

# Registered Social Landlords in 2002: Profile of the HA sector

## 1. Introduction

**Registered social landlords in 2002: Profile of the HA sector** presents a summary of the data collected in the 2002 Regulatory and Statistical Return (RSR) - an annual survey administered by the Housing Corporation and completed by all Registered Social Landlords (RSLs) as a regulatory requirement. For the purposes of this summary, the term Housing Associations (HAs) refers to RSLs only.

A full set of data tables to which this summary relates are available in the Housing Corporation publication *Source 68*, or can be downloaded from the Dataspring website at [www.Dataspring.org.uk](http://www.Dataspring.org.uk).

**Please Note:** Figures in this summary are calculated on the actual data returned and therefore may not always correspond exactly with the tables because of the effects of rounding.

### 1.1 Overview

The number of HAs operating in England decreased over the year although the HA sector stockholding continued to increase. By the 31 March 2002, HAs owned 1,593, 622 units of total stock, six percent more than in 2001. The increase largely resulted from the transfer of ex-local authority stock under the Large Scale Voluntary Transfer programme, although the number of units that had been transferred was much lower than in recent earlier years. The number of rental units newly built by HAs over the year was higher than in the previous year. Ninety eight percent of the stock owned by HAs was social housing, 93% of which was general needs housing, the remaining seven percent was supported. The average vacancy rate in the social stock was 3.1%. The weighted average assured weekly net rent for general needs units charged by large HAs was three percent higher at 31 March 2002 than at 31 March 2001 whereas the average secure weekly net rent was five percent higher than in 2001. As a result, rent levels for assured and secure tenancies continued to converge. At the end of March 2002, HAs also owned 35,070 non social housing units, student accommodation accounted for the majority of this. Following a downward trend since 1998, the number of shared equity units in which HAs owned shares at 31 March 2002 was lower than in 2001.

### 1.2 Changes to the RSR 2002

There were a number of key changes in the approach to data collection introduced in the RSR 2002, which impact on the comparability of data published in earlier years. The fundamental changes were:

- There was a change to the definition of ownership in 2002, which meant that stock was included as *owned if held freehold or on a lease of 21 years or more (freehold)*. Previously the test of ownership had been determined by a lease length of 30 years or more in duration (original term).

- The new definition of ownership applies to all stock types. Prior to 2002, a different definition of ownership was applied to reporting on supported housing in ownership and management than that applied to the stock generally – supported housing was owned if held freehold or on a lease of two years or more in duration (original term). As a result, information on supported housing formed a sub-dataset to the main RSR data.
- Prior to 2002, stock had been reported on the basis of self-contained units and shared housing bedspaces but the RSR 2002 did not make this distinction. Therefore the term ‘units’ in the 2002 data generally refers to self-contained units and shared housing bedspaces combined. Only data for general needs assured and secure rents remain comparable in this context (there may still be changes in data between years resulting from changes to the definition of ownership or restriction of reporting to social housing). In order to continue several time-series, it is necessary to combine units and bedspaces in earlier years to provide a 'unit' total.
- For the first time in 2002, HAs were requested to provide a breakdown of all stock owned and managed by them upfront in the RSR by type of activity. The main distinction is that between social and non-social housing. Detailed information was only requested for owned social housing stock in the 2002 RSR whereas detailed reporting has applied to all owned stock in earlier years.

For more detailed information about the changes to the return in 2002 and the resulting published data in comparison with earlier years' data, the user should refer to the following technical papers found in the **RSR 2002 User Pack: *The New RSR Data Set in 2002 and Comparison of the RSR Tables Published by the Housing Corporation in 2001 and 2002.***

## 2. HAs and the HA rental sector in 2002: Overview

On the 31 March 2002, there were 2005 HAs operating in England (excluding 52 co-ownership societies), a net decrease of 38 over the year from 2001. Twenty-four new HAs were registered during the year. Ten of these new registrations resulted from the Large Scale Voluntary Transfer (LSVT) programme and eight resulted from the formation or growth in membership of group structures. However, this growth was counterbalanced by a greater number of HAs that had de-registered or been removed from the register between 1 April 2001 and 31 March 2002.

Of the 2005 HAs registered at 31 March 2002, 1910 returned a valid RSR on which this summary is based. Of the 95 non-responding HAs, Almshouses were the HA type most likely to not respond or to return an invalid RSR (table 1).

### 2.1. Total rental stock in ownership

Together the 1910 HAs owned 1,593,622 rental units at 31 March 2002. To compare this figure against the data for 2001, self-contained units and shared housing bedspace figures must be amalgamated. This results in a total stock figure for 2001 of 1,500,848 units. Therefore, the HA stock increased by six percent between years. The average number of units owned by HAs in 2002 was 834 (table 2). HAs with more than 1,000 units in ownership had above average stockholdings at 4,811 units per HA. In contrast, HAs with less than 1,000 units in ownership had average stockholdings of 88 units per HA.

Ownership of stock in 2002 continued to be concentrated amongst HAs with more than 250 units in ownership. Ninety six percent of the total stock was owned by the 24% of HAs

that had more than 250 units in ownership (table 2). Within these HAs, the rental stock continued to be concentrated amongst HAs with 2,501 to 10,000 units in ownership – owning 54% of the total stock. This pattern is in part a direct impact of the LSVT programme as the vast majority of LSVT HAs enter the sector within this size category. The average size of newly registering LSVT HAs over the year was 6,474 units. HAs with over 10,000 units in ownership accounted for only one percent of the 1910 HAs, but owned over a quarter of the total rental stock.

The trend towards greater geographical diversity of HAs continued in 2002 (table 7). The percentage of HAs owning stock within only one local authority (LA) area was 71%. In 2001 it was also 71%, but this was based on self-contained units only. However, self contained units accounted for 93% of the total stock in 2001, therefore we would not expect the 2002 figures to be dramatically different. The addition of LSVT HAs are likely to impact on this profile, as they may reduce geographical diversity because generally all of their stock is initially concentrated in just one LA area. The number of HAs owning stock in two LA areas increased over the year and those with stock in 11 to over 200 areas remained almost the same. It is likely that geographic diversity is greater than these figures suggest, as they are based on ownership and take no account of management activities. Certainly, research has shown that operation within a group structure arrangement means that HAs are often undertaking management activities on a regional and sometimes, a national scale.

In the RSR 2002, HAs were asked to state how many of the units that they own are directly managed and where not, the identity of the managing organisation. The resulting management profile shows that at 31 March 2002, 92% of stock was directly managed by the owning HA and five percent was managed by other HAs (table 10). Very little of the total stock was managed by local authorities. HAs with between 2,501 and 10,000 units in ownership, were most likely to directly manage their stock - 95% of the units that they own. The general pattern that emerged was the smaller the HA, the lower the amount of units managed directly and the higher the number of units managed by another RSL (table 10).

HAs also owned 9,275 staff/warden units at 31 March 2002. HAs with between 6 and 25 units owned a disproportionate number of staff units in relation to total stock in ownership - at six percent compared with just less than one percent of the rental stock overall (table 22).

## **2.2. Rental stock managed on behalf of others**

At 31 March 2002, HAs managed but did not own a total of 176,491 units (both social and non-social housing). This was two percent more than the previous year. Fifty two percent of the units managed, were managed on behalf of other HAs within the sector (tables 24 and 25). Stock managed on behalf of LAs and ‘other’ organisations accounted for 23% and 25% of the total respectively.

Of the units managed on behalf of others in 2002, 39,098 were temporary housing units. This was seven percent more than in 2001, following an upward trend. The net increase resulted from more units being managed under Housing Associations as Managing Agents plus (HAMA plus) schemes and ‘other’ temporary accommodation schemes (table 27).

For the first time in 2002, HAs were also asked to indicate if they manage units within a group structure arrangement on behalf of other group members. At 31 March 2002, 131

HAs (seven percent of HAs that completed valid returns) managed units within a group structure. Forty-two of these HAs owned between 2,501 and 10,000 total rental units (table 28).

HAs managed 6,361 units as owned pending transfer into their ownership in the future at 31 March 2002. Ninety HAs reported that they managed units on this basis. Eight percent of the total FTE paid staff employed by them was dedicated to managing stock pending transfer. The average duration that stock had been managed in this way at 31 March 2002 was around four months (table 29). However, stock had been managed in this way for widely varying timescales, ranging from 1 month to 19 years. More detailed information on stock managed pending transfer will be available in the forthcoming Housing Corporation Sector Study, *Stock Managed as Owned Pending Transfer into Ownership*.

### **2.3. Other services provided by HAs**

A new Part was introduced to the RSR in 2002 that requested data on other services provided by HAs. HAs were only asked to complete the Part if, when combined, these activities accounted for more than 5% of their gross turnover/capital employed or, when combined with their non-social housing activities, they accounted for more than 5% of gross turnover/capital employed.

Overall, five percent of HAs provided services on this scale. However, over a quarter of the HAs that had over 10,000 units of total stock in ownership provided other services on this scale (table 31). Further, HAs that owned no rental stock accounted for 12% of the HAs reporting other services on this scale. This last group largely reflects the activities of Parent bodies of group structure arrangements.

On average, 'other' activities accounted for a greater percentage of gross turnover and gross capital employed than any specified service type. Of the specified activity types, Training and Employment accounted for the highest average percentage of gross turnover, while Financial Services accounted for the highest average percentage of gross capital employed (table 32).

## **3. Social housing**

For the first time in the RSR 2002, HAs were required to distinguish between social and non-social housing when reporting. Whilst in previous years the detailed management information included all stock, detailed information was only requested for the social housing stock in 2002.

### **3.1. Social housing rental stock in ownership**

At 31 March 2002, HAs owned 1,558,522 social housing units for rent - 98% of the total rental stock in ownership. Because of the relative importance of social housing within the total rental stock, the profile of social housing generally follows that of the total stock and vice versa. The average number of social housing units owned by HAs was 816 (table 3). Ownership of social housing was concentrated among HAs with more than 250 total rental units in ownership - 96% of social housing units were owned by the 24% of all HAs that

were in this size group. Although HAs with over 10,000 units in ownership made up the smallest size category, they owned over a quarter of the total social housing stock.

As social housing units accounted for almost the entire total rental housing stock owned by HAs, it is of no surprise that the pattern of geographical diversity in relation to social housing units generally mirrors that of the total stock. A slightly higher percentage of HAs owned social housing in only one local authority area in comparison to the total stock - 72% compared with 71% of HAs respectively. The implication is that non-social housing activity is likely to be more geographically diverse than social housing activity in terms of the location of owned stock. If not concentrated in one LA, HAs were most likely to own social housing in three to five areas - nine percent of HAs. Only nine HAs owned stock in over 100 local authority areas (table 8).

The management profile of social housing stock owned by HAs also reflects that of the total stock, although social housing stock was slightly more likely to be directly managed, the average being 92%. HAs with between 2,501 and 10,000 total rental units in ownership directly managed above average percentages of the social housing stock owned by them (table 11). Again, very little stock was managed by local authorities (on average, less than one percent), or by other organisations (3%). Generally, as the size of HA gets bigger, the percentage of units directly managed by the owning HA increases, while the percentage of social housing units managed by another HA decreases.

Social housing includes general needs and supported housing units for rent. Overall, an average of 93% of all social housing units owned were general needs housing units. Generally, these units accounted for an above average percentage of the social housing stock owned by HAs with 1-5 and over 2,500 total units in ownership (table 5). Overall, supported housing accounted for seven percent of all social housing although it accounted for over a quarter of the social housing stock owned by HAs with between 101 and 250 total units in ownership.

Data on the occupancy status of HA stock in earlier years has been available for the total stock owned by HAs. In 2002, data on occupancy relates only to the social housing stock. At 31 March 2002, 48,629 of the 1,555,171 social housing units were vacant (table 15). This equated to a national vacancy rate of 3.1% of the total social housing stock owned, less than in 2001 when the vacancy rate for all self-contained units and shared housing bedspaces combined was 3.3%. This would imply that vacancy rates in non-social housing are higher than in the social stock. However, the decrease could also be a product of the change in the definition of ownership in the supported housing stock, which traditionally carries higher vacancy rates.

Prior to 2001, vacancy rates for the total stock had remained at 3.4% between 1997 and 1999, but had peaked in 2000 at 3.5% (table 14). Following the pattern of previous years, the number of homes vacant and available for letting in 2002 remained slightly higher than those vacant and not available for letting (table 14).

### **3.2. Social housing stock managed on behalf of others**

As well as the management profile of social housing units owned, HAs also report on stock that they do not own but manage on behalf of others in the RSR. HAs managed 171,225 social housing units on behalf of others at 31 March 2002. Of these, over half were owned

by other HAs within the sector. LAs owed a quarter of the stock in management and the remaining quarter were managed on behalf of other organisations. Interestingly, HAs that did not own any rental units were responsible for managing nearly a quarter of the social housing units that were managed but not owned by HAs (table 24). This is likely to partly result from the internal management arrangements of HAs and unregistered subsidiaries operating within group structures.

### **3.2.1. Social Housing Stock Managed Pending Transfer to Ownership**

Of the 6,361 units managed by HAs as owned pending transfer into ownership in the future, almost 100% were social housing units - the pattern therefore reflects that relating to the total rental stock (table 29). Ninety percent of the social housing units managed pending transfer were general needs. The remaining 10% were supported housing units. However, for HAs that owned 6 to 25 units and 1,001 to 2,500 total rental units, the pattern was different. Eighty seven percent of the social housing stock managed pending transfer into ownership by HAs with 6 to 25 units was supported housing. Also, those with between 1,001 and 2,500 total units in ownership, had an almost even split between general needs and supported units managed on this basis (table 30).

## **4. General needs social housing**

At 31 March 2002, HAs owned 1,443,550 general needs housing units, 93% of all social housing owned (table 44). HAs were asked to break down the general needs housing owned by them into the sub-categories of general needs, HA controlled keyworker and general needs sheltered housing.

Over three quarters of the stock was categorised as general needs rented housing that is not provided for keyworker or is sheltered (table 38). Eighty three percent of this general needs housing was owned by HAs with over 2,500 total units in ownership. HAs with between 2,501 and 10,000 units, owned just over half of the entire general needs stock. As this was the size category most likely to include LSVT HAs, this is not too surprising as LA housing is generally of this type (table 39).

At 31 March 2002, HAs owned 8,707 HA controlled keyworker housing units, accounting for only one percent of the total general needs housing stock. Again, keyworker units were most likely to be owned by HAs with over 2,500 total units in ownership (table 41).

General needs sheltered housing, accounted for 15% of the total general needs stock and like keyworker units, ownership was concentrated amongst HAs with over 2,500 total units (table 42).

It is not possible to compare vacancy rates in the general needs stock with years prior to 2002. The vacancy rate in the owned general needs stock in 2002 was 2.5%, lower than the total social housing stock as a whole. The total number of general needs vacant units was 39,740 at 31 March 2002. Around half of these were vacant and available for the letting, the other half were vacant and not available. The pattern of vacancies by HA size reflects the pattern of ownership (table 47). Around half of all vacant units were owned by HAs with between 2,501 and 10,000 total units in ownership (nine percent of HAs that completed valid returns).

Stock was more likely to be vacant in metropolitan than in non-metropolitan areas. This reflects the fact that the majority of vacant units were concentrated within London, which in turn reflects the fact that London has the highest percentage share of the HA stock. The East of England had the lowest vacancy rate (table 48).

At 31 March 2002, 13% of the general needs social housing stock was built to accessible general housing standards although this was largely concentrated amongst HAs with more than 250 units in ownership. Only two percent of general needs social housing met wheelchair user standards (table 53).

Ninety four percent of general needs units were owned and directly managed at 31 March 2002 (table 55). Five percent of units were managed by other HAs within the sector (table 56). HAs with between 2,501 and 10,000 total rental units directly managed a higher than average proportion of their owned units (97%).

#### **4.1. General needs assured and secure rent levels**

The weighted average assured weekly rent charged by large HAs<sup>1</sup> for general needs self-contained assured tenancies at 31 March 2002, was £56.22 - three percent higher than in 2001. The average secure weekly rent was £52.83 - five percent higher than the previous year. The different rates of increase reflect the ongoing trend towards convergence of costs between the two tenancy types. This movement is further illustrated by the fact that the average assured weekly rent at 31 March 2002, was six percent higher than the average secure weekly rent, compared with eight percent in 2001, 11% in 2000 and 14% in 1999 (table 57).

In terms of self-contained units; the difference between the average assured and secure rents charged by small HAs was 12%, assured being higher. For large HAs, the difference was only six percent. In both cases differentials were slightly less than in 2001 when the differences had been 15% and eight percent respectively (table 59).

Both average assured and average secure rents charged for general needs shared housing bedspaces at 31 March 2002, were lower than those charged for self-contained properties. This, however, is not surprising as self-contained rents cover whole properties and shared housing rents cover only a proportion of a property. The average assured rent for all general needs shared housing tenancies, was £41.77, 34% less than for self contained. For shared general needs secure tenancies, the average rent was £34.90, 52% less. The average assured rent charged for shared housing bedspaces by large HAs at 31 March 2002 was 26% higher than the average secure rent (table 59).

HAs owning 2,501 to 10,000 total rental units owned 59% of all self-contained general needs units let on assured and 47% of units let on secure tenancies (table 58). Significantly, the smaller the HA in terms of total rental units in ownership, the higher their average assured and secure weekly rents.

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<sup>1</sup> For the purposes of section 4.1. only, large HAs are those that own and manage more than 250 units of rental and shared ownership stock.

## **4.2. General needs stock managed on behalf of others**

At 31 March 2002, 144,727 general needs units were managed but not owned by HAs. Just over half of these were owned by other HAs within the sector, and of these, 90% were categorised as general rented units. Of the remainder, just under a quarter was owned by LAs and 'other' organisations respectively (table 60). Half of this management activity was undertaken by HAs that owned over 2,500 rental units. Importantly, those HAs that owned no stock were responsible for the management of over a quarter of all general needs social housing units managed but not owned (table 61).

### **4.2.1. General needs units managed under temporary housing schemes**

HAs managed 33,196 general needs temporary housing units at 31 March 2002. Temporary general needs units were most likely to be managed within HAMA schemes - 53% of the total. Units managed under temporary social housing/shortlife schemes were the next significant temporary housing type, accounting for just under a quarter of the general needs temporary housing stock.

The numbers of units managed under HAMA plus, PSL and 'other' schemes was more comparable, accounting for eleven, seven and eight percent of the general needs temporary housing stock respectively.

Management of general needs temporary housing units was concentrated among HAs with over 2,500 units of stock in ownership - nearly two thirds of the temporary housing stock was managed by this group. HAs with no stock in ownership managed six percent of the general needs temporary housing stock (table 62).

## **5. General needs lettings made**

HAs made 159,000 general needs lettings as reported in CORE over the year to 31 March 2002, six percent more than in 2001. The number and percentage of these that were new-lets fell again, as they had between 2000 and 2001 – new-lets accounted for only 17% of all general needs lettings made during 2001/02 as compared with 19% in 2000/01 (table 83).

The distribution of lettings made by metropolitan and non-metropolitan areas over the year generally reflects the pattern of rental stock owned by HAs. Relatively, a slightly higher percentage of lettings were made in non-metropolitan areas, 59% of lettings compared with 58% of the total stock owned. This was the same as in 2000/01. There were, however, a number of regional differences between lettings figures and stockholdings in 2001/02. As in the previous year, a lower percentage of lettings were made in comparison to the respective shares of stock in London, the South East, and South West. Following the pattern seen in 2000/01, London was the only metropolitan area to have a lower percentage share of lettings than stock (table 86).

An indication of regional stock turnover figures can be calculated by lettings as a percentage of total stock owned. The number of lettings made nationally, in 2001/02 equated to 14% of the total stock at 31 March 2002, one percent higher than in the previous year. In London, the South East, South West and East of England, turnover was lower than average – London had the lowest turnover at 10%. This pattern reflects the regional turnover figures in 2000/01. The highest turnover rates occurred in Yorkshire and the

Humber, where the number of lettings equated to 18% of the stock, followed by the East Midlands and North West - 17% of the stock. The East Midlands and Yorkshire and the Humber regions did, however, have turnover rates that were lower than in the previous year (table 86).

### **5.1. Lettings by source of referral**

The overall profile of lettings by source of referral remained largely the same as during the previous year, although during 2001/02 the number of lettings to existing tenants, direct applicants, those nominated by a LA and other referrals increased. Local authority nominations formed the largest source of HA tenants during 2001/02, although their relative importance has been declining since 1995/96 – 40% of all lettings were made to LA nominated tenants in 2001/02 compared to 51% during 1995/96. The importance of direct applications as a source of referral continued to increase in 2001/02, accounting for 37% of all lettings made as compared with 27% in 1995/96 (table 83).

### **5.2. Household characteristics**

More lettings were made to single adult households than to any other household type. This had been the case in each year over the decade since 1991/92. In 2001/02, lettings to this type of household accounted for 33% of the total, the same proportion as the previous year. Lettings to all other types of households increased slightly over the year, although the proportions remained largely the same as in 2000/01 (table 83).

Twelve percent of all general needs lettings made in 2001/02 were to households accepted as statutorily homeless immediately prior to letting. This was one percent more than in the previous year and was the highest number and percentage since 1996/97 (table 83).

As in 2000/01, the percentage of HA tenants working full time was 22%. The percentage of unemployed tenants decreased by two percent over the previous year, following a downward pattern since 1996/97 and reflecting a more general decline over the decade - 16% compared with 29% in 1991/92 (table 87).

A quarter of lettings were made to working households (with at least one member in full or part time employment), this was the same proportion as in 2000/01. The average income of these households had, however, increased in comparison with earlier years. During 2001/02, 70% of households earned more than £175 per week and 30% earned more than £275 per week – compared with 65% and 25% respectively during 2000/01 (table 88).

The overall ethnic profile of HA tenants in 2001/02 was generally comparable to that in 2000/01. The largest household group continued to be of White: British/other origin, accounting for 85% of all households. Only in the case of ‘other’ ethnic households, did the percentage of lettings made over the year decrease. The percentage of lettings made to households of Mixed origin increased from two percent to three percent over the year (table 89).

### **5.3. Choice Based Lettings Schemes**

In 2002, HAs were required to report on whether they participated in Choice Based Lettings Systems. In total, 105 HAs participated and of these, over half owned between 2,500 and 10,000 rental units (table 91).

### **5.4. Rejected Nominations**

In 2002, HAs were also required to report on the number of Local Authority nominations that they had rejected over the year. In total, 9,504 LA nominations had been rejected by HAs. Over three quarters of these were for supported housing. 3,100 of the rejected nominations were for statutorily homeless households, and 6,400 were for 'Other' homeless households (table 92).

## **6. Supported social housing**

HAs owned 115,002 supported housing units at 31 March 2002 - an increase of six percent over the previous year. They were broken down into sub categories of: supported sheltered; unregistered; residential care homes; stock provided for asylum seekers (non-NASS); stock receiving floating or move-on support; and; 'other' supported rented housing (table 63). Supported housing units were most likely to be categorised as unregistered (50%). It should be noted, however, that an evaluation of the supported housing data provided has highlighted the fact that the vast majority of units placed under the 'other supported housing' category should, given the definition, have been categorised as unregistered. This results in the vast majority of supported housing units being categorised as unregistered.

Supported housing only accounted for seven percent of the total social housing stock owned by HAs. HAs with between 6 and 2,500 total rental units owned a disproportionately large share of supported housing units in relation to their share of the total social housing stock (table 69).

As with general needs units, the majority of the supported housing stock was directly managed. However, although the total stock of owned supported housing had increased by six percent over the year, the directly managed stock had only increased by three percent since 2001 (table 76).

At 31 March 2002, the vacancy rate amongst owned supported housing was eight percent. This was slightly less than the rate in 2001, which was 8.7%. It is clear that the overall vacancy figure for the sector's stock is pushed up by the greater propensity for supported housing than general needs housing to be vacant (table 71).

In 2001, the number of units vacant and not available for letting had continued to increase on an upward trend, but at 31 March 2002 the number of units that were vacant and unavailable had decreased over the previous year. The number of units vacant and available for letting had also decreased between 1 April 2001 and 31 March 2002 (table 71).

### **6.1. Supported housing owned by client user group**

Single homeless people continued to be the dominant supported housing client group housed by HAs in 2002. Housing for older people with support needs was the second most dominant client group in 2002, continuing to grow at an above average rate over the year when compared to the growth rate in the total supported stock. Prior to 1999, this client group had been the most dominant.

Accommodation for young people at risk or leaving care increased at a similar rate to that of older people with support needs over the year. A new category of 16/17 year-old teenage pregnancy/parents was introduced in the RSR 2002. One hundred and ninety six units were provided by HAs to this client group in 2002 (table 78).

### **6.2. Supported housing rent levels**

The weighted average net rent for owned supported housing units at 31 March 2002 was £62.70, only fractionally higher than in 2001 when the average rent was £62.53. Average rents charged by HAs with between 251 and 1,000 total units in ownership (who owned 16% of the supported housing stock) and those with over 10,000 units in ownership (who owned 25% of the supported housing stock), had above average rent levels (table 79).

### **6.3. Supported housing managed on behalf of others**

At 31 March 2002, HAs managed 14,125 more supported housing units on behalf of others than in the previous year (table 80). An increase on this scale is likely to be because of the change in the definition of ownership applied to supported housing units in 2002. Previously, the definition of supported housing defined ownership based on a lease of two years or more but in 2002, this changed to 21 years or more. Earlier research<sup>2</sup> shows that HAs tend to hold supported housing on very short leases, making it more likely that an increase in the number of units managed would occur in the 2002 dataset as that stock moves out of ownership. With regard to size of HA, in the previous year, management on behalf of others had taken place mainly in HAs with less than 101 units in ownership. In contrast, in 2002, 91% of supported housing management activity was undertaken by HAs that owned more than 100 total rental units (table 81).

#### **6.3.1. Supported housing managed under temporary housing schemes**

Overall, 5,902 of the supported housing units managed by HAs were temporary housing units at 31 March 2002. Just over half of these units were classified as 'other' types of temporary housing and just over a quarter were temporary social housing/shortlife units (table 82).

## **7. Non-social housing stock for rent**

At 31 March 2002, HAs owned 35,070 non-social housing units for rent, accounting for just two percent of the total rental units in ownership (table 4). The average number of non-social housing units owned was 18 per HA. The vast majority (93%) were owned by HAs with over 250 total units in ownership. HAs with over 10,000 total units, accounting

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<sup>2</sup> D. Marshall et al. (2000) *Definitions of Ownership*, Housing Corporation

for only one percent of all HAs, had the highest average stockholding of non-social housing units (333 units per HA). In contrast, HAs with 6-25 total units in ownership, over a quarter of all HAs, owned very few non-social housing units, less than one unit per HA on average.

Over half of the HAs that owned non-social housing stock tended to own that stock within just one LA area (table 9). Just over a quarter owned stock in between 2-5 LA areas. As with the picture of geographical diversity of the total stock, the true picture of geographical diversity when stock in management is also considered may be somewhat different, as these figures are based only on the location of stock in ownership.

The majority of non-social housing units owned by HAs at 31 March 2002 were directly managed by the owning HA - 80% of all non-social units in ownership. However, HAs with over 1,000 total units in ownership directly managed a below average percentage of the non-social housing units owned by them (table 13). Interestingly, non-social housing units were more likely to be managed by 'other' organisations than social housing units.

At 31 March 2002, non-social housing was most likely to be student accommodation - 34% of non-social housing units owned by HAs (table 12). Market rent units were the second most prolific stock type, accounting for a quarter of the non-social housing units. Employer controlled keyworker units and specialist housing accounted for 10% of non-social housing for each activity type. General housing accounted for the lowest percentage of non-social stock, at four percent. Units categorised as 'other' non-social housing accounted for 16% of the total. It should be noted that an evaluation of the data returned in the 2002 RSR discovered that a number of these units were non-housing related, for example a number of shops, hotels and other commercial units were included and therefore the figures for 2002 in this category and the total non-social housing stock are likely to be distorted.

Over three quarters of the non-social housing stock was managed directly by the owning HA. 'Other' non-social housing units were most likely to be directly managed (98%). An above average percentage of general non-social housing units were also managed directly (95%). Employer controlled keyworker units were most likely not to be directly managed - just over half were managed by the owning HA. Over a quarter of the non-social housing units owned were managed by 'other' organisations, a very different pattern to the social housing stock where the proportion of units managed by other organisations was much lower. Very few non-social units were managed by LAs and on average, 4% were managed by other HAs (table 12).

## **7.2. Non-social housing stock managed on behalf of others**

HAs managed 5,266 units of non-social housing on behalf of others at 31 March 2002. Over a quarter of these units were market rented. General housing and employer-controlled keyworker housing each accounted for 18% of the managed stock. Significantly, 66% of all non-social housing units managed were owned by 'other' organisations, while just over a quarter were owned by other HAs within the sector. This pattern did, however, vary significantly by activity type. For example, 64% of student accommodation units managed were owned by other HAs whereas, HAs owned just two percent of the 'other' non-social housing units managed on behalf of others. Overall, eight percent of non-social housing stock managed on behalf of others was owned by a LA. This varied from 23% of general housing units managed on behalf of others to only one percent of market rented units (table 25).

### **7.3. The relative importance of non-social rental activity**

HAs with non-social units for rent in ownership and/or management were asked to provide the percentage of gross turnover of, and gross capital employed in, these activities over the year. Overall, where HAs did own non-social rented housing it accounted for an average of four percent of their gross turnover and three percent of gross capital employed by them (table 26).

## **8. Leased housing owned and managed by HAs**

### **8.1. Units in which HAs retain an equity share**

In addition to the rental stock, HAs retained equity shares in 91,300 shared ownership, Leasehold Schemes for the Elderly (LSE) and other shared equity units at 31 March 2002. This was 1,000 units fewer than in the previous year. Of the total stock, the proportion of units that were SHG/HAG funded rose slightly to 82%, a small increase of three percent when compared with 2001 (table 94).

Almost all of these units were directly managed by the owning HA, and where not, they were most likely to be managed within the sector - eight percent were managed by other HAs on behalf of the owning HA (table 94).

The proportion of properties sold under shared ownership initiatives had decreased slightly over the year, although the number of units described as 'other', a new category in 2002, balanced this out. Although there were two percent fewer shared ownership units than in 2001, 'other' shared equity units accounted for three percent of the total in 2002. The number of SHG/HAG shared ownership units remained almost the same over the year, the number of non-SHG/HAG funded units decreased by one percent (table 94).

HAs owned fewer LSE units at 31 March 2002 than in 2001. The fall of 265 units follows the overall downward trend that has been ongoing since 1998. Nevertheless, within the LSE stock, the number of SHG/HAG subsidised units owned at 31 March 2002 was over a thousand units higher than in 2001. This was counterbalanced by a decrease in unsubsidised units over the year – HAs owned nearly 4,000 less unsubsidised units at 31 March 2002. This continues the decline in the number of non-SHG/HAG LSE units owned by HAs since 2000 (table 94).

At 31 March 2002, 'other' shared equity units were more likely to be directly managed than LSE or shared ownership units owned. LSE units, following the pattern of the previous year, were more like to be directly managed than shared ownership units, at 93% compared with 90% respectively. Where not managed directly, shared ownership units were, however, more likely to be managed by another HA within the sector than LSE units (table 94).

Overall, ownership of shared ownership units was concentrated amongst HAs that owned more than 2,500 rental units. These HAs owned almost half of the shared ownership stock. This was comparable to 2001, although the comparable figures for that year were based on HAs with more than 2,500 units of self contained rental stock in ownership. Notably, HAs

with no rental stock in ownership owned 21% of the shared ownership stock. This pattern reflected that of earlier years.

The pattern of ownership of LSE and other shared equity stock was very similar - HAs with over 2,500 total rental units in ownership, owned over three quarters of the LSE stock (table 95).

As in earlier years, at 31 March 2002 shared equity units were more likely to be found in non-metropolitan than in metropolitan areas – 57% compared with 43% of the total respectively. Between 31 March 2001 and 31 March 2002, the total stock of shared equity housing units had increased only in the East Midlands, Yorkshire and the Humber and North East regions. In contrast, the shared equity stock decreased over the year in London, the South East, South West and West Midlands regions (table 96).

## **8.2 Shared equity units managed on behalf of others**

At 31 March 2002, HAs managed but did not own shares in 9,235 shared equity housing units. Sixty seven percent of these were shared ownership units. Of the total stock of shared equity units managed on behalf of others, 82% were owned by another HA within the sector - again the majority of these were shared ownership units (table 97).

## **8.3 Units in which HAs have retained a residual freehold interest**

As the original freeholders, HAs also retain residual freehold responsibility for units that they have sold by lease. At 31 March 2002 HAs retained residual freehold interests in 57,117 units of leased housing (table 98). The majority were managed directly by the owning HA. Nineteen percent of these units had been sold under shared ownership schemes (100% staircased).

As with the shared equity housing stock, residual freehold interests were most likely to be owned by HAs with over 2,500 total rental units - over three quarters. Interestingly, HAs that owned no rental stock did own five percent of the residual freehold interests retained by HAs at 31 March 2002 (table 99).

## **8.4 Residual freehold interests managed on behalf of others**

HAs are also required to report on the residual freehold interests that they manage on behalf of others. At 31 March 2002, HAs managed but did not own the residual freehold interests on 11,362 units. The majority of this activity was undertaken on behalf of LAs (40 %) (Table100).

# **9. Acquisitions and Developments**

The total number of units acquired by HAs during the year to 31 March 2002 was 64,111 - this was 40% less than the previous year. The overall differential resulted mainly from a large drop of 64% in the number of units transferred through LSVT programmes and tenants choice procedures over the year when compared with 2000/01.

Similar to 2001, just over a third of units acquired were new to the social housing sector, although the number of new homes built was slightly higher than in the previous year. In contrast, the number of units purchased by HAs during 2001/02 fell by 31%, continuing a downward trend that has been ongoing since 1994/95. Within this total, the number of units purchased in a satisfactory condition fell by 20%, reaching its lowest point since it peaked in 1995/96. The number of units purchased and rehabilitated in 2001/02 fell very slightly in comparison with 2000/01, as did the number of homes awaiting rehabilitation (table 102).

Generally, the average number of units acquired over the year was directly related to HA size - HAs that had a total stockholding of between 2,500 and 10,000 units owned the greatest share of newly acquired stock. This was not surprising, however, as over a third of acquired units were transferred from local authorities, and as mentioned previously, the average size of newly registering LSVT HAs over the year were in this size category (table 103).

### **9.1. Stock acquired without the use of public subsidy**

Importantly, HAs in 2001/02 built and purchased 7,219 units for rent without the use of public subsidy, four percent less than in 2000/01. This accounted for 21% of all rental units built and purchased over the year. In addition, HAs rehabilitated or made improvements to 9,179 units - 13% more than in the previous year (table 104). As the size of total HA rental stockholding increased, so too did the likelihood of a HA making non-SHG/HAG funded acquisitions (table 105).

Stock acquired without public subsidy during 2001/02 was more likely to be let at sub-market than market rent levels - 65% compared with 35% respectively. Within this, purchased and rehabilitated units were more likely to be let at sub-market rents than newly built units. Nevertheless, newly built units accounted for 59% of the acquired stock let at market rents (table 107).

In addition to rental units, HAs also acquired 462 units for sale without the use of public subsidy over the year. This was 177 units more than in the previous year and the highest number since an exceptional peak in 1997/98 (table 109). Notably, 42% of these units remained unsold by the end of the year. This was less than in the previous year, when half remained unsold. However, the number of all homes including both subsidised and non-subsidised that remained unsold by the end of the 2001/02 was at its lowest ever in the sector - only 195 units (table 110).

## **10. Sales, transfers and demolitions of HA stock**

HAs sold 17,073 units under a variety of initiatives over the year to 31 March 2002. This was 40% more than 2000/01. Sales made over the year were largely under the Right to Buy (RTB), Right to Acquire (RTA), Preserved Right to Buy (PRTB) and Rent to Mortgage (RTM) provisions - accounting for nearly half of all units sold, although ten percent less than over the previous year. Initial sales of shared ownership units were also higher than over the previous year, by five percent - accounting for 35% of the total sales completed over 2001/02 (table 111).

Over the year to 31 March 2002, HAs completed 8,375 RTB/RTA/PRTB/RTM sales. This was significantly higher than in earlier years (table 116). HAs with between 2,501 and 10,000 units of total stock in ownership made the vast majority of these sales. As these types of sales relate largely to ex-LA tenants that are able to exercise a preserved Right to Buy option within the sector, concentration of this activity reflects the fact that most LSVT HAs fall into this size category (table 117).

Initial shared ownership sales made over the year to 31 March 2002 accounted for 3,696 of all HA sales completed, one percent less than in 2000/01. However, the number of non-SHG/HAG funded units sold was 64 units higher than the previous year, an increase of 17%. The number of conventional shared ownership and Do It Yourself Shared Ownership (DIYSO) sales accounted for 95% of all initial shared ownership sales made in 2001/02 - four percent more than in 2000/01. Shared ownership for the elderly and LSE initial sales accounted for the remaining five percent of the initial sales completed over the year (table 112).

HAs disposed of 3,856 shared ownership units over the year as leaseholders staircased their equity to 100%. This figure was 614 units (19%) more than over the previous year and higher than in other years prior to the peak in 1999/00, when disposals of shared ownership units reached an annual high of 4,274 units (table 114).

Over the year, HAs had also completed 2,953 outright sales by 31 March 2002, accounting for 17% of all sales made - eight percent more than in 2000/01 (table 111). Eighty nine percent of the outright sales made in 2001/02 were non-SHG/HAG funded, compared with 66% in the previous year. Outright sales had largely been made by HAs with more than 2,500 total units in ownership. Over the year HAs with no stock in ownership had sold 138 units outright (table 115).

Just under a third of outright and shared ownership sales were completed in London. The region with the second highest concentration of this sales activity was the South East (22%). In comparison, the number of RTB/voluntary sales completed in each region was slightly more evenly spread. RTB/voluntary sales were most likely to have been completed in the West Midlands, followed by the South West region (table 120).

In addition to sales of HA units, some stock was also demolished. Over the year, a total of 4,723 units were demolished by HAs. This was 79% more than the number of self-contained units demolished in 2000/01. Demolition activity was concentrated among HAs with more than 2,500 units of total stock in ownership, many of which are likely to be LSVT HAs that often, post stock transfer, rationalise this stock (table 122).

## **11. Paid staff and Governing Body members**

HAs employed 85,136 full time equivalent (FTE) paid staff at 31 March 2002. This was five percent more than in 2001, following a year on year upward trend. However, the rate of increase was slightly lower than in previous years - for example, the rate of growth between 31 March 2000 and 2001 was seven percent. Of the total FTE paid staff, 54% were employed as housing staff, one percent less than in 2001 despite an overall increase in FTE staff numbers in all housing functions. The number of FTE paid staff employed specifically

in housing management and maintenance had increased slightly over the year, by three percent (table 123).

Generally, as the average number of units owned by a HA increases, so too does the number of FTE paid staff employed by them (table 124). At 31 March 2002, nearly half of HAs employed five or less FTE staff, but together these HAs owned only two percent of the total rental stock. Following an upward trend, a larger proportion of HAs in 2002 than 2001 employed more than 10 FTE paid staff – 48% compared with 42% respectively. HAs with more than 10 FTE staff owned 98% of the total rental stock (table 124).

As a ratio, the average number of staff per 100 dwellings in management at 31 March 2002 was 5.6, compared to only 4.9 in 2001. The general pattern in 2002 was, however, the same as in 2001 - namely that generally, staffing ratios decrease as the number of units in direct management increases. Only HAs with more than 2,500 units in management had below average staff to unit ratios (table 126).

The ratio of FTE paid staff to owned supported housing units follows a different pattern. As the number of supported housing units in ownership increases, so too does the average number of FTE staff employed. Only HAs that owned 0 to 20 units of supported housing had a below average number of FTE paid staff per 100 supported housing dwellings owned (table 127). This pattern reflects the fact that supported housing is more management intensive, and therefore staff management ratios increase as the number of supported units in ownership increase.

At 31 March 2002, where known, 73% of all HA paid staff considered themselves to be of White: British origin. Staff that considered themselves to be White: other, and Black/black British: Caribbean in origin were the next most significant ethnic groupings, each accounting for three percent of all paid staff. Paid staff were least likely to describe themselves as Mixed: white & Asian in origin - only 88 staff (table 129).

In the RSR 2002, HAs were also asked to report on the gender of their paid staff – overall 68% were female and 32% were male at 31 March 2002. The more paid staff an HA employed, the more likely they were to be female. For example, 89% of staff within HAs employing 50 paid staff or more were female (table 130).

Information about Governing Body members is also requested in the RSR. In total HAs had 20,626 Governing Body members at 31 March 2002. The ethnic origin of Governing Body members broadly reflects that of paid staff. Where known, 87% of them described themselves as White: British. The next significant ethnic group was Black/black British: Caribbean in origin, although this group only accounted for two percent of all Governing Body members (table 131).

## **12. Profile of the HA sector in 2002: Summary**

### **The number of Housing Associations:**

- At 31 March 2001 there had been a net decrease of 38 HAs over the previous year to bring the total number of HAs operating in England to 2,005.

**Total rental stock in ownership:**

- The HA sector stockholding continued to grow and by 31 March 2002 the 1910 HAs returning valid RSRs owned 1,593,622 units for rent, six percent more than in 2001. Ninety two percent of stock owned by HAs was directly managed by the owning HA.
- Ownership continued to be concentrated in large HAs. Those with between 2,500 and 10,000 units of total stock in ownership owned 54% of the total stock
- Despite the on-going registration of new LSVT HAs, there was a continuation of the trend towards greater geographical diversity as the number of HAs owning property in two or more LA areas increased.
- At 31 March 2002, HAs also managed 176,491 units on behalf of others, an increase of two percent since 2001. Over half of these units were managed on behalf of other HAs within the sector. One hundred and thirty one HAs managed units within a group structure. Ninety HAs managed 6,361 units that were pending transfer into their ownership in the future.
- There was an increase in the number of units managed under temporary housing schemes - by seven percent over the year.

**Social housing:**

- Ninety eight percent of the total rental stock owned by HAs at 31 March 2002 was social housing (1,558,522 social housing units). General needs units accounted for 93% of all social housing owned, supported units accounted for 7%. Ninety two percent of social housing stock was directly managed by the owning HA.
- 3.1 % of the social housing stock was vacant at 31 March 2002, slightly less than the most comparable figure in 2001 when 3.3% of all stock was vacant.
- HAs managed 171,225 social housing units on behalf of others, over half of which were owned by other HAs within the sector.

**General needs social housing rental stock:**

- HAs owned 1443,550 general needs housing units at 31 March 2002, 94% of which, were directly managed by the owning HA. 2.5% of general needs units were vacant at 31 March 2002.
- HAs managed but did not owned 144,727 general needs units at 31 March 2002. Eighty five percent of temporary housing units were general needs.
- The weighted average assured net weekly rent charged for general needs self contained tenancies in 2002 was £56.22, three percent higher than in 2001. The average secure net weekly rent charged in 2002 was £52.83, a five percent increase over the previous year. As a result, rent levels continued to converge – the average assured rent was only six percent higher than the average secure rent at 31 March 2002.

**General needs lettings:**

- CORE recorded 159,000 general needs lettings between 1 April 2001 and 31 March 2002, six percent more than over the previous year. Forty percent of all lettings were made to tenants nominated by a LA.
- A third of all lettings in 2001/02 were made to single adults under 60 years old, 12% went to households accepted as statutorily homeless at the time of letting.
- The average turnover rate in the HA stock was around 14% in England, with a low of 10% in London and a high of 18% in Yorkshire and the Humber regions.

**Supported social housing rental stock:**

- At 31 March 2002, HAs owned 115,002 supported housing units. The majority of these units were directly managed by the owning HA. Eight percent of the supported housing stock was vacant, slightly less than in 2001.
- Single homeless people were the largest supported housing client group, followed by older people with support needs.
- The weighted average net rent for supported housing lettings was £62.70, fractionally higher than the previous year.

**Non-social housing:**

- At 31 March 2002, HAs owned 35,070 non-social housing units for rent. Eighty percent of non-social housing units were directly managed by the owning HA.
- Student accommodation accounted for 34% of the non-social housing owned by HAs.
- HAs also managed 5,266 non-social housing units on behalf of others at 31 March 2002.

**Leased housing:**

- At 31 March 2002, HAs owned shares in 91,300 shared ownership, LSE and other shared equity units. The number of shared ownership units had decreased compared with 2001 and the number of LSE units had also decreased, following a downward trend since 1998.
- HAs also managed but did not own 9,235 shared equity units at 31 March 2002.
- At 31 March 2002, HAs retained the residual freehold interest on 57,117 units of leased housing that had been sold by them.

**Acquisitions and developments:**

- HAs acquired an additional 64,111 units over the year to 31 March 2002. This was 44,000 units less than in 2001, largely resulting from a lower number of LSVT and tenants choice units entering the sector. A third of the total units acquired were new to the social housing sector.
- Although the number of units built by HAs over the year to 31 March 2002 was higher than over the previous year, the number of units purchased fell by 31% following a downward trend that has been ongoing since 1994/95.
- HAs built and purchased 7,219 units for rent without the use of public subsidy, four percent more than over the previous year.

**Sales, transfers and demolitions:**

- HAs sold 17,073 units over the year to 31 March 2002, including 8,275 RTB sales.
- Initial shared ownership sales accounted for 3,696 of all HA sales, while there were 2,953 outright sales.
- Over the year, 4,723 units were demolished by HAs.

**Paid staff:**

- HAs employed 85,136 FTE paid staff at 31 March 2002, five percent more than the year before. 54% of these were staff dedicated to housing functions. The average ratio of staff per 100 dwellings was 5.9%.
- The majority of paid staff, where known, considered themselves to be of White: British origin, the next two most common groups by ethnic origin were White: other and Black/black British: Caribbean.

- At 31 March 2002, 68% of all HA paid staff were female, 32% were male.

### **Further Information**

This commentary is written by Jennie Abbott and Dawn Marshall with Christine Whitehead of Dataspring, Cambridge Centre for Housing and Planning Research, University of Cambridge. The Tables and Appendices that accompany this summary were compiled by Jennie Abbott and Daniel Banks of Dataspring within the Cambridge Centre for Housing and Planning Research. The whole process was undertaken in collaboration with Pragati Somaia, Caroline Smart and Craig Edwards of the Housing Corporation and many thanks are extended to them for their assistