to know if, because it was included in Part B, it should be included in Part C2 too.

These queries highlighted issues that had not been considered during the drafting of the form and raised concerns about the accuracy of the current RSR dataset. As question C2 was never intended to remain a question in the final approach they did not provide any insight into the potential problems that RSLs may experience in the future.

1.2. Data returned: questions C6 and C7

In ten of the returned Shadow RSR forms question C6, social housing standard stock managed for others pending transfer, had been completed. Question C7, however, had not been completed in any instance.

Of the ten forms, one was an overarching group return and therefore merely duplicated information reported in the Parent RSL's return. For this reason it had been omitted from the analysis. As a result, we will discuss only nine of the completed questions C6.

Within these nine, one large complicated general needs RSL had included the RSL code of a BME RSL that manages property owned by them but pending transfer into that BME RSL's ownership. This RSL continues to be concerned that the rents for these properties are set by the BME RSL but are included in their rent envelope figures because of the ownership basis of the return.

A shared ownership RSL had completed question C6 but with respect to a local authority and local authority stock pending transfer.

Table 8.1. shows that the remaining seven RSLs were managing 1225 general needs units and 42 supported housing units on behalf of 36 RSLs pending transfer of these units into their ownership.

Two of the six BME RSLs in the sample reported stock managed pending transfer. One management only RSL, a co-operative

Table 8.1: SHS stock managed pending transfer into ownership

RSL type	RSR forms	No. of RSLs for which stock is managed pending transfer	No. of general needs units	No. of supported housing units	FTE dedicated paid staff
Group parent	1	1	19	0	0
<i>General needs:</i> (large complicated)	(1)	(1)	–	–	–
More managed than owned	2*	17	380	16	4
Managed only	1	11	625	0	0
<i>Supported housing</i> Supported generally	1	2	0	26	2
(Shared ownership)	(1)	(1 LA)	(97)	0	0
Non-developing	1	1	98	0	0.5
Other	1	4	103	0	0
Total	7 (2)	36 (2)	1225 (97)	42	6.5

organisation, reported a large amount of stock managed pending transfer. This was no surprise given the specific nature of the work that they do.

2. Part D—other services provided by RSLs

2.1. Helpline queries: Part D

The vast majority of queries (80%) to the helpline about new questions and Parts were about the new Part D: Other services provided by RSLs. Some of these queries covered more than one aspect of the Part. Two RSLs experienced definitional problems caused by the thresholds used to trigger reporting as follows:

- Inclusion of services that do not account for 5% of gross turnover but have a high staff ratio—prefer to include.
- Is the 5% turnover collective or for each activity?
- What does the term ‘gross capital used’ mean? (x2)

A group structure query highlighted not only the

complexity of identifying such activities within a group structure but also the idea of who should report the activity: the RSL directly providing it to tenants of another landlord or the landlord that has negotiated service delivery that is undertaken by another organisation or RSL? In this case the question was whether the subsidiary providing care services to its siblings should record this activity or whether the subsidiaries that own the stock to which the services are provided should record the activity.

2.2. Data returned: Part D

Table 8.2 shows that of the total 107 Shadow RSR forms returned, Part D had been completed in 68 cases—just under two thirds.

The vast majority of these were overarching group forms of RSLs involved in group structure arrangements, either as parent or subsidiary RSLs. Parent RSLs were most likely to provide services that involved maintenance and improvement works, development and architectural works, and central administrative services, including financial services and human resources.

Table 8.2: Part D: numbers and types of RSLs providing other services

RSL by type	A	B	C	D	E	F	G	H	I	J
Group structures RSL				2	2		1	1		
Parent RSL of group arrangement				2	3		1	1		
Subsidiary RSLs of group structures					1		1		1	2
<i>General needs</i>										
Very large stock/complicated structure										
More managed than owned stock							1	1		
Managed stock only										
<i>Supported housing</i>										
Generally		1						2	2	
Large amount of managed/small owned										
Small amount owned and managed					1			2		
Large amount owned and managed	2	1								
<i>Shared ownership</i>										
Private sector involvement										
Large scale voluntary transfer										
Non-developing										
Others		2	2	2			1			
Total	2	4	2	6	7	1	5	6	3	2

	K	L	M	N	O	P	Q	R	Total
Group structures RSL	2	4			2	3			17
Parent RSL of group arrangement	1				3	6		1	18
Subsidiary RSLs of group structures							1		6
<i>General needs</i>									
Very large stock/complicated structure									0
More managed than owned stock									0
Managed stock only									2
<i>Supported housing</i>									
Generally			1						6
Large amount of managed/small owned									0
Small amount owned and managed					1	1			5
Large amount owned and managed									3
<i>Shared ownership</i>									
Private sector involvement				1					1
Large scale voluntary transfer							1		1
Non-developing									0
Others			2						9
Total	3	4	3	1	6	10	2	1	68

Key

A Homeless Services	H Domiciliary Services	O Financial Services
B Training and Employment	I Resettlement/Outreach	P Admin/Purchasing/Human Resources/Office Services
C Horticulture/Gardening	J Tenant Participation	Q Community Alarm
D Maintenance and Improvement	K IT	R Legal
E Development/Architectural	L Subsidiary Services (Unregistered)	
F Regeneration/Community Services including market rent	M Café/Shop/Day Centres	
G Property Management	N Nursing Homes	

Subsidiary RSLs were most likely to provide local services. Apart from development and architecture, they provided property management services, resettlement and outreach, tenant participation and community alarm services.

Management only RSLs reported property management services as may be expected but also regeneration and community services. In this case, where very little information about the RSL's activities would ordinarily feature in the RSR because of the basis of ownership of units, the Part achieved its aim by reflecting the wider role of the RSL in the community. This is accentuated in the Shadow RSR because each activity listed accounted for a material proportion of turnover or capital applied rather than simply being one element of a total of 5% or over.

Supported housing RSLs reported providing a wide range of services that were materially important to their business profiles. As would be expected in the case of RSLs housing the more vulnerable, homeless services and training and employment services were provided on a material scale. Domiciliary services and resettlement and outreach services also featured significantly in the services reported. Supported housing RSLs were, however, also providing core services to others including development and administrative services.

One RSL in the sample that was included in the research because of their involvement with the private and other public sectors reported nursing homes as a significant activity. In this case we encountered an overlap between units included in Part B (where materiality is also a test) and services in Part D. This indicated that stronger guidance was necessary to make the Parts mutually exclusive and avoid repetition.

Of the total, central administrative type services were reported most often by RSLs as a material activity provided to others. This is a product of the large number of group structure RSLs included in the overall sample. Only in the case of one non-group RSL were administrative services recorded.

If the services recorded in the forms returned by

groups and group parent RSLs are discounted, the most significant areas of activity recorded were roughly equal, training and employment, maintenance and improvements and domiciliary services. Property management services, resettlement and outreach services and day centres were also all on a par with one another, but of lesser significance.

Table 8.3 shows the ranges of % gross turnover and capital reportedly used in the services recorded. In very few cases was information about gross capital provided.

% of gross turnover

In terms of percentage gross turnover, administrative and financial services, domiciliary and development and architectural services were the most significant, ranging from 3% to 72% of gross turnover. Again, this is skewed by group structure parent RSLs included in the sample. When excluded, however, the same four services continue to feature as the most significant across RSLs of all types. In one case, Part D shows that one RSL's entire function is tenant participation services, accounting for 100% of business. This information would not be ascertainable from the current RSR format.

% of gross capital employed

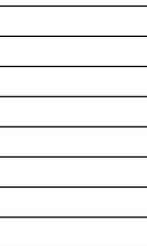
The percentage of gross capital employed was only recorded in the case of one service type—domiciliary services—but by more than one supported housing RSL.

3. Question H4: percentage increase in assured and secure rents excluding new additions

There were no helpline queries in relation to question H4 which indicates that it should be a successful question.

3.1. Data returned: question H4

Table 8.4 shows that in only 90 out of the 107 Shadow RSR forms returned had the RSL recorded property let on either assured or secure tenancies. We would therefore have expected all 90 forms also to include a completed question H4. This is



because the question is based on the rent and service charge data provided for SHS general needs stock let on assured and secure tenancies. In fact, only just over two thirds (68%) of these had completed the question.

C. WHAT THE RSLs THOUGHT

RSLs were only asked questions about the new questions C6 and C7 in the Evaluation Form. In the interviews, however, we asked respondents their experiences of completing all of the new questions and Parts that featured in the Shadow RSR but do not appear in the current.

1. Part C—additional information about the stock reported in Parts A and B

1.1. Evaluation Form responses: questions C6 and C7

The Evaluation Form explained that questions C6 and C7 were recommended for inclusion to allow RSLs that have full control over properties that they do not actually own to reflect this level of responsibility and contextualise information provided elsewhere in the form. In line with this, the form asked:

1a) Do you manage any stock pending transfer into your ownership in the future?

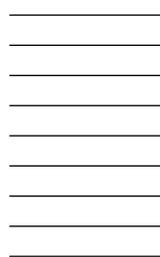
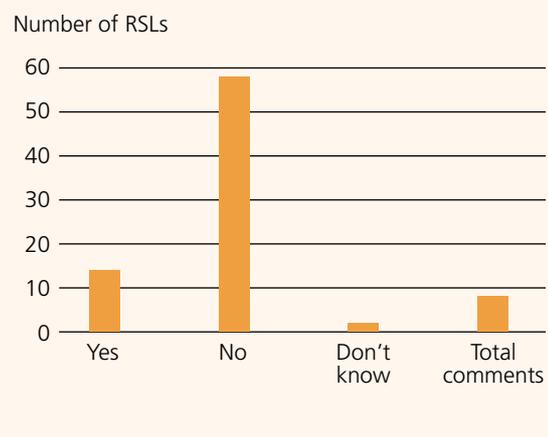


Table 8.4: **Completion of Question H4**

RSLs by type	Total sample	Number with assured and secure rents	No. answering question H4 (% of assured and secure rents)
<i>Group structures</i>			
Amalgamated group forms	10	8	7 (85%)
Parent RSLs	18	13	11 (85%)
Subsidiary RSLs	33	22	13 (59%)
<i>General needs housing</i>			
Very large stock or complicated structure	7	6	5 (83%)
More managed than owned	4	4	4 (100%)
Managed stock only	1	1	0 (0%)
<i>Supported housing</i>			
Generally	3	4	1 (25%)
Large amount of managed stock (small owned)	1	1	0 (0%)
Small amount of stock (owned and managed)	1	0	0 (0%)
Large amount of stock (owned and managed)	3	4	1 (25%)
<i>Shared ownership</i>	1	1	0 (0%)
<i>Private sector involvement</i>	1	2	1 (50%)
<i>LSVT</i>	4	7	4 (57%)
<i>Non-developing</i>	5	4	2 (50%)
<i>Others</i>	15	13	12 (92%)
Total	107	90	61 (55%)

Figure 8.1: Responses from the evaluation form: new questions C6 and C7: stock managed pending transfer into ownership?



By asking this first question and the second question, we were able to ensure that the feedback that we received about the third question would be from those RSLs whose concerns the inclusion of the question was aimed to address.

1b) Does another RSL manage any stock currently owned by you but pending transfer into their ownership in the future?

Figure 8.1. shows that only 20% of the RSLs responding did manage stock pending transfer into their ownership. Two thirds of these were group structure RSLs. The total included two BME RSLs, one supported housing RSL, one shared ownership RSL and a non-developing RSL.

Conversely, Figure 8.2. shows that only 12% of the responding RSLs owned stock that was being managed by another RSL pending transfer into that RSL's ownership. Just over half of these were group structure RSLs. Other positive respondents included two large and complicated RSLs, one more managed than owned RSL and one other mainstream RSL.

This sub-sample were then asked:

1c) If you answered YES to either parts a) or b) of this question, please indicate whether you feel that questions C6 and C7 will be sufficient to

indicate the operational realities of these management arrangements?

Only 14 RSLs completed the question, 19% of the total sample. Of these, Figure 8.3. shows that 29% thought the questions would be sufficient whereas 43% thought the questions would not be enough to address the issue. Of those that considered them sufficient, half were group structure RSLs, one was a BME RSL and the other was a non-developing RSL. Similarly, half of those that responded negatively were group structure RSLs, the others being one large complicated, one supported housing and one shared ownership RSLs.

Seven RSLs provided additional comments about the suitability of questions C6 and C7. Almost half of these were from RSLs in group structures that had noted that the question does not gather this information from the owning RSL, only the managing RSL:

'C6 and C7 refer only to stock included in another RSL's RSR that is not owned by them but is being managed pending transfer—I can't be sure that the other RSL has answered this correctly. I would have liked to answer the question, stock owned by you but managed by another RSL pending transfer'.

Figure 8.2: Responses from the evaluation form: new questions C6 and C7: stock owned but not managed by another RSL pending transfer into that RSL's ownership in the future?

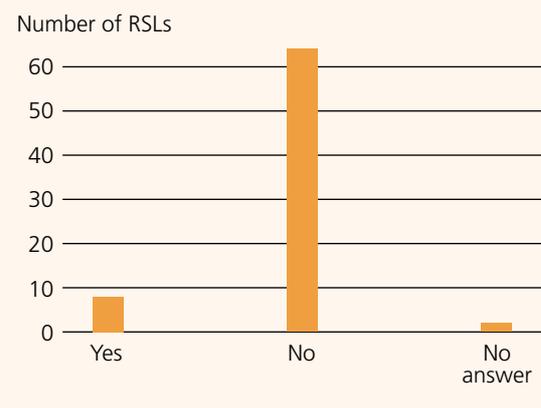
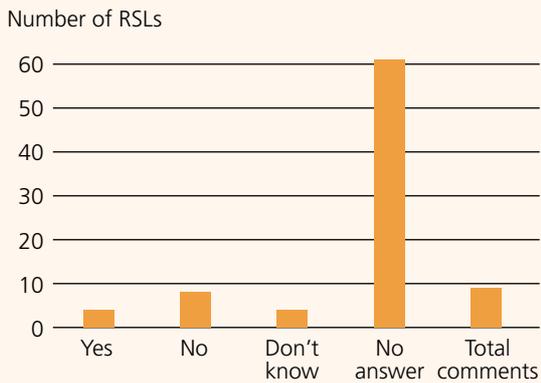


Figure 8.3: **Responses from the evaluation form: new questions C6 and C7: sufficient to indicate the operational realities of management pending transfer?**



Another of these RSLs also noted that it was not possible to cross-reference ownership and management on the basis of the questions. The fact, however, that the managing RSL is required to provide the Housing Corporation registration code for each owning RSL does provide this information. To include the same questions for owning RSLs just to collect information on the reverse position seemed unwarranted when drafting the Shadow RSR.

A shared ownership RSL was concerned that the question was not broad enough to cover properties currently owned by a local authority but being managed by them pending transfer following refurbishment. This is because question C6 in the Shadow RSR refers specifically to arrangements between RSLs.

In two comments received, the respondent questioned the relevance of the question. One group RSL noted that, although they have a scheme of this nature at the present time, 'future examples are likely to be rare'. Another large complicated RSL questioned why it should be important to know whether property managed by others is pending transfer into ownership or not. They questioned the intention of the form, 'Isn't it supposed to be a snapshot not a report on future activities?'

Another large complicated RSL commented that, although they could see the benefit of this question for the managing RSL, it has not altered the fact that the owning RSL still has to include information about these units within the RSR despite having no operational control over these units.

1.2. The interviews: questions C6 and C7

We asked the RSLs interviewed to discuss their experiences of the new questions in the Shadow RSR with us.

There are a number of new questions in the Shadow RSR that do not feature in the current RSR form (C6 and C7: stock managed pending transfer), what were your experiences of these questions?

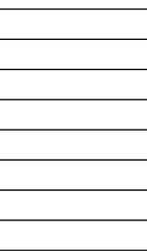
Eighty-seven percent of the interviewed RSLs had not completed questions C6 and C7, stock managed pending transfer, because the question was not applicable to them.

The 13% that did complete the question had completed it with respect to BME RSL activities. One BME RSL found recording the information in C6 and C7 'straightforward' and another BME RSL found question C6 useful because 'it helps support their schedule'. The third RSL that completed the question recorded their ownership of stock managed by a small BME RSL. This RSL felt, however, that the BME RSL,

'should be regulated for it even though they don't own it. Regulation should be about risk management, the Housing Corporation needs to find another way to get organisations to account for risk. Its about materiality, if these units are less than 5% of our stock then do we really need to account for this?' (Supported: large owned/managed RSL).

Despite the fact that the proportion of interviewed RSLs that had actually completed the new questions was relatively small, a third of the total number of RSLs interviewed did provide us with additional feedback about the questions.

One group structure RSL explained that they had interpreted the question differently, 'thinking



along the line of stock transfers from local authorities rather than transfers from other RSLs. For example, if you want to bid for money but the stock hasn't been fully transferred, it would at least show up' (Group parent RSL).

Both subsidiaries of this group also commented on questions C6/7. One felt it would be useful to track stock pending transfer to see the numbers of transfers that actually took place, while the other thought the question was 'good' although not useful to them per se.

Three RSLs made comments in relation to the anticipated difficulties in providing information about the total number of full time equivalent staff dedicated to units managed pending transfer.

In line with the concerns about staff information, two subsidiaries of a large group structure commented on the question on the basis that this is a question they may have to answer in the future. One felt that that RSLs might be led to make judgements about the level of staff resources dedicated to these units and in reality, the staff column would be difficult to complete. The second similarly felt the staff information would be difficult because of the *'problem around having to apportion time between each RSL'*.

Amongst those RSLs that had actually completed questions C6 and C7 reporting on staff had not appeared to be an issue, although one BME RSL simply 'forgot' to complete the column.

Of the remaining RSLs to comment on questions C6 and C7 one felt there should be a time limit on the word 'pending' and that it needs greater definition while the other could not see the point of asking the question at all *'if it's pending transfer so what' (Group parent RSL).*

2. Part D—other services provided by RSLs

We did not include any questions about new Part D in the Evaluation Form. In the case of the interviews, we asked RSLs to give us their opinion of the effectiveness of this Part as an indicator of an RSL's non-social housing activities.

2.1. The interviews: Part D

Part D in the Shadow RSR is a new Part that asks for information on other activities that account for more than 5% of annual turnover or capital employed in line with 'Regulating a diverse sector'. What is your opinion of the effectiveness of this Part to indicate the diversity of the RSL's non-social housing activities?

Sixty three percent of the interviewed RSLs did not have non-social housing activities amounting to 5% or more of their annual turnover. 46% considered the inclusion of Part D in the Shadow RSR to be useful and worthwhile particularly as the sector continues to expand. One comment succinctly summed up this positive view, *'This will be effective. Only a small number of RSLs are getting into diversity, just starting down the road. We must make sure we have governance in place to deal with it, it is a good way to catch it,' (Group parent RSL).*

It became evident, however, that just as the Corporation's regulating diversity policy is subject to review and as such is a developing policy, so too does the debate continue more widely. As a direct result, views of the Part and its approach varied as exemplified by the comments below,

'I'm not sure about the 5% activity, maybe it should be less than 5% as there are services which are very staff intensive but don't cost much, for example, care. This can have a financial impact on the sector but wouldn't reach 5%' (LSVT subsidiary RSL).

'We ought to be able to have a ring fenced accounting structure, the Housing Corporation should keep out of the ring fenced part. If an association diversifies into something else why should the Housing Corporation have anything to do with it? They should regulate where they have funded but should lie or fall in other areas' (LSVT RSL).

Seventeen percent of the above RSLs felt that both the question and terminology used in the Part were not clear enough. 'Gross capital used' caused confusion, as did 'non stock'.

Out of the interview sample just 12% of RSLs actually recorded non social housing activities in Part D. Of these one was a group parent RSL providing maintenance, development, finance and administration services to the rest of the group. Another was a supported housing provider that commented: *'Part D is good. As we diversify chunks of the organisation are not visible without this. From our point of view we have very high staffing levels which are highlighted and will lead to more diverse activities such as 'supporting people'...we are changing our views on bricks and mortar and supporting people will also have an impact on this and the way of doing business'* (Supported general RSL).

The final respondent to complete Part D was also a supported housing provider. They found Part D *'quite simple and easy to get the information. The staff to unit ratio seems high and this is useful to see the care units rather than the stock. We like it'* (Supported large owned/managed RSL).

Conversely, a large supported housing provider felt, *'this is not the appropriate way to do it. We don't do the calculation, as we are aware that none are near the level of the turnover. Perhaps we should certify that we are under 5% and anything over the Housing Corporation can come back and look at the forms'*. Another supported housing provider said *'I would hate to fill it in, it would be difficult to complete. We do so many diverse things how could this possibly be filled in? The guidance is not clear, is it all added together or recorded individually?'* (Large complicated RSL).

From their comments we can surmise that reporting on diverse activities that cannot be measured in terms of bricks and mortar is a debatable subject. On the one hand, RSLs are happy to report on any extra activities they do to give a broader picture of their operations, while, on the other, the very nature of the question raises defences over what should and should not fall within the bounds of regulation. Furthermore there is no specific RSL type which either agrees or disagrees with reporting on their non social housing activities. Rather this is a result of individual opinion and the way in which they interpret the remit of their lead regulator.

3. Question H4: percentage increase in assured and secure rents excluding new additions

We did not include any questions about the new rents question, H4 in the Evaluation Form. In the case of the interviews, we did ask RSLs to give us their opinion of the question and experiences when completing it.

3.1. The interviews: question H4

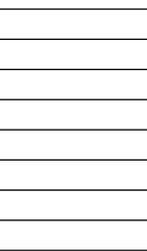
There are a number of new questions in the Shadow RSR that do not feature in the current RSR form (H4: Percentage increase in rents excluding new additions), what were your experiences of these questions?

Sixty seven percent of the RSLs interviewed experienced no problems when completing this question. Of those with concerns, one RSL would have had problems extracting the data from their computer system had they not been asked to do a similar exercise internally to assess the impact of RPI+0% proposed in the Green Paper earlier in the year. Another RSL had no problems calculating the percentage but could not understand the meaning of the data.

Two RSLs stated that they liked the question, one finding it *'useful to see where the rent increases were going'* while the other felt that, *'the rent envelope should exclude new stock'* (Large/ complicated RSL).

Seventeen percent of RSLs said that they would have or did have problems extracting this figure from their information systems.

The remaining two RSLs explained that they are non-developing RSLs and therefore had no new stock to exclude. It is concerning, however, that one RSL said *'I can't remember how we got the percentage, we probably dreamed it up'*.



D. WHAT THE HOUSING CORPORATION THOUGHT

We discussed additions to the form in the Housing Corporation seminar.

1. Questions C6 and C7

In light of our findings, the inclusion of the questions and the elements of each question were discussed. These included:

- Whether the dedication of staff resources to these units was justified. This was an issue for those RSLs that had not completed the question although those that had actually completed the question did not consider it so.
- Definition and time scale of 'pending'.
- Application of the question to stock owned by local authorities and other organisations managed pending transfer.

Discussion established that the primary purpose of these questions is to monitor agreements made with BME RSLs under the Housing Corporation's BME Housing Policies. To some extent, this central purpose dictates what information should be included. Following discussion it was decided that:

- Information requested about the scale of staff resources dedicated to this activity should be included, at least for the first year.
- Rather than set a time scale for the question, an additional column asking, 'How long have these units been managed in this way?', should be included in the question. This would show how much of the stock ought to have been transferred before 31 March 2002.
- Application of the question to stock owned by non-RSLs was not considered to be necessary. If pursued, the information would have to be collected in a separate set of questions.

All things considered, the addition of one column was the only change required. Otherwise the Corporation were happy for questions C6 and C7 to be included as they feature in the Shadow RSR.

2. Part D

It was agreed that Part D should remain as a new Part in the RSR 2002.

- The threshold approach would require updating to be consistent with the approach of the Housing Corporation's policy. Therefore, RSLs would be required to complete details of any combination of activities where, combined, they exceeded more than 5% of gross turnover or of gross capital used during the year. A listing of the most usual activities should be provided.
- Improved and additional guidance and definitions should be included to support the approach, particularly in light of the fact that group structure RSLs had difficulty disentangling internal and external relationships.
- Column four, which categorises the recipients of services, could be deleted.

It was agreed that stock from non RSLs should be captured only at the time of transfer, as the primary purpose of the question is to capture information from RSL to RSL. For Part D, it was put to the Housing Corporation that because we asked for other activities that accounted for 5% of gross turnover each, some RSLs complained that the result did not truly reflect all their activities. It was therefore agreed that this should be changed to 5% overall for the activities. This would allow more RSLs to complete this section. It was also suggested that this Part needs a great deal more guidance, perhaps by putting a printed list of 5 or 6 of the most usual activities on the form. This Part also needs extra thought when it comes to group structures.

3. Question H4

This question had already been incorporated into the current RSR for 2001 and so was not discussed.

E. SUMMARY AND RECOMMENDATIONS

1. Summary: questions C6 and C7

- Questions C6 and C7, stock managed pending transfer, were included to address the particular problems of RSLs that manage stock pending transfers as if it is owned.
- Data was returned only in relation to SHS stock. No RSL completed question C7.
- Of the seven RSLs that completed the question with respect to RSL stock managed pending transfer, three reported significant numbers of arrangements or units in management. Two were BME RSLs, one was a co-operative RSL.
- A significant proportion of RSLs that had not actually completed the question considered it to be a useful inclusion. In some respects their interpretation of the question differed to those that had completed it. The use of the question to identify local authority stock in the process of being transferred to contextualise applications during the bidding round was viewed as a potential beneficial product of the question.
- Whilst these RSLs generally considered the attribution of staff resources to these units as an undesirable and difficult exercise, those RSLs that had actually completed the question did not consider this a burden.
- For those RSLs that own stock that is managed by another pending ownership, inclusion of a reverse question was considered desirable. As the question actually identifies the individual RSLs involved in each arrangement, the addition of this information remains unwarranted.
- Greater clarification, in particular of the term 'pending' was deemed necessary, perhaps by the application of a time scale.
- The Housing Corporation considered the question a useful tool for monitoring policies such as the Black and Minority Ethnic Housing

policy and supported the question's inclusion in the RSR 2002. They were reluctant to incorporate local authority transferred stock into the question and suggested that if warranted, this should feature as a separate question. The term pending should not be given a time scale but instead an additional column should be included to ascertain how many of the units should have actually been transferred in the past.

2. Summary: Part D

- Part D was a new Part to the Shadow RSR that collected additional information about non unit based activities carried out by RSLs. Combined with Parts A and B, the matrices, the RSR should provide a succinct summary of a RSL's activities and the respective materiality of those activities for the monitoring of diversity.
- Where the new Part D had been completed the majority had been in relation to group structure RSLs and the central services provided by the strategic parent to subsidiary members. Elsewhere it catalogued a wide range of activities.
- The approach taken in Part D, asking for activities to be specified where they individually accounted for more than 5% of turnover rather than combined, meant that the responses were more limited than they otherwise would have been. It was certainly a concern of some RSLs that they could not provide details of activities accounting for less than 5% but which were nevertheless important.
- Sixty-seven percent of the responding RSLs thought that the Part was good and a worthwhile addition to the form. The feedback received, however, indicated that better guidance and clearer definitions were needed to facilitate more accurate data, particularly in relation to the definitions of gross turnover and gross capital.
- The Housing Corporation confirmed that the approach should be a collective threshold of

5% of turnover or capital. It also agreed to provide definitions to the form. It was suggested at the seminar that a list of examples would also be included in the Part as guidance. To whom these services are provided is not essential information to them.

3. Summary: question H4

- This question was included to provide a distinction between the average rent increase in the existing stock and the impact that new stock coming on line may have had on the percentage increase used for regulatory means.
- Sixty-seven percent of the RSLs were either indifferent to the question or thought that it had been a missing element of the current RSR and supported its inclusion.
- Seventeen percent of RSLs thought that they would experience difficulties extracting the data required accurately from information systems in the short term.
- As the question has already been adopted into the RSR form, it is supported by the Corporation.

4. Recommendations

We recommend the continuing inclusion of questions C6 and C7 in the RSR incorporating a new column to ascertain whether these units should have been fully transferred at some point in the past.

We do not recommend the inclusion of an additional and similar question for local authority stock, as this information is available from other sources.

We recommend the inclusion of Part D with examples and revised instructions.

We recommend the inclusion of question H4.

We recommend clarification of definitions and instructions in the Guidance Notes for all of the above.

9. Guidance Notes, definitions and formatting of the Shadow RSR

Both of the earlier research projects identified a need for better definitions and clearer guidance in order to ensure that the data returned in the RSR are accurate. These earlier projects made recommendations aimed at improving the clarity of the current RSR. During this final phase of the research the problems of ensuring improved definitions and guidance to support the Shadow RSR's objectives was again identified. In some cases this related to the same 'difficult' types of stock as in the earlier projects, indicating that there may be a fundamental flaw with the approach taken in the guidance and categorisation of this stock. In other cases the need for guidance was to support the changes in approach and the inclusion of new questions in the Shadow RSR. Both new guidance and clearer guidance are therefore required.

When drafting the Shadow RSR, it was decided that the format of the current RSR would be used. This would reflect the fact that, whilst the approach to data collection had changed, the information required to complete the Shadow RSR is, to a large extent, the same as that in the current RSR. We were also aware, however, that adopting a similar format might actually result in assumptions about the aims of the Shadow RSR based on past experiences of the current RSR. The computerisation of the form has, to some extent made issues of presentation irrelevant. In light of these factors, it was agreed that a decision about design would be taken based on an evaluation of feedback from the RSLs participating in the research.

A.1. WHAT THE RSLs THOUGHT: GUIDANCE NOTES AND DEFINITIONS

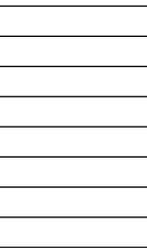
1.1. Helpline queries: guidance notes and definitions

As might be expected with a helpline, the vast majority of queries were in some way associated with issues of guidance and definitions. Thirteen queries that have already been discussed in previous chapters indicate that a number of instructions, definitions and Guidance Notes that accompanied the Shadow RSR would require

further clarification to ensure accurate RSR data in the future. However, the subject of some of the queries also highlighted the fact that RSLs do not refer to the Guidance Notes at all before contacting the helpline. This assertion is borne out by the fact that in a number of queries answers were simply read from the Guidance Notes and this was sufficient information to resolve the RSLs' difficulties. Existing definitions and Guidance Notes do, however, require clarification in a number of ways. Areas of concern identified via the helpline queries received were:

- definition of housing to which the Social Housing Standards do and do not apply and how this differs from social housing that is defined more widely (four queries);
- definition of different categories of sheltered housing and how these relate to the distinction of general needs and supported housing (five queries);
- more detailed instructions about the completion of Parts A and B and more detailed guidance on where 'unusual stock' such as privately funded shared ownership and 100% leased housing should be categorised (three queries);
- more detailed instructions and guidance for the completion of Part D, including better definitions of gross turnover and gross capital (three queries); and
- a set of Guidance Notes specific to the completion of the Group Form (general contact with group structure RSLs).

Some queries also highlighted that there were errors in the referencing between Parts in the Shadow RSR. Whilst this had been identified by the researchers, unfortunately it was identified after the Shadow RSR forms had been both printed and sent out to the RSLs. Three RSLs contacted us with queries relating to existing mistakes in the cross referencing and Guidance Notes. These were all in relation to Question H5: Supported Housing Rents and the requirement for RSLs to extract homes registered under the Registered Care Homes Act from the totals.



One RSL contacted us with a query about the relationship between stock in Parts A and P. As with some of the associated queries above, the root of this question was a matter of terminology. Different terminology had been used by the researchers for the descriptions of forms of sheltered housing between the two Parts. It is important that in later versions of the RSR form, terminology is checked for consistency both in the Parts and the Guidance Notes.

Indeed, the helpline highlighted in other ways that terminology is a significant factor in the confusion experienced by RSLs when completing the RSR form. In order to minimise this, an effort should be made to ensure that definitions and guidance make reference to all relevant and widely used terminology.

One other query was received from a group structure RSL who questioned whether the homes that they own that are located in Scotland and are registered with Scottish Homes should be included as owned in the Shadow RSR. Following our own enquiries with the Housing Corporation, the RSL was advised to include all stock regardless of where it was located. This however remains a grey area for two reasons. First, the current RSR is silent on the matter and a positive switch to this approach in subsequent guidance for the RSR could result in a change in the dataset. Secondly, stock owned in Scotland and Wales may become subject to regulation by two regulators and cause double counting of stock numbers between the regions of Great Britain. It is therefore desirable that the Housing Corporation gives a statement on this matter clearly stated in a position statement within the Guidance Notes in the future.

1.2. Interviews: guidance notes and definitions

The Guidance Notes to the Shadow RSR were largely the same as those used in the current RSR except for extra guidance to support the change in the definition of ownership and the change to Social Housing Standards and Non Social Housing Standards approach.

We asked those RSLs that we interviewed if there were any specific areas of the Guidance Notes that they felt needed clarification.

The Guidance Notes to the Shadow RSR were largely the same as those used in the current RSR except for the impact of the change in the definition of ownership and change to a SHS/ NSHS approach: Are there any specific areas of the Guidance Notes that require clarification?

Thirty eight percent of the interviewees felt that the Guidance Notes were fine and no extra clarification or explanation was needed while one RSL did not know. The remaining 58% did, however, feel that there were aspects of the Guidance Notes in need of greater clarification. The specific areas of the guidance discussed varied widely across these RSLs. As the findings discussed in earlier chapters suggests, the core areas requiring clarification and those areas mentioned by more than one RSL were not surprising:

- a) Guidance on what stock the *Social Housing Standards* apply to and that to which they do not. Specific comments included:

'The Social Housing Standards list needs to be lengthened to that of the Housing Corporation circular as featured in the Performance Standards' (Group parent RSL).

'We need clear definitions of what is and what isn't social housing' (Large complicated RSL).

Clearer definitions are requested on *'whether privately funded LSE should be included in Social Housing Standard'* (Mainstream RSL).

- b) A better definition of *supported housing* and clarification of the *relationship between sheltered housing and general needs and supported housing* is required. Certainly earlier projects found that the current subjectivity of the definition of supported housing and the distinction of sheltered housing as supported housing resulted in inconsistencies. These inconsistencies did not only exist between interpretations applied by different RSLs. We also found that quite often RSLs recategorised units in and out of supported housing from year to year because of differing internal interpretations by different staff. In addition to the comments discussed in earlier chapters,

specific comments made in response to this question included:

‘the division between general needs and sheltered...needs something at the beginning to say sheltered comes within general needs’ (Non-developing RSL).

‘supported housing—the Guidance Notes hadn’t been altered that much to correspond with the shadow, they are not clear enough’ (Group parent RSL).

‘we have difficulties every year with shared, supported and self-contained supported’ (More managed than owned RSL).

‘Where there is a reference to a Statutory Act there should be bullet point explanations, also a lot of people who live in supported housing are not on tenancy agreements so the definition is flawed. The definition should be clarified to include licences’ (Mainstream RSL).

This final comment raised an issue that had also been discussed before in the earlier research. It is not acceptable to make reference to external documents or Statutory Acts and expect the RSLs to refer to these documents. The Guidance Notes, to be effective, need to contain all of the information necessary to enable the accurate completion of the form.

c) The new *Part D* and the terminology used in this Part, as discussed in Chapter Eight, were considered to be deficient in terms of supportive definitions and guidance. This was reiterated in responses to this direct question about the guidance. Specific comments included:

‘capital employed, we used both sets of guidance to check and there was a worry that the definition is different’ (Mainstream RSL).

‘Part D needs greater clarification, it is a little ambiguous’ (Large complicated RSL).

Definitions of what constitutes an *eviction* and what *management* means were also raised as specific areas in need of clarification.

d) Not discussed in earlier chapters but discussed in the earlier projects and mentioned again by RSLs in this project was the need to improve the supporting Guidance Notes in three key ways. The first is to incorporate better indexing and cross referencing within the Guidance Notes in addition to on the form. Cross referencing between the glossary definitions and notes is an element of this. Secondly improvements in the glossary and definitions are required. Finally, the Guidance Notes should be simplified and be made a little more user friendly. In some respects an expansion of the Guidance Notes is required even though simplification is demanded. Comments from RSLs on this were:

‘the Guidance Notes do not feature enough’ (Group parent RSL).

‘a reference in the glossary to each Part would be useful’ (Supported large/owned RSL).

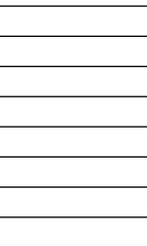
‘all terms used in the form needs to be questioned and a definition given to each term. The glossary needs to be rationalised with the Guidance Notes to ensure they are not contradicting each other...should include more information in the glossary’ (Non-developing RSL).

‘anything to simplify them would be good’ (Supported general RSL).

‘they were stale, not user friendly...difficult to follow for the average person. Also cross referencing the glossary through the form?’ (More managed than owned RSL).

One comment suggested that changes to the ways in which LA codes feature in the notes to improve their use and the standardisation of definitions, between Housing Corporation returns and in this case also, CORE is an issue. Changes to definitions must be cross referenced with data used elsewhere when the Guidance Notes are redrafted.

‘there should be two lists, one alphabetical and one numeric for the LA codes as we don’t always know the name or the number and the Housing Corporation ought to list any specific changes to



LA codes. The Housing Corporation ought to standardise definitions used by them and CORE' (Supported large owned/managed RSL).

We went on to ask the RSLs in the interviews if there was any additional guidance that they would like to see incorporated into the Guidance Notes.

The Guidance Notes to the Shadow RSR were largely the same as those used in the current RSR except for the impact of the change in definition of ownership and change to a SHS / NSHS approach: Is there any additional guidance that you would like to see incorporated into the notes?

Sixty eight percent did not feel the need for any additional guidance finding the notes comprehensive enough. One RSL didn't know if extra definitions should be incorporated into the notes.

Of the 28% who did want additional guidance this was again, on a range of issues:

- 'office units and leasehold units need to be clarified, greater definition' (Mainstream RSL)
- 'a glossary would be useful, we couldn't find very sheltered' (Supported large owned/managed RSL)
- 'a definition of "new transitional housing benefit regulation" new regulation should be incorporated' (Mainstream RSL)
- 'a definition of capital employed' (Two mainstream RSLs)
- 'colour-coding would help, green for go etc.' (More managed than owned RSL).

Finally, we asked if there was anything so fundamental (within both instructions and definitions) that RSLs felt it should be included in the body of the form as well as in the Guidance Notes.

The Guidance Notes to the Shadow RSR were largely the same as those used in the current RSR except for the impact of the change in the definition of ownership and change to a SHS/NSHS approach: Is there anything so fundamental (both instructions and definitions)

that you feel should be included in the body of the form as well as in the Guidance Notes?

The vast majority of RSLs (88%) said that there was nothing so fundamental that it should appear on the form itself. However, 12% said that they would like to see some guidance within the notes to the questions on the form. Where this was the case the same issues emerged:

- 'the definitions need to be reinforced and Social Housing Standards, Non Social Housing Standards and floating support need to be clearly defined in the glossary' (Mainstream RSL)
- 'Quick access to the notes, a guidance reference, this would help to answer the questions more easily' (Supported general RSL)
- 'referencing throughout needs to be clearer' (Mainstream RSL).

Guidance notes, terminology and definitions continue to create difficulties and impact on the accuracy of the data returned in the RSR. Clearly specified definitions authorised by the Housing Corporation would aid RSLs and help make terminology consistent. If there is currently ambiguity and room for misinterpretation within the definitions, it is not surprising that RSLs will continue to complete the forms the way they 'think' fit. The result will always be inaccuracies and inconsistencies between the data returned both by individual RSLs and between RSLs.

A.2. WHAT THE RSLs THOUGHT: DESIGN AND FORMATTING OF THE FORM

2.1. Interviews: design and formatting of the form

The actual formatting of the Shadow RSR remained basically the same as that of the current RSR to reflect the fact that the basic data requested are the same but recorded in a different way in some places. We asked the RSLs if they thought this approach was the correct one or if it had caused any confusion.

The actual formatting of the Shadow RSR remained basically the same to that of the current RSR to reflect the fact that the basic data requested is the same but recorded in a different

way in some places. Do you think that this approach is the correct one? i.e. did this cause any confusion?

Eighty three percent of the interviewees found the formatting of the shadow clear. Its presentation caused no confusion and many thought that it was helpful to see familiar signposts. However, within this group it was reiterated that while the form was good, the Guidance Notes needed greater clarity.

Thirteen percent felt the form was confusing and unclear because it was paper and not the electronic version they had become accustomed to.

A small minority, just under 10% of those interviewed, thought the form ought to be redesigned. One RSL said *'the new RSR needs to be completely changed, plus the shadow is very crammed. It would be better for it to be longer with more clarity than squeezing it all into as few pages as possible'* (Group parent RSL).

Another RSL felt that there was *'a lot of transposing from old to new so need to chuck away and redesign'* (Supported large owned/ managed RSL).

Certainly the practice of merely using the same data produced for the current RSR in the Shadow RSR raises concerns and implications for the accuracy of data in the Shadow RSR, especially when it was not evident that it was actually asking for different data.

B. WHAT THE HOUSING CORPORATION THOUGHT

During seminar discussions with the Housing Corporation, the issue of guidance and specific definitions and 'problem stock' were discussed.

First it was agreed that the practice of referring RSLs in the Guidance Notes to other documents was bad practice. The Guidance Notes need to be self contained. As a result, the Corporation would provide guidance for these documents and Acts previously referred to for incorporation into the notes.

In relation to other definitions and guidance, there was a commitment that the Housing Corporation would provide revised versions. The areas of guidance for which the Corporation took direct responsibility were:

- The definitions of stock to which the Social Housing Standards apply and that to which they do not, including a comprehensive list of examples by stock type. The terminology of this approach will have changed by 2002. Responsibility for amendments and updating of the Guidance Notes was allocated for the longer term.
- A positive definition of general needs rather than the default position at the moment i.e. currently, anything that is not included as supported housing is assumed to be general needs without definition. As the definition of supported housing is a subjective one, a definition of general needs would serve to clarify categorisation. It was also seen as essential to some RSLs in order to support the change in approach to a general needs/supported housing basis for reporting.
- Definitions of sheltered housing and clarification of what should be included as general needs stock and what should be included as supported stock for the purposes of the RSR: an area of confusion in both the current and Shadow RSR forms.
- Definition of floating support and a statement as to its categorisation as either general needs or supported housing. As RSLs often seem reluctant to include units receiving floating support as supported housing because of the transient nature of the support, the possibility of its inclusion as general needs would be explored.
- Definitions of and distinction between shared ownership, joint equity, leasehold and residual freehold properties and guidance on how these should be included in the RSR and why.
- Definitions to clarify what we are asking for in Part D. This includes definitions of other services, gross turnover and gross capital.

- Consistency of definitions between other Housing Corporation forms and CORE with those applied to the Shadow RSR.

In relation to the issue of the formatting of the form, we presented the views of the RSLs interviewed and discussed whether it was deemed necessary completely to redesign the form or not.

On balance, a decision was taken to go with the format of the Shadow RSR. The benefit of familiar signposting outweighed the minority view that the form should be redesigned.

C. SUMMARY AND RECOMMENDATIONS

1. Summary: guidance notes and definitions

- During the course of this and earlier research RSLs had identified a wide range of definitions and areas of guidance in need of clarification.
- There was a particular need to refine guidance and definitions applicable to new Parts and questions included in the Shadow RSR.

2. Summary: formatting and design of the form

- The majority of RSLs found it helpful to have similar formatting between the current and Shadow RSR.
- The main perceived drawback of the RSR was that it was not available electronically.

3. Recommendations

We recommend that all of the definitions and Guidance Notes be reviewed and redrafted with the aim of clarifying how RSLs should include stock in the RSR.

We recommend that cross referencing and other tools such as 'pop up' definitions or 'click on' guidance should be incorporated into the electronic form.

We recommend that the RSR 2002 continues to use the same formatting as the current RSR to indicate that the data required in the form is the same but is requested in a different way.

10. Implications for the dataset

Recommendations made as a result of the previous research are embodied in the approach taken in the Shadow RSR. As a result of these recommendations, the future RSR dataset would potentially change because of four elements fundamental to this new Shadow RSR approach. These are:

- change in the definitions of ownership;
- change to a SHS/NSHS basis of reporting;
- change to a general needs and supported housing rather than a self-contained and shared housing basis to reporting; and
- change in the levels of detailed information about stock owned and managed.

In this chapter, each subset of data that makes up the RSR dataset is examined in turn. In each case we will explain first, what data were returned in the current RSR, and secondly, what were returned according to the new approach taken in the Shadow RSR.

The Shadow RSR in fact asked RSLs to continue to categorise stock on a self-contained and shared housing basis in addition to adopting the general needs and supported housing approach to allow comparisons and ensure that the aims of the on-going research project would be met. It is the intention to drop the self-contained and shared housing split in a new RSR for 2002.

A. WHAT WE ASKED FOR: CHANGES IN THE DATASET

The following section explains how the data recorded in the current RSR are captured in the Shadow RSR, and what the expected changes to the data were:

Paid staff and governing body members

Questions about Paid Staff and Governing Body Members from Part A of the current RSR were transferred directly to Part Q of the shadow because these Parts are the same in all respects except number. No change was expected in the data returned.

Self-contained rental stock

In the current RSR, information about self-contained rental units in ownership is collected in Part B. Because of the four fundamental changes in the approach, there was no equivalent single Part in the Shadow RSR. Instead, self-contained units were included in the Ownership and Management Matrices in Parts A and B and then broken down further only where the Social Housing Standards applied.

Question B1: self-contained staff units

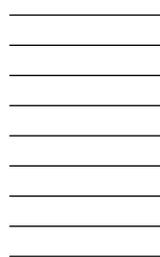
The current RSR asks for the total number of self-contained staff units separately from the total rented stock figure. This information was collected in Part B of the Shadow RSR, Non Social Housing Standard Stock. It was included here to indicate to RSLs that this stock should not be included in the breakdown of stock in later Parts. There was no expected change for this data, except where a change in the definition of ownership applied.

Question B2: occupied self-contained units for rent

The current RSR requests the total number of self-contained units that were occupied on 31 March. This information is not captured in the same way in the Shadow RSR. As one of the aims of the project was to minimise the burden of information, the view was taken that occupancy would be a default product of the total stock figure minus the vacancy figure. As such it did not warrant the inclusion of a specific question to ascertain this information.

Question B3: vacant units

The current RSR asks for a breakdown of vacant self-contained stock at 31 March. The breakdown is by reason for and duration of the vacancy. In the Shadow RSR, this breakdown is found in Parts E3 and F4. As any SHS stock is included in Parts E3 and F4, the Shadow RSR approach is likely to gather this information for a smaller number of units. Other changes to the data may result from changes in the stock as a result of the definition of ownership.



Question B4: total units owned

The current RSR asks for self-contained units owned, broken down by property size. The total number of self-contained units can be found in Parts A and B of the Shadow RSR, with a breakdown by bedroom size in Parts C1 and C2. This breakdown and the breakdown by property size were included in the Shadow RSR for the purposes of the research project only. As it is the intention to drop the self-contained distinction, this information would not be ascertainable from a final RSR for 2002.

Question B5: sheltered units for older people

The current RSR asks for the numbers of sheltered units with support and those that are defined as very sheltered separately. These totals are found in Parts A and B of the Shadow RSR. In a final version there would be no breakdown by unit type. Instead it will be on the basis of general needs and supported housing for sheltered units where the SHS apply and total units where they do not.

Question B6: wheelchair user units

The breakdown of accessible general housing and wheelchair user units is found in Parts E and F of the Shadow RSR, recorded on a general needs/supported basis and only for stock to which the SHS apply.

Question B7: units directly managed

Whereas the current RSR gathers management information about the self-contained stock owned in Part B, this information is consolidated within Parts A and B of the Shadow RSR. If the self-contained and shared housing distinction is dropped, the information will only be available with respect to general needs and shared housing. The data may also change as a result of the revised definition of ownership.

Sales, transfers and demolitions

There is no expected change in the equivalent Shadow RSR data for Part C of the current RSR, Sales, Transfers and Demolitions. This is because

all questions were transferred directly to Part L of the Shadow RSR, which is simply renamed because of the re-ordering of Parts.

Self-contained unsold developments

Part D of the current RSR, Unsold developments, became Part O in the Shadow RSR because of the re-ordering of the Parts. In the current RSR the Part asks only for self-contained unsold developments, whereas the final version of the Shadow RSR would ask for all unsold developments regardless of unit type.

Self-contained lettings

Lettings stock that is currently recorded in Part E of the current RSR, have been included in the newly consolidated Part G of the Shadow RSR. Part G collects information on all lettings made on the SHS stock. In a final version, it would collect information about lettings on the basis of whether they were general needs or supported housing rather than self-contained and shared.

Hostels and shared housing

The data found in Part F of the current RSR, Hostels and Shared Housing, are found in a number of places within the Shadow RSR which, as was the case with Part B, does not easily allow comparison. This is particularly so in the light of the aim to drop the shared housing distinction.

Question F1: hostels and shared housing bedspaces owned

The current RSR asks for the total number of shared housing bedspaces owned by type. Comparable information and the breakdown by type could be found in Parts A and B of the Shadow RSR. The revised definition of ownership may have resulted changes in the numbers owned by some RSLs.

Question F2: occupied bedspaces

The current RSR asks for the number of bedspaces occupied and vacant. Vacancies are broken down by whether they are available or not available for letting at 31 March. These units

will be included in the breakdown of vacancies in Parts E and F of the Shadow RSR, general needs or supported housing. These Parts, however, include only SHS stock from Part A and not all stock as in the current RSR.

Question F3: sheltered bedspaces for older people

As was the case with self-contained sheltered stock, this information will be found in Parts A and B of the Shadow RSR, but not by unit type in the longer term if the self-contained and shared housing split is dropped.

Question F4: wheelchair user bedspaces

Again, accessible general housing and wheelchair user units are found in Parts E and F of the Shadow RSR only. As only units to which the SHS apply are included in these Parts, the data may differ between the two forms. The revised definition of ownership may also impact on these data.

Question F6: breakdown of hostel/shared housing lettings

As stated, all lettings questions and information are consolidated into one Part, Part G of the Shadow RSR. This Part gathers data on the basis of general needs and supported housing for the stock to which the SHS apply included in Parts E and F. This also applies to question F8: Evictions of the current RSR, now found in Part G of the Shadow RSR.

Question F7: management of owned bedspaces

The current RSR asks RSLs to indicate who is responsible for the management of shared housing owned by them. This breakdown is included in Parts A and B of the Shadow RSR.

Supported housing

Part G in the current RSR provides details about the subset of stock that is Supported Housing. It also includes stock managed on behalf of others because this Part alone has a different definition of ownership to the rest of the form. In this Part only stock is included as owned where it is held on a lease of 2 years or more (original term).

Because the definition of ownership was harmonised in the Shadow RSR the total number of all units in ownership and management is included in Parts A and B.

Question G1: supported housing by user groups

The current RSR asks RSLs to provide a breakdown of supported housing owned and managed by user group. The same breakdown is included in the Shadow RSR in question F6. The data returned in question F6 differ from that in the current RSR, not only as a result of stock being SHS only and included on a revised definition of ownership, but also because it does not ask RSLs to distinguish between units managed on behalf of other RSLs or other organisations.

Questions G2 and G3: occupancy and supported housing by type

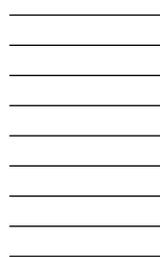
Because the Shadow RSR does not adopt the same subset approach to supported housing as found in the current RSR, the need for question G2 and 3 were negated. Instead the information is available from Parts A and B in the Shadow RSR.

Question G4: supported housing rent and service charges

This question is now included with all the other rents questions in Part H of the Shadow RSR. It requests the same data in terms of types of units/bedspaces, but the change in the definition of ownership is likely to impact on the base stock figures from which rents are calculated.

Acquisitions and developments

Part H in the current RSR asks for information about Acquisitions and Developments, on a self-contained and shared housing basis. The same information was requested in Part M of the Shadow RSR, renamed because of re-ordering. The stock will be recorded by total units, rather than self-contained and shared if this basis of reporting is changed. The number of units transferred may also differ as a result of the lowering of the lease term in the definition of ownership.



Housing stock built, acquired, rehabilitated (re-improved) without any public subsidy

Part I in the current RSR, Housing Stock Built, Acquired, Rehabilitated (Re-improved) Without Any Public Subsidy, asks for information on a self-contained and shared housing basis. Whilst Part N in the Shadow RSR asks for the same information, renamed because of re-ordering, in the longer term this will be on the basis of all units combined.

Stock owned by others and managed by you

Stock Owned by Others but Managed by You, Part J of the Current RSR, asks for data split by self-contained and shared housing and applies to stock owned on leases of less than 30 years in duration as well as management arrangements. These data were collected in Parts A and B of the Shadow RSR on the basis of the revised definition of ownership.

Question J1: accommodation managed for others

This question asks for a breakdown by type of owning organisation. Whilst these data are collected in Parts A and B of the Shadow RSR, the change in the definitions of ownership means that only stock owned on leases of less than 21 years will now be included as managed. The categories of owning organisations is also much narrower in the Shadow RSR with only three categories compared with six in the current RSR. A further change is that in the long term, data returned in line with the Shadow RSR approach would be on the basis of general needs or supported housing and not self-contained or shared.

Question J2: properties managed under temporary housing initiatives

This question was included in the Shadow RSR at question C3. In the long term, however, these data will be provided on the basis of whether the properties are general needs or supported housing and not self-contained or shared.

Ownership and management of shared ownership dwellings and freehold

Part K in the current RSR, Ownership and Management of Shared Ownership Dwellings and Freehold, as in the cases of Parts B and F, is found in more than one Part of the Shadow RSR because of the restructuring. Basic questions about ownership and management activities were covered by the data returned in Part A lines 23–30 of the Shadow RSR. In the Shadow RSR both Parts A and K, which includes the remaining questions from Part J (J1, J3 and J4) provide additional information as a result of the inclusion of an 'other' column. This was done in order to address the fact that units are omitted because they are not strictly shared ownership or LSE but nevertheless are forms of shared ownership stock holding.

Rent and service charges

Rent and Service Charges, from Part L in the current RSR, are found in Part H of the Shadow RSR. Part H collects the same information about general needs rents but for the SHS stock only. As assured and secure tenancies are, however, synonymous with social housing, we expected little change. One change expected to result from the Shadow RSR approach was the inclusion of shared housing rents and service charges in the combined assured and secure rent and service charge figures from which the average increase in rents is calculated. The revised definition of ownership may also impact on the data returned.

Services to tenants and leaseholders

Part M, Services to Tenants and Leaseholders was transferred directly to Part K of the Shadow RSR and renamed because of re-ordering. As a result, no changes in data are expected.

Housing stock by local authority area

Part N, Housing Stock by Local Authority Area, became Part P in the Shadow RSR. In Part N, the current RSR asks for a breakdown of data by unit type. In the Shadow RSR, the approach was different because data were requested on the basis of whether the stock was SHS and general

needs or supported housing. Because only SHS units are recorded on the Shadow RSR on a revised definition of ownership, the stock is likely to differ between the forms. It was decided at the Housing Corporation seminar, however, that an additional column would be included into the Shadow RSR format to ensure that comparisons with other district based data can continue in the future. This column would include the total number of NSHS units/bedspaces for each local authority

Average weekly net rents and service charges (excluding supported housing)

Average Weekly Net Rents and Service Charges (excluding supported housing), from Part O of the current RSR becomes Part I of the Shadow RSR with no change in the data requested.

B. WHAT WE GOT: CHANGES IN THE DATA RETURNED

All the data returned in the Shadow RSR were input into a database from which we made comparisons with the current RSR data provided by the Housing Corporation. The aim was to identify shifts in the data in order to assess the extent of changes to the RSR data set in the event that our recommendations are adopted in a new RSR in 2002.

Using a case study approach with a subset of RSLs from the sample, we explored the reasons for each discrepancy in data. For the remaining RSLs a comparison was made between the two forms using hard copy. These investigations were undertaken with respect only to those areas of data in which we had expected to find shifts because of the changes in definitions and approach adopted in the Shadow RSR.

The results of these comparisons are discussed below. Annex D contains a series of figures that show the scale of changes for each comparison. Where comparisons have been discussed in detail in earlier chapters the results have simply been summarised below.

aid staff and governing body members

No change was expected between the current and RSR forms and as such no detailed comparative analysis between the forms was pursued.

Self-contained rental stock

Total units owned

The comparison of total self-contained units owned is discussed in detail in Chapter Three.

There were discrepancies in the number of self-contained units owned between the current and Shadow RSR in 40 of the forms returned (Annex D, Figure D.1). Of these 22 RSLs had recorded an increase in the number of units owned in the Shadow RSR while 18 recorded a decrease. Discrepancies were generally the result of the change in the definition of ownership, mistakes completing the Shadow RSR (including data inputting error) and the current RSR. In addition some group forms had been completed differently between the current and Shadow RSR. Current group parent returns were filled out with no stock reported because they are non-stock holding whereas completion of the shadow group parent RSR amalgamated all stock owned by the group into their return.

Sales, transfers and demolitions

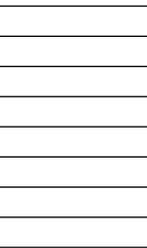
No change in data was expected and as such no comparative analysis between the current and Shadow RSR forms was necessary.

Unsold developments

No change in data was expected and as such no comparative analysis between the current and Shadow RSR forms was necessary.

Self-contained lettings

A detailed analysis and comparisons in lettings data are discussed in detail in Chapter Four.



First/new lets

The comparison of the data sets identified four RSLs that had reported an increased number of first/new lettings in the Shadow RSR while 12 RSLs had recorded a decrease (Annex D, Figure D.2). The comparative analysis of these data was carried out to see what impact, if any, the change in recording stock under Social Housing Standards and Non Social Housing Standards would have on lettings as a whole. Just two RSLs, out of the entire sample, reported a shift in data because of the change in the basis of reporting to SHS/Non SHS stock. Indeed, many of the discrepancies in data came from the current or Shadow RSR forms being incorrectly input on to the databases and the Shadow RSR being incorrectly completed at source.

Relets

Relet data were also cross analysed in order to evaluate the impact of the Social Housing Standards/Non Social Housing Standards approach (Annex D, Figure D.3). Again the change in approach only impacted on two RSLs relet figures. In the main, discrepancies between the current and Shadow RSR forms resulted from data inputting error, group RSLs completing the current and Shadow RSR forms on a different basis and the shadow form being incorrectly completed.

Hostels and shared housing

Total hostel and shared housing bedspaces owned

Chapter Five provides a detailed comparative analysis of the total number of shared housing bedspaces owned to highlight the impact on reporting the changes made in the definition of ownership and the approach adopted in the Shadow RSR.

In forty five cases RSLs had reported different numbers in the amount of shared housing bedspaces owned in the current and Shadow RSR forms. Twenty four reported an increase while 21 had reported a decrease (Annex D, Figure D.4). However, closer inspection of the data sets revealed that some additional units had been

included in the Shadow RSR which had been excluded from the current because of misunderstanding of definitions, data inputting error, totals not carried through to totals boxes and groups completing their current and Shadow RSR forms on a different basis. In only one case did a decrease in units result from the change in the definition of ownership.

Similarly, there were discrepancies in the total number of supported housing lets (Annex D, Figure D.5) when comparing current and Shadow RSR data. Once again, however, many of the shifts in data could be attributed to incorrect completion of the Shadow RSR form and data inputting error. Chapter Five provides a detailed analysis.

Supported housing

Analysis of the findings from comparisons on supported housing are discussed in more detail in Chapter Five.

Supported housing owned and directly managed

Increases

There were discrepancies between the current and Shadow RSR datasets in the number of supported housing units/bedspaces owned and directly managed (Annex D, Figure D.6). Nineteen RSLs from the sample recorded a higher number in the Shadow RSR. This can, in the main, be attributed to: omissions of data in the current RSR; data inputting error on the Shadow RSR and, units recorded as owned and directly managed on the current RSR but recorded as managed on behalf of another in the Shadow RSR in line with the change in the definition of ownership.

Decreases

Analysis of supported housing owned and directly managed (Annex D, Figure D.6) reveals that 16 RSLs recorded a lower number of supported housing units owned and directly managed in the Shadow RSR form. Again totals not being carried through to totals boxes was the cause of some of the differences between datasets. Had the totals been calculated correctly, the results would have been the same between the two forms. Overall, four RSLs had reclassified their stock directly

because of the change in the definition of ownership.

Supported housing units managed on behalf of another

Increases

Analysis of supported housing managed on behalf of another (Annex D, Figure D.7) reveals that ten RSLs reported increases in the Shadow RSR form. Five RSLs had recategorised stock in line with the change in the definition of ownership. Three RSLs had reported an increase for which no obvious reason could be found and two RSLs' figures were the same between the forms, discrepancies occurring as a result of data inputting error.

Decreases

The comparison showed a net decrease in the numbers of supported housing managed on behalf of others for eight RSLs (Annex D, Figure D.7). For six of these RSLs no obvious explanation could be found. One RSL had incorrectly input figures into the wrong line of the Shadow RSR. One RSL could not make the figures match when transferring figures directly from the current to the Shadow RSR.

Acquisitions and developments

No changes in data were expected between the current and Shadow RSR data. Therefore, no detailed cross comparative analysis was undertaken.

Housing stock built, acquired, rehabilitated (re-improved) without any public subsidy

No changes in data were expected between the current and Shadow RSR data. Therefore, no detailed cross comparative analysis was undertaken.

Stock owned by others and managed by you

Comparisons of the numbers of units managed on behalf of others were undertaken for both the numbers of self-contained units and shared housing bedspaces in line with the current RSR approach. The changes made to the definition of

ownership meant that we had expected the numbers of units managed to be lower in the Shadow RSR although this took no account of the 'net' effect to the stock reported.

Self-contained units managed on behalf of others

Increases

Nineteen RSLs reported a increased total number of self-contained units managed on behalf of others in the Shadow RSR (Annex D, Figure D.8). Eight of these were actually the same in both forms but had differed in comparison because the Shadow RSR had not been correctly completed at the point at which the comparative data were extracted. Four RSLs had incorrect data in the current RSR, three RSLs had completed their current group form as the non stock holding parent while the Shadow RSR form had incorporated all subsidiaries' stock. In only two cases was the net increase a result of the change in the definition of ownership.

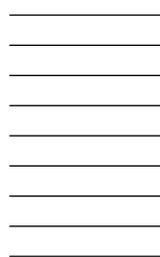
Decreases

Twenty four RSLs reported a decreased number of self-contained units managed on behalf of others in the Shadow RSR (Annex D, Figure D.8). However, in 11 of these the data should have been the same. Discrepancies were because, in the main, units had been included in the current RSR which should not have been or had been excluded from the shadow when they should have been included. Only three RSLs experienced a decrease in the total self-contained units managed on behalf of others as a direct result of the change in the definition of ownership.

Shared housing bedspaces managed on behalf of others

Increases

Nine RSLs experienced an increase in the number of shared housing bedspaces managed for others reported in the Shadow RSR when compared with the current (Annex D, Figure D.9). Six of these were false increases resulting from errors, either on the current RSR form with a failure to include stock, or on the Shadow RSR, through double counting and the form being incorrectly completed. Two RSLs reported an increase in numbers as a direct result of the change in



definition of ownership. Unfortunately, one RSR form was incorrectly completed to the extent that no analysis between the current and Shadow RSRs could be undertaken.

Decreases

Twelve RSLs recorded a decrease in the number of shared housing bedspaces managed on behalf of others in the Shadow RSR (Annex D, Figure D.9). Six of these should in fact have been the same. Discrepancies in the data occurred because of data inputting error in both the current and Shadow RSRs and units had been left out of the shadow. Interestingly in four cases no obvious reason for the decrease could be found.

Ownership and management of shared ownership dwellings and freehold

This comparative analysis does not appear anywhere else in the report and is therefore more comprehensive and detailed than previous data analysis in this chapter.

Total units in joint ownership

Increases

Six RSLs recorded an increase in the total number of units in joint ownership in the Shadow RSR (Annex D, Figure D.10). None of these were in the case study sample. Two RSLs' figures were incorrect because of data inputting error. Of these one RSL still had an unexplained increase of two units in the shadow while the other was in fact the same. A further two RSLs recorded increases for which there was no obvious reason. One group parent RSL had completed their current RSR correctly as a non stock holding parent, while the shadow return had been completed on the basis of all the stock within the group. Finally one RSL had double counted stock because of incorrect completion of the form, a total had been put in a box not intended for a total.

Decreases

Two RSLs recorded a decrease in the number of jointly owned units in ownership, and again neither of these had been interviewed (Annex D, Figure D.10). One RSL had included stock in their current RSR where the purchaser had acquired 100% of equity but this had not been included in

the total of the Shadow RSR. For the other RSL no explanation for the decrease could be found.

Total units in joint management

Increases

Six RSLs reported an increase in the amount of jointly owned units in management (Annex D, Figure D.11). Of these, one was interviewed in the case studies. Here the RSL had included 479 units in Part A of the Shadow RSR under the new 'other' category but had not included these units in the current RSR. This was an 'omission' (General RSL).

Of the remaining five RSLs that recorded an increase, closer analysis of the current and Shadow RSR forms was carried out. Two RSLs showed a false increase due to data inputting error on the current RSR dataset. On close inspection the figures were the same. One, as above, included units in Part A of the shadow which were not included in the current RSR while for another no explanation of the increase could be found. Finally, one RSL had completed their current RSR form as a non stock holding group parent, while their shadow form had incorrectly been completed as an overarching group form.

Decreases

Twenty one RSLs reported a decrease in the number of jointly owned units in management (Annex D, Figure D.11). Of these, nine had been interviewed in the case studies.

Seven of these RSLs simply did not carry their totals through to the totals boxes. If they had done so the data would have been the same. This was simply a case of error completing the form. Another RSL had included their units but placed them in the wrong line.

Another RSL failed to record their jointly owned units in management within Part A of the shadow which therefore resulted in a decrease between datasets. However, they did include these units within Part J of the shadow although this number did not correspond with the total in Part K of the current RSR, which was higher. The reason for this was because 'we took properties on after March which we included in the Shadow RSR and

shouldn't have done, the current is correct' (Group subsidiary RSL).

Cross analysis of the remaining 12 RSR forms revealed that nine RSLs had simply not carried their totals through to the total box. Had they done so the figures would have been the same between forms. Two RSLs had incorrectly completed the Shadow RSR form. Of these one also had data inputting error on the current RSR form while the other had data inputting error on the Shadow RSR. Finally, one RSL did not include units that had staircased to 100% equity. They were included on the form but were omitted from the total box.

Rent and service charges

This section on rents and service charges is not discussed anywhere else in the report. Therefore a comprehensive and detailed analysis is given here.

Total assured self-contained stock

Increases

Out of the 11 RSLs reporting an increase in the total assured self-contained stock between the current and Shadow RSR forms, one was interviewed in the case studies (Annex D, Figure D.12). This RSL explained that the increase was because of 12 flats now 'owned' on a 29 year lease. *'I didn't put them into the current RSR because they are leased and it's a shorter lease, they should not be counted.'* They do appear on the Shadow RSR because of the change in the definition of ownership.

Of the remaining 10 RSLs, cross analysis between the current and shadow forms was carried out. Two RSLs had completed their current RSR as a non stock holding parent while completing the Shadow RSR on the basis of all stock being reported on behalf of the whole group. For the remaining eight RSLs there was no obvious reason as to why the numbers of assured self-contained stock should increase between the forms.

Decreases

Of the 10 RSLs reporting a decrease in the numbers of assured self-contained units three had been interviewed in the case study stage (Annex

D, Figure D.12). One RSL had not completed Part H of the Shadow RSR resulting in a decrease on comparison. Similarly another RSL did not complete Part H because it would have meant separating out recategorised sheltered stock manually and the RSL was not prepared to do this. Finally a RSL with a decrease of 59 units forgot to carry through 55 units from Part A on the Shadow RSR, while the remaining four units were not counted as they were new build.

The remaining seven forms were compared for discrepancies. Two RSLs had recorded a lower number of units in the Shadow RSR because of data inputting error. In one of these cases the Shadow RSR had also been completed incorrectly, while in the other there should have been an increase rather than a decrease in the number of total assured self-contained stock although no explanation could be found for this increase. Of the five outstanding discrepancies no obvious explanation could be found as to why their stock should decrease between the current and Shadow RSR forms.

Total secure self-contained stock

Increases

Just four RSLs recorded an increase in the total amount of secure self-contained stock (Annex D, Figure D.13). None of these were included in the case studies. Analysis between the current and Shadow RSR data sets revealed that one RSL completed the current RSR as a non stock holding group parent, while the shadow was completed on the basis of all the stock within the group. A further two RSLs recorded an increase in the Shadow RSR and interestingly both belong to a group structure: one a parent and one a subsidiary. No explanation could be found when comparing the two forms. Finally, one RSL had four units recorded which had been included in secure units in the shadow but which had been separated out into other letting arrangements in the current RSR.

Decreases

Six RSLs reported a lower number of secure self-contained units in the current and Shadow RSR forms (Annex D, Figure D.13). One of these RSLs had participated in the case study interviews. This

RSL did not complete Part H in the Shadow RSR because it would have meant manually separating out and reclassifying very sheltered units and the RSL was not prepared to do this.

Cross form analysis showed that three of the remaining five RSLs had an unexplained decrease in the number of units. One RSL did not complete Part H of the Shadow RSR, which therefore resulted in a decrease in the number of units between datasets. One RSL actually did have the same amount of units between forms and the discrepancy was a result of data inputting error.

Total assured and secure self-contained average rents

Comparative rents and service charges are not discussed anywhere else in this report. As expected there were few discrepancies between the current and Shadow RSR data. Reasons for changes in the dataset are set out below.

Increases

Five RSLs recorded a higher total assured and secure average rent figure in the Shadow RSR (Annex D, Figure D.14). None of these RSLs had been interviewed during the case studies.

Three of the increases appeared in the forms of group parent RSLs. Again, the current RSR form had been completed as the non stock holding parent while the shadow was incorrectly completed as the all encompassing group return. One RSL had a difference in stock numbers which had resulted in an increase in rents while the remaining discrepancy proved to be a data inputting error in the Shadow RSR dataset.

Decreases

Ten RSLs recorded lower total assured and secure average rents in their Shadow RSR forms (Annex D, Figure D.14). Only one of these had participated in the case studies. This was the same RSL who did not complete Part H of the Shadow RSR because it would have meant manually separating out very sheltered figures.

A further two RSLs did not complete Part H of the Shadow RSR obviously resulting in a decrease. Two forms were subject to data inputting error

and in fact the figures were the same between the forms.

The remaining five RSLs had experienced a decrease in rents on the Shadow RSR form as stock numbers were reduced. No clear explanation of the reduction could be found between the forms.

Average assured and secure rents: all stock including shared housing

As it is the aim of the Shadow RSR is to move to a general needs/supported housing basis of reporting rather than a self-contained and shared split, an implication is and there would be the inclusion of all stock in the figures used to calculate the average increase in rents and service charges. This figure is important to the Housing Corporation because it is used to monitor the RPI + 1% rent increase policy.

In order to ascertain what the impact of including rent and service charge figures for shared housing would be on the combined assured and secure figure, we performed an analysis based purely on current RSR data. Current RSR data were used to ensure that the only change on the data would be the addition of the shared housing information. The result of this comparison is shown in Annex D, Figure 15.

Assured and secure rents: the impact of including shared housing

Increases

Comparative analysis of assured and secure rents taken from the current RSR dataset indicated that seven RSLs would show an increase in their rents for the calculation should shared housing be included. Of these seven, four were group parent RSLs and the remaining three were general RSLs. The increase was 0.01p for all except for one general RSL who would have an increase in rents of 0.04p per week.

Decreases

Comparative analysis of assured and secure rents taken from the current RSR dataset found that fourteen RSLs would show a decrease in their rents should shared housing be included. These

came from a range of RSL types. The decreases varied between 0.01p and £8.06p per week. However, it should be noted, that only two RSLs from the total sample would have a decrease in rents of over £5.00.

Housing stock by local authority area

Although there would potentially be significant changes in data at the individual local authority level, detailed comparisons of data were not pursued. Where there were discrepancies in the returns of the case study RSLs, we pursued the reasons for these. Invariably discrepancies occurred because only Social Housing Standard stock was included in Part P of the Shadow RSR compared with all stock in Part N of the current RSR. This should, however, be resolved by including a column for total Non Social Housing Standards units in any later version.

Average weekly net rents and service charges (excluding supported housing)

No significant changes in data were expected between the current and Shadow RSR data. Therefore no cross comparative analysis was undertaken.

C. SUMMARY AND RECOMMENDATIONS

1. Summary

- Initial comparative analysis between the current and Shadow RSR forms revealed that where there was a shift in data between the two forms it was because:
 - A genuine shift occurred because of the change in the definition of ownership, albeit minimally.
 - Data inputting error, both with the current and Shadow RSR, caused by a false shift between datasets.
- Reporting on a SHS/NSHS had little impact on the data returned within the Shadow RSR when compared to the current.
- Group parent RSLs' Shadow RSR forms were completed differently between the current and

Shadow RSRs. More often than not the parent current RSR would be completed correctly as a non stock holding RSL, containing staff only, whereas the Shadow RSR was incorrectly completed on the basis of a group form, amalgamating all stock. This threw up huge discrepancies when cross analysing the datasets.

- Errors would have been less likely if the form had been produced electronically where automatic validation occurs.
- Additional units had been included under hostel and shared housing in the Shadow RSR which had not been included in the current form. This was because of definitional misunderstandings and assumptions.
- Totals boxes had consistently been left blank on the Shadow RSR. Had these totals boxes been filled in where data for comparative analysis had been taken, false increases and decreases in data would not have occurred.
- The inclusion of shared housing rents on the combined secure and assured rents figure was tested for impact. Virtually no rents were shown to increase, while a small minority would show a decrease in rents should shared housing be combined.

2. Recommendations

We recommend that totals boxes become shaded in order to make it clear that they should be filled in.

We recommended that clearer definitions should be included in subsequent Guidance Notes to avoid misinterpretation of terminology.

11. Overarching group forms

Based on the findings of the previous research project a recommendation was made to facilitate the contextualisation of information returned in the RSR on a group-wide basis. The initial recommendation was for the use of an Annex to the Shadow RSR. This idea was mooted at a workshop at the RSR Symposium. After consultation with RSLs at this event and with Housing Corporation officials, another strategy was adopted.

Parent RSLs of group structures were requested to complete an extra Shadow RSR that included all of the information returned by its individual registered subsidiaries amalgamated with their own to give a group perspective. The aim of this was to provide information that would make it possible to disentangle inter-group arrangements and allow ownership to be viewed on a group basis rather than being attributed to the various elements of that group. This is important not only to rationalise often unrepresentative performance information for these RSLs, but also because of the rapid growth in the number of group structure arrangements in the sector over recent years. It is particularly relevant in relation to the Housing Corporation's 'Regulating a diverse sector' policy. This applies to groups as a whole (including registered and unregistered organisations) as well as each individual RSL within the group (paragraph 30) and includes an assertion that the RSR will be used to monitor diversity (paragraph 33).

A. WHAT WE ASKED FOR

We asked parent RSLs of the group structure arrangements included within our sample to complete an additional Shadow RSR form. Whilst each individual RSL was still required to complete their own Shadow RSR, as is the case with the current RSR, we asked for an amalgamated form in addition. It was our intention that the parent RSL would complete an 'overarching' form in which the constituent RSL members were viewed as one entity—the group. Therefore, any stock owned and managed by individual RSLs would be deemed owned and managed by the group.

There were no separate Guidance Notes prepared to facilitate the completion of the group form beyond those applied generally.

Ownership on a group basis

The definition of ownership was to be applied on a group wide basis. This meant that we wanted the parent RSL to include all stock reported as owned in the individual Shadow RSR forms completed by each registered subsidiary RSL within the arrangement as owned by the group. In line with this approach, anything both owned and managed within the group would be included as owned and directly managed for the purposes of Parts A and B, regardless of whether the actual owning RSL or another RSL within the same group was responsible for the management of that stock on a day to day basis. Management by RSLs would therefore only apply where a non-group member RSL managed units on behalf of a subsidiary or parent RSL. Management by other organisations would include stock managed by unregistered subsidiaries of the group in addition to other organisations more generally.

Other activities: Part D

The information returned in Part D of the group wide Shadow RSR was intended to reflect material activities on a group basis overall rather than on an individual RSL basis. It was anticipated that this information would be easily identifiable as a product of the strategic function often carried out by parent RSLs. As a result, activities that might not meet the thresholds in individual RSL's Shadow RSR forms could become material on a group basis because the materiality of activities would be combined across member organisations of the whole group.

B. WHAT WE GOT

1. The returned forms

At the outset of the project 33 identified group structure arrangements were included in the sample, incorporating 90 individual registered RSLs. Of these, it appeared that four of the

identified groups were groups in name only because they did not have a registered parent body. Seven groups declined the request to participate in the project and in another four cases parent RSLs declined to participate on a group basis but agreed to complete a Shadow RSR on an individual basis only. This, in principle, left us with 18 group structures in the project sample.

In line with this we expected to receive 18 overarching group forms. In fact we received only twelve returned group Shadow RSR forms after considerable chasing, one of which the researchers had completed in conjunction with the parent RSL. Of the remaining eleven forms only four were completed correctly. These were generally the larger, longer standing group structures in our sample.

Analysis of group returns

The errors found in the seven incorrect forms returned on a group basis related to the

confusion around completing the same form twice whilst applying different principles and in effect different definitions in each case. Table 11.1 below shows which forms were returned and whether the group form was consistent with their corresponding parent and subsidiary forms.

As mentioned above only four out of the eleven forms returned were completed correctly. One member of staff had been responsible for completing all of the group, parent and subsidiary forms in two cases and one group form had been completed by a researcher. Only one correctly completed consolidated group return had amalgamated data from subsidiary returns that had been completed by different individuals at the subsidiary level. However, although in principle completed correctly in terms of the intentions of the form, the data contained in these groups was not necessarily accurate. One group, for example, correctly completed and returned individual subsidiary forms, a parent form and an overarching group form but on closer inspection the data from Parts A and F did

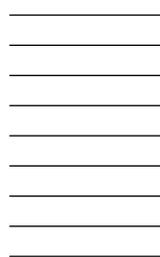


Table 11.1: **Completion of the Shadow RSR: groups**

	Individual Shadow RSR forms returned?			Data returned in group forms consistent with individual SRSRs returned
	All subsidiaries	Parent	Overarching group	
Group 1	a	a	a	a
Group 2	a	a	a	a
Group 3	a	r	r	r
Group 4	a	r	a	a
Group 5 *	r	a	r	r
Group 6	a	r	a	a
Group 7	a	r	a	r
Group 8	r	r	r	r
Group 9	a	a	a	a
Group 10 **	a	a	a	a
Group 11	a	a	a	r
Group 12	a	a	a	a
Group 13 *	r	a	r	r
Group 14	a	r	a	r
Group 15	a	a	a	r
Group 16 *	r	a	r	r
Group 17	a	r	a	r
Group 18	a	a	r	r

* All subsidiaries are unregistered ** Group Shadow RSR completed by a researcher

not match the data from those parts in the subsidiary forms. A note had been attached on the group form explaining that data from the forms could not be reconciled.

Two group returns would have been returned correctly if parent forms had been completed. In both cases the overarching group return contained data consistent with the subsidiary returns. As in the case of many group RSLs, the parent RSLs of these groups were non-stockholding and therefore the groups did not feel it was necessary to complete Shadow RSR forms on an individual basis. They could not understand the need for parent information on non-stock such as services and staff employed centrally.

One group stood out from the rest as all returns were incorrectly completed. Not only did they fail to complete a group form and parent form but the subsidiary forms were completed incorrectly. In this case, two subsidiaries' data were added together on to one form. The parent RSL requested that the researchers sort out the forms as they were unwilling to spend the time disentangling the data. However, although researchers collaborated with the RSL in an attempt to unscramble the data, it proved to be impossible. The parent RSL did, however, stress that if completion was a regulatory requirement and enough notice was given to set up new database systems, the extraction of data would not be too problematic.

Of the six groups that did not complete an overarching return, three did not do so on the basis of the view that the task was unduly onerous for a research project. They indicated that they could complete a group return if it became a regulatory requirement. The remaining three groups consisted only of a registered parent RSL and unregistered subsidiaries. As such the group form completed on the basis requested would merely have been a replica of the individual Shadow RSR returned.

One large group structure enclosed a list with their returned Shadow RSR forms of the areas where they had had experienced difficulty in meeting the data requirements for the

consolidated group return: These comments included:

- *'the vast bulk of the Group consolidation could be completed automatically within the Corporation's database, without the need for an entire extra form'.*
- concern about having to report all the local authorities in which they operate in a group return when the exercise has already been carried out for the subsidiaries. They suggest an *'efficient way to do this would be automatically, within the Housing Corporation's database—in conjunction with a much reduced Group return for the remainder (that which can't be aggregated)...A, B, C5–7, D, L3 line 9, M4, M6'.*
- concern over the *'second activity indicator (that derived from capital values) will be extremely difficult to complete, and require considerable work. Surely the turnover measure alone is adequate?'*

This was not the only RSL to highlight the fact that the data provided by RSLs could be greatly reduced if the Housing Corporation were able to establish a database which would automatically combine subsidiary and parent returns into an overarching group return.

Part D, Other Services Provided by RSLs, was particularly troublesome to complete because of the difficulty in extracting the activities of unregistered subsidiaries from activities on a group wide basis. Therefore, even where data had been successfully amalgamated from subsidiary to group returns, the percentage of gross turnover was often left blank even though 'other services' were specified on the form.

The diversity and complexity of group structures, not just in stock but in the varying ways internal management systems operate, has meant that in many instances the forms were incorrectly completed. Even so, of those RSLs that were interviewed for this project a group return amalgamating and consolidating all subsidiaries' activity was seen as a useful way of bringing together all of a group's activities. Once internal databases are established with the ability to extract relevant data, particularly between

registered and unregistered subsidiaries, the task of completing an overarching group form will be greatly improved.

2. Helpline queries

There were four queries made directly to the helpline about the ‘group form’ by two group structure RSLs. There were many more made to the researchers generally about exactly what it was that we wanted RSLs to include in the form in terms of stock owned by registered and unregistered subsidiaries and the group form’s relationship to both the parent’s and subsidiaries’ forms. The main concerns were:

- the inclusion or not of stock owned and managed by unregistered subsidiary organisations integral to those group arrangements; and
- how management and ownership should be reported on a group basis. The principle that everything both owned and managed within the group, regardless of who owns or manages it should be recorded as owned and directly managed in Parts A and B was not the subject of specific guidance.

C. WHAT THE RSLs THOUGHT

The feedback received about the group form largely related to the lack of specific guidance. Although we did not ask questions specifically about the group form in the Evaluation Form, we did canvass those group structures interviewed about their experiences.

Interviews: group RSL issues

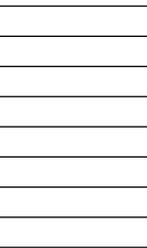
We had intended to interview representatives not only from the group parent RSL but also from each subsidiary in order to discover more about how group structures operate internally in terms of information management, reporting and views of ownership and management. This, however, proved difficult as more often than not one person, usually from the parent organisation, completed Shadow RSR forms on behalf of all constituent registered RSLs in the group. We spoke to five group structures during the interviewing process and this had been the practice in three.

Interestingly, one example where this was not the case, we found that two subsidiary RSLs had recorded their stock as owned and managed differently within their individual Shadow RSR forms—no overarching group form had been completed in this case. Here one subsidiary had reported all stock as owned and managed by the parent RSL while the other reported everything that they owned as owned and directly managed by themselves. Both interviewees met for the first time during our interviewing process and had no idea that they had been recording stock as owned and managed in different ways. Here there was clearly a lack of coherence and communication between the subsidiary RSLs and how they record their stock in the ownership and management context.

In the second case where a group form had been completed by the parent RSL while the subsidiaries had completed their own, the group form was not viewed as significant additional work. From the subsidiaries’ point of view it had made no difference because they simply had to continue to complete their own individual Shadow RSR, ‘we provide data to the group anyway, so the data has got to be produced regardless of where it is sent’. For the group parent, completing an entire group form was viewed as a useful exercise, ‘we could see what was what, this provided good general information for us’.

This was the exception to the rule. In general there was resistance to completing a form on behalf of the whole group. One group parent RSL commented that: ‘the form is not designed as a group form at all and needs redesigning for this purpose. It would have to take account of stock owning subsidiaries...it would be easier to complete the task on one form if it took into account the arrangements within the group. Benchmarking—merge all the data for one group wide figure’.

The main problem seems to be that the range and diversity of group structure arrangements made completing a Shadow RSR form difficult, particularly when it came to disentangling any unregistered subsidiaries who do not fall within the regulatory framework but who may be, none the less, an important part of the whole picture.



D. WHAT THE HOUSING CORPORATION THOUGHT

After presenting the findings of the research it was agreed that a further exercise working very closely with specific group structure RSLs was necessary to develop a more appropriate form for their needs.

E. SUMMARY AND RECOMMENDATIONS

1. Summary

- Identifying formal and registered group structure arrangements and their constituent member RSLs is not currently easy because of the lack of a definition. Before an overarching group form can be introduced it is necessary to be able to clarify which RSLs would be required to complete the form on a regulatory basis.
- Utilising one form and the same set of Guidance Notes for two purposes, both the individual and overarching group forms, was not effective and created a great deal of difficulty when attempting to evaluate the potential benefits of the overarching group form.
- The lack of specific guidance and instructions for completion of the form on a group basis adversely affected the accuracy of the data returned. This was particularly important with respect to extracting information relating to unregistered subsidiaries.

2. Recommendations

We recommend that a formal definition of a RSL group structure should be devised for regulatory purposes.

We recommend that the Housing Corporation should consider the question of how to address unregistered subsidiary activity within the group approach to data collection.

We recommend that further research is undertaken, working very closely with RSLs in group structures, to design a form and set of Guidance Notes that are appropriate to the way in which these RSLs function, particularly in relation to organisation of information and views of ownership on a group basis.

12. Conclusions

This report has presented the findings of the third phase of a rolling project that has been on going since 1998. It was undertaken to ensure that the data provided in the RSR are as accurate and appropriate as possible. A set of recommendations were generated from the findings of the two earlier phases that not only aimed to improve the accuracy of the data requested but also to resolve the concerns that RSLs experienced which had resulted in inaccuracies. As a result, the recommendations were wide ranging. They were concerned with the definitional basis of reporting, the range and scale of information requested, the structure of the form and the resulting flow of information.

In this third phase these recommendations were operationalised and incorporated into a Shadow RSR that in effect presented a revised Section Two of the form. By asking RSLs to complete the Shadow RSR and provide us with feedback on their experiences, we were continuing the highly consultative rolling methodology that had been utilised in the earlier stages. This allowed us to evaluate the impact of the original recommendations for RSLs rather than purely focusing on the implications for the RSR data set.

All in all, the Shadow RSR was well received and was successful in resolving many of the issues identified in the earlier projects. Our findings are summarised below in line with the structure of the report. Our conclusions are drawn from these findings from which we have generated a final set of recommendations for a revised Section Two in 2002 (Chapter Thirteen).

WHAT WE ASKED FOR

The following recommendations were operationalised in the Shadow RSR:

- 1 Change in the definition of ownership and reharmonisation of definitions of ownership between general needs and supported housing (and assessment of the Section 9 Consent approach);
- 2 categorisation of stock into which the Social

Housing Standards apply and to which they do not for reporting purposes;

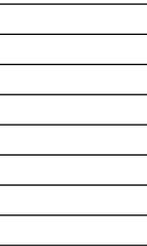
- 3 change in the basis of reporting from self contained and shared housing to general needs and supported housing;
- 4 introduction of two ownership and management matrices up front in the form to provide an inclusive picture of overall stock related activity;
- 5 consolidation of Parts in line with other changes and a re-ordering of the Parts to improve the flow of information;
- 6 introduction of a new Part to catalogue all material non stock based services to complete the picture of all activities and business streams relevant to each RSL;
- 7 introduction of two new questions to indicate management activity in respect of stock managed pending transfer into ownership;
- 8 introduction of a new question that makes it possible to calculate the average increase in rents and service charges excluding new additions that had come on line during the year; and,
- 9 use of the Shadow RSR as an overarching Group RSR in the case of RSL group structures.

In evaluating the impact of these changes it was important to assess the implications for the resulting data set and identify necessary changes to the accompanying Guidance Notes.

WHAT WE GOT: CHANGES TO THE DATA SET

Totality of stock owned and managed

Although the Shadow RSR looked different to the current RSR and was devised so that data should be recorded differently, the totality of stock in ownership and management recorded in the new matrices should not have changed. The expectation was that data would shift within the



total stock from ownership to management and vice versa as a net effect of the change in the definition of ownership. It was also anticipated that these shifts would be more significant in relation to supported housing than general needs housing. This was because the earlier project had established the fact that very few general needs units were held or transferred by RSLs on leases of between 21 and 30 years whereas the incidence of shorter leases was much more prevalent in the case of supported housing stock.

Comparisons of the two data sets showed that in line with our expectations, there were no significant changes to the totality of stock resulting directly from the change in the definitions of ownership. In only a small number of cases had shifts between ownership and management occurred as a result of this change.

Significantly, however, the totality of stock had changed in a much larger number of cases for a number of other reasons. Whilst this was the result of errors in both the current and the Shadow forms, there was evidence that the Shadow RSR approach had increased the accuracy of the data returned. Certainly there were a significant number of cases where stock previously excluded from the current RSR on the basis of assumptions about its intentions had been correctly included in the Shadow. This was a product of the ownership and management matrices, particularly the distinction of SHS and NSHS stock and the specified subcategories included in each matrix for the purposes of clarity and signposting.

Most notably the Shadow RSR had clarified the previously held assumption that the current RSR views all self contained stock as general needs and all shared housing as supported housing. Also notable was the fact that non social housing stock such as market rented units and registered nursing homes had also been more accurately included in the Shadow RSR. This body of stock had often been excluded from the current RSR because RSLs assumed that this stock was no concern of the Housing Corporation and therefore of no importance to the RSR exercise. Certainly the approach to data collection in the Shadow RSR had not only achieved the intended

transparency of the aims of the form in relation to the regulatory regime but in doing so had clarified its data needs and resolved assumptions based on regulatory requirements.

Our assessment of stock that had been transferred under the General Consent or with Section 9 Consent was that the scale was very low and as result, inclusion of this stock as owned would not impact significantly on the dataset. Indeed, this approach could prevent an element of double counting of these units that was identified during the research, thereby improving the accuracy of the data set.

Management information

Although we did not expect the total numbers to change as a direct result of the Shadow RSR approach, we had expected to find a smaller number of units in the individual Parts of the Shadow RSR beyond the matrices. This was an anticipated implication of the proportionality approach that aimed to restrict detailed reporting to the body of stock subject to the Housing Corporation's regulatory regime. This was managed in the form by instructing RSLs to distinguish between their SHS and NSHS stock in the matrices and then carry only SHS stock to the Parts requiring more detailed management information.

There were shifts in data, but these were not significant because in the vast majority of cases RSLs had no or very few NSHS units or if they had, these had often been excluded from the current RSR on the basis of the assumptions about regulation discussed above.

The change to the basis of reporting in the Shadow RSR, switching to general needs and supported housing rather than self contained and shared housing did produce some significant shifts in data. This was the result of reclassification of stock largely from general needs in the current RSR to supported housing in the Shadow RSR. It was no surprise that in most cases this was the result of the reclassification of what had been identified as problem stock in the earlier projects, primarily sheltered housing and housing receiving floating support.

The earlier projects had identified the fact that sheltered housing was often included incorrectly in the subsets of general needs and supported housing in the current RSR because it can be either general needs or supported housing depending on the level of support provided to residents. In many cases, however, RSLs had viewed sheltered housing as supported housing by definition i.e. as a result of its name.

In order to clarify this point the SHS matrix had included sheltered housing categorisations separately to general needs and supported housing. Each category had instructions on how it should be included in the remainder of the Parts—as general needs or supported housing. This separate signposting had improved the accuracy of the data but in doing so had resulted in bigger shifts of stock than had been expected, thereby indicating that RSLs had not necessarily revisited the Guidance Notes of the current RSR on a yearly basis when categorising stock for the exercise.

This conclusion stems from the fact that a number of RSLs had commented that the reclassification of sheltered stock to supported housing as a result of it being very sheltered housing had been a result of new guidance where in fact the current RSR also requests that very sheltered housing be included as supported housing.

The fact that the current RSR views units where the tenant is receiving floating support as supported housing has always been difficult for RSLs to reconcile with the way in which they view this stock regardless of the snapshot approach adopted in the form. This difficulty stems from the fact that the support is attached to the tenant and not the unit which continues to remain within the general needs stock because the support could float off at any time. Although the Shadow RSR also instructed RSLs to include floating support as supported housing, the inclusion of a specific sub-category in the SHS matrix had reinforced the guidance. As a result, units receiving floating support had been more accurately reported as supported housing in the Shadow RSR than in the current RSR, resulting in shifts in data.

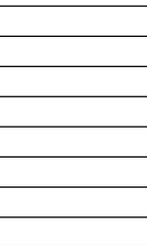
Lost data

It was necessary to ensure that the change in the basis of reporting in the Shadow RSR would not adversely impact on the ability for the Housing Corporation and others to utilise the resulting dataset. As one intention of the approach was to remove the self contained and shared housing breakdown in the form, this would have a direct impact on the detailed management information contained in the resulting dataset and therefore on the comparability of the data with other data sources.

Discussions with the Housing Corporation clarified that in almost all cases more accurate data were sufficient justification for losing certain subsets of information. As the data on lettings function as a benchmark for CORE, however, it would be important to ensure that all relevant definitions should be standardised in line with any revisions adopted in the RSR 2002.

Rent and service charge data stood out as a particular exception here. In order to facilitate the ongoing comparisons of RSL rents data with that for other sectors such as CIPFA, it would be necessary to retain a breakdown by property size for general needs assured and secured tenancies. For this reason it was necessary to retain the distinctions between non-self contained properties and self contained properties of all sizes in both the general rents Part and the local authority breakdown of rents.

Because of the wider use of RSR data at the local authority level, it was not acceptable to include only SHS stock in the breakdown of stock by local authority area as had been done in the Shadow RSR. At the same time, requesting detailed information about NSHS stock at the local authority level would defeat the intention of minimising the burden of reporting by making it proportional to the Housing Corporation's needs. The compromise was therefore that in a revised RSR there would need to be a total NSHS stock figure in the local authority breakdown in order to facilitate the on-going utilisation and comparability of the data.



New data

A body of new data had resulted from the inclusion of a new Part, Part D: Other services provided by RSLs, and three questions, questions C6 and C7: Stock managed pending transfer into ownership and question H4: Average increase in rents and service charges excluding new additions, in the Shadow RSR. It was important to ascertain if these data were meaningful to the Housing Corporation in order to justify their ongoing inclusion in a revised RSR. It was established that all of the data returned would be used by the Housing Corporation in line with the regulatory requirement to regulate diversity and monitor other policies such as the BME Housing Policy.

WHAT THE RSLs THOUGHT

Whilst there was an initial feeling that the Shadow RSR was a daunting task because of the introduction of the matrices up front in the form, the general response was that, when completing the form, it was clearer, more logical and an improvement on the current approach. Feedback highlighted the fact that it is important to ensure that Guidance Notes and definitions are robust and inclusive. Other difficulties were likely to be short term because of the need to amend internal information systems and reporting procedures. There were, however, no new significant problems created by the Shadow RSR that would result in a recommendation to retain the current approach. Indeed, the main perceived drawback of the Shadow RSR in comparison with the current RSR was the fact that it was not available electronically, a testament to the success of the electronic form.

Definition of ownership

Only a very small number of RSLs had experienced more difficulties determining what stock they owned as a result of the change in the definition of ownership. Among these, in all but one case, this was viewed as only a short term effect of the change resulting from the need to change internal reporting procedures. Other difficulties commonly related to specific types of stock or RSLs. The inclusion of residual freehold

units, stock in the process of transfer and stock located outside of England had caused concern, but could be managed with improved guidance. As the earlier projects had established, RSLs in group structures were those most likely to experience problems as a result of the need to disentangle internal management arrangements from the ownership question. A new problem, that where stock is considered to be neither owned nor managed because the RSL manages the management of the units on behalf of the owner but does not directly manage these units themselves was identified. In these cases RSLs had not included the units at all and revised guidance would need to indicate that this stock should indeed be included as managed.

In response to our assessment, a third of the RSLs thought that the Section 9 approach could clarify the distinction between ownership and management but only subject to vigorous guidance. However, the fact that many of those RSLs that had transferred or received units under these arrangements could not identify the units on their information systems indicates that caution would be necessary when considering implementation.

The Social Housing Standard distinction

This was a popular approach. The vast majority of RSLs felt that the increased transparency had clarified the data needs of the form as a whole and within its constituent Parts. Almost half of the RSLs considered the approach to reflect the scale, or diversity, of their activities more fully. For the vast majority of the rest this was not an issue because they owned only SHS stock.

Again, only a small number of RSLs had experienced difficulties categorising stock in this way but this was a short term implication of the fact that funding information does not feature on internal information systems. Some confusion also arose out of the overlap between the broader definition of social housing and the narrower definition of stock to which the social housing standards apply. This applied to more transient stock such as staff units that may return to the general rented stock at any time or student accommodation that can become general rented

following the graduation of the tenant. This highlights the need for rigorous guidance to facilitate the distinction.

Change in the basis of reporting from self-contained/shared housing to general needs/supported housing

The majority of RSLs thought that this basis would be better than the current approach, largely because it matches the approach of internal information systems. For a third there would be the anticipated added benefit of facilitating the use of data produced for the RSR for internal reporting purposes or vice versa. Although RSLs indicated that the change in approach might adversely impact on the retrieval and quality of data and the resources required to complete the RSR exercise in the short term, the long term implication of the changes would be minimal. A positive effect of the change was an anticipated increase in the accuracy of the data returned, dispelling assumptions and difficulties categorising certain stock types such as sheltered housing and housing receiving floating support. Certainly our data comparisons support this positive view.

In many cases support for the new approach was subject to the condition that the self contained and shared housing distinction should indeed be abandoned.

Ownership and management matrices

In general, these were a welcome addition in the Shadow RSR that had clarified the needs of the form, which had in turn resulted in more accurate data. Difficulties that had been experienced were definitional, largely relating to the distinctions implicit in their format such as the categorisation of stock into SHS and NSHS and then into subcategories within each matrix. Again, clearer guidance could resolve these problems.

In our analysis we found three distinct groups of RSLs that had failed to complete the matrices correctly. Inaccuracies did not relate to the matrices per se. The groups can be categorised as those reluctant to participate in the research, those with limited resources available for the

exercise and, those that had attempted to fit the data returned in the current RSR into the Shadow RSR with no further analysis.

Consolidation of Parts and change in the ordering of Parts

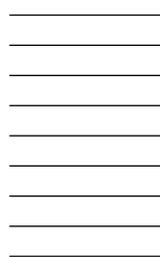
Two thirds of RSLs thought that the restructuring that had taken place had resulted in a more logical flow of information through the form. Where RSLs had experienced difficulties, this was because they had attempted to fit the current RSR data into the new approach with no additional reworking.

Inclusion of the new Part D: other services provided by RSLs

Two thirds of RSLs thought that the Part was a good and worthwhile addition to the form. This was, however, subject to better guidance and clearer definitions. There were concerns relating to the thresholds used in the Shadow RSR to indicate materiality. Some RSLs wanted lower thresholds or all material elements within an overall 5% as in the new policy on regulating a diverse sector. If the new Part is incorporated into a revised RSR 2002 as recommended, it would be important to ensure that the approach reflects the now finalised approach to regulating diversity adopted by the Corporation. Currently this states that activities are material where they collectively account for 5% or more of annual gross turnover or capital employed. Any future changes to this policy would need to be reflected in the approach of the Part.

Inclusion of new questions: stock managed pending transfer into ownership

These new questions were only relevant to a small number of RSLs within our sample so do not increase the burden of information for the majority of RSLs. As expected from the previous research, the questions were completed by specific RSL types, BME and Co-operative RSLs. In some cases where they were completed a significant number of arrangements or units were recorded and the RSLs had experienced no difficulties providing the information.



Inclusion of new questions: average increase in rents and service charges excluding new additions

Although this question first featured in the Shadow RSR, it has already been incorporated as a new question into the current RSR 2001. During our research two thirds of RSLs supported its inclusion being either indifferent to the question or of the view that it had been a missing element of the current RSR. In a not insignificant number of cases, almost a fifth, there were concerns about the ability to extract the data required accurately from the RSLs' information systems. Again, this is likely to be a short term implication and of no long term concern.

The overarching group RSR

The success of the approach taken to collecting data at the group level by amalgamating all individual returns into one form with a group perspective on issues such as ownership and management was unfortunately limited. There were three principle weaknesses that frustrated the exercise. The first was the fact, which became almost immediately evident, that it was inappropriate to utilise the same RSR form and Guidance Notes for both the individual and group approach. A group form would be necessary for certain subsets of data and would require specific guidance and definitions applicable to the amalgamation of data. Secondly, it was not only difficult for responding RSLs to disentangle information relating to non registered members of the structure at the group level, but also clear that the group picture would often be meaningless if unregistered subsidiary information were omitted. Thirdly, without a formal definition of, or way of categorising, a RSL group structure, it would be difficult to target the form and require that it be completed for regulatory purposes.

Despite these failings, there were positive reactions to the prospect of reporting on a group basis. In particular, constructing a group wide picture of activities and services was viewed as a highly beneficial exercise internally.

WHAT THE HOUSING CORPORATION THOUGHT

The Housing Corporation has supported almost all of the recommended changes that had been operationalised in the Shadow RSR. Support had, however, been subject to modifications of the basic vision in some Parts to ensure meaningful and comparative data.

Whilst the Housing Corporation will be changing their approach to regulation and will replace the Social Housing Standards approach, they nevertheless supported the SHS/NSHS distinction. This was on the basis that the approach could be tailored to the new terminology and definitions being developed at the time of our final analysis.

CONCLUSIONS

The Shadow RSR and the recommendations that it contained were successful at the individual RSL level. They achieved the objectives that underpinned the changes to provide more accurate and meaningful data in light of operational and regulatory realities whilst lessening the burden by being proportional and providing added value by facilitating wider uses of the data produced. The issue of guidance remained, however, the weak link in the exercise and demands further clarification by the Housing Corporation.

At the group level it is not possible to recommend the form in its current format or the introduction of a group form until it is possible both to define a group and to clarify the elements to the exercise. The research did, however, identify the potential benefits of the group approach for RSLs and for the Housing Corporation.

13. Recommendations

The overall objective of the Shadow RSR exercise was to operationalise and test the appropriateness and implications of earlier recommendations made in relation to Section Two of the RSR. These recommendations were the result of the consultation and evaluation that had taken place during the earlier projects. Based on the findings, a final set of recommendations has been produced and is set out below. The recommendations are wide ranging, relating to all areas discussed in this report—from the definitional basis of reporting stock in Section Two and by implication Three, to the physical structure of the Sections.

It is important to note that these changes may have a number of implications for RSLs as the providers of data, because of the impact on the nature of the data required; for the Housing Corporation and other users of the RSR data such as the DETR, academics, local authorities and others, because of the impact on the resulting data available and for linked datasets such as CORE. Because of these large scale impacts, it was important to ensure that the recommendations would be robust.

It is the intention of these recommendations to provide a revised Section Two of the RSR that fulfils the project’s ongoing underlying objectives to:

- reflect operational reality;
- provide more accurate and meaningful data; and,
- lessen the burden of the form.

The research has not only allowed the recommendations to develop in line with on going discussions with both RSLs and the Housing Corporation, but has also helped to ensure that they achieve the best balance possible between the needs of both parties whilst achieving useful and meaningful data. It has also identified continuing weaknesses and grey areas that require on going consideration by the Housing Corporation during both its data gathering exercises and formulation of policy.

Flowing from the findings discussed in this report, our recommendations for Section Two of the RSR 2002 fall into three areas and are as follows:

1. SECTION TWO: RECOMMENDATIONS FOR THE RSR FORM IN 2002

Recommendation one: The definition of ownership

We recommend that the definition of ownership in the RSR be revised and harmonised across all stock. The qualifying lease term should be 21 years (original term) applicable to all housing, both general needs and supported housing.

Recommendation two: Transfers with Section 9 Consent

We recommend that the Guidance Notes should also make reference to units transferred under the General Consent or with the Housing Corporation’s Section 9 Consent. This is in order to clarify the fact that these units are considered as owned rather than managed due to the ratified transfer of responsibility for public funding that has taken place in the eyes of the regulator.

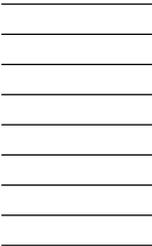
As a result of these recommendations, the definition of ownership would become a twofold test:

Units should be included as owned where the RSL:

- a) *holds the property freehold and has not disposed of the property on a lease of more than twenty one years or a lease of less than twenty one years under the General Consent or with the Housing Corporation’s Section 9 Consent; or*
- b) *holds a lease of twenty one years or more (original term).*

This test could become a threefold test if the Section 9 Consent approach were to be adopted as part of the definition of ownership:

- (or)*
- c) *holds a lease of any length on property transferred under the General Consent or with the Housing Corporation’s Section 9 Consent.*



Alternatively the Section 9 approach could be used for more general clarification purposes in the guidance. This is a point requiring further consideration by the Housing Corporation.

Recommendation three: Social Housing Standard and Non Social Housing Standard approach to reporting

We recommend that the distinction between SHS and Non-SHS stock in reporting be adopted up front in the matrices of Section Two. From this point forward, the more detailed breakdown of management information would be requested only for that stock initially reported as SHS. This recommendation applies to the new approach to regulation that is due to replace the Performance Standards in 2001. It increases transparency by providing an indication of what stock is of core concern to the regulator and that which the regulator merely needs to be aware of in terms of materiality and risk. In doing so, the approach facilitates more accurate data.

Recommendation four: General needs and supported housing approach to reporting

We recommend a change in the basis of reporting within the RSR to general needs and supported housing rather than self contained and shared housing. This is in line with the internal information systems of the majority of RSLs that provide both general needs and supported housing. As such, it not only facilitates more accurate data but also allows an element of added value for RSLs by facilitating the use of RSR data internally.

Recommendation five: Inclusion of ownership and management matrices

We recommend that two matrices cataloguing all housing ownership and management functions of RSLs should be included at the beginning of the Section, one for SHS stock and the second for NSHS stock. Within each matrix RSLs should be required to indicate what type of organisation is responsible for the management of owned units, whether directly managed, managed by another RSL, local authority or other organisation. Similarly, they should be required to indicate the

type of organisation that owns stock managed on behalf of others, another RSL, local authority or other organisation. In the NSHS matrix, RSLs should be required to indicate the materiality of NSHS stock related activities by providing the percentage of gross turnover and capital employed for each.

Within the SHS matrix stock should be categorised into general needs, supported and leased housing to allow effective signposting forwards to other Parts. Each category should include subcategories to clarify where stock should be included by type. Within the non SHS matrix, categories should be in line with the typologies of stock not subject to the Social Housing Standards or its forthcoming equivalent to ensure that RSLs make the distinction appropriately and ensure accurate data.

Recommendation six: Sheltered housing distinction

We also recommend an additional categorisation of sheltered housing within the SHS matrix at the beginning of the Section. This is an area where inconsistency in reporting has been identified. Clear categorisation at this stage will help to ensure its correct inclusion as either general needs or supported housing in the later Parts.

Recommendation seven: Consolidation of Parts and change in ordering

We recommend that the consolidation of Parts and questions and the re-ordering of Parts featured in the Shadow RSR should be adopted and incorporated into the final RSR 2002. This avoids the duplication of information between Parts, maximising the benefit of the matrices, and improves the flow of information in a more logical way through the form following on from the totality of the matrices.

Recommendation eight: New Part—Other services provided by RSLs

We recommend the inclusion of an additional Part to complete the picture of RSLs' activities. Information about services recorded in the Part could help contextualise data found in other Parts such as high staff numbers relative to the overall

stock holding. The Part should gather information about non stock related services provided by RSLs. It should request details of all activities where collectively they account for more than 5% of gross turnover or capital employed over the year. This is in line with the materiality approach in ‘Regulating a diverse sector’.

Recommendation nine: New question—stock managed pending transfer into ownership

We recommend that the questions on stock managed pending transfer should be retained and included as featured in the Shadow RSR. The questions should incorporate a new column that asks RSLs to indicate how long this stock has been managed in this way. This will enable the Housing Corporation to ascertain whether these units should have been fully transferred at some point in the past and to evaluate the success of certain past and on going policies such as that on Black and Minority Ethnic Housing.

Recommendation ten: New question—average annual increase in rents and service charges excluding new additions

The inclusion of a new question that accounts for the impact of the net level of new stock on increases in rents and service charges over the year should be included. This makes it possible to indicate what the average increase was to existing tenants in any one year.

Recommendation eleven: Tools for clarification

We recommend that thorough cross referencing and other tools such as ‘pop up’ definitions or ‘click on’ guidance should be incorporated into the electronic form to help ensure consistency of reporting. We also recommend that total boxes ‘stand out’.

2. SECTION TWO: RECOMMENDATIONS FOR THE GUIDANCE NOTES 2002

Recommendation twelve: Need to revisit all Guidance Notes and definitions

We recommend that all of the definitions in the glossary and Guidance Notes be reviewed and

redrafted with the aim of clarifying how RSLs should include stock in the revised RSR. These definitions must flow from the Housing Corporation and be agreed by all internal interested parties that have a stake in the data requested. This is particularly important in the following areas identified in the research:

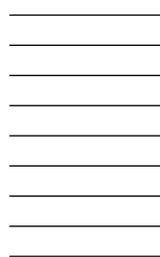
- Comprehensive and inclusive guidance should be applied to the SHS and non SHS distinction (or its forthcoming replacement) including examples of types of stock that may be included in each category and subcategory included in the matrices.
- Less subjective guidance should be applied to the distinction between general needs and supported housing by definitions, examples and the standardisation of the wide range of terminology used across the sector to refer to the same thing. Definitions of sheltered housing and floating support require particular attention.
- Clearer and more comprehensive guidance and instructions for completion of the matrices and their relationships with other Parts of the forms are essential to their success. One area of particular concern is that of leased housing.

Recommendation thirteen: The Guidance Notes must be inclusive

We recommend that all relevant guidance and definitions must feature in the Guidance Notes. It is not acceptable to refer RSLs to other documentation or Statutory Acts for clarification. Instead these relevant sources should be summarised in an inclusive document.

Recommendation fourteen: Guidance Notes for data users

We recommend that a second set of Guidance Notes are drafted for users of the RSR data that are relevant for both internal users at the Housing Corporation and external users. This should contain all relevant definitions and indicate what data are included in each Part, including instructions to users in order to avoid misinterpretations when the data are utilised.



3. OVERARCHING GROUP RSR

Recommendation fifteen: Further research—on-going development

The findings of the research are clear that the use of the revised RSR would not be the appropriate tool for collecting data on a group basis. However, the idea of a group return was largely well received. In line with this and the needs of the Housing Corporation, we recommend that further research be undertaken to determine an appropriate way forward. Researchers should work very closely with RSLs in group structures to define a form and set of Guidance Notes that reflect the way in which these RSLs function, particularly in relation to the organisation of information and the views of ownership on a group basis. At this time we recommend that a group return should incorporate an overall picture of ownership and management of stock, other services provided and staffing. It is not necessary to capture management information about stock at the group level, which is provided in the individual RSR forms of all registered members.

Recommendation sixteen: Formal definition of a group structure

We recommend that a formal definition of a RSL group structure should be devised for regulatory purposes and to facilitate the appropriate targeting of an overarching Group RSR.

Recommendation seventeen: Group subsidiaries

We recommend that the Housing Corporation should consider the question of how to address unregistered subsidiary activity within the group approach to data collection.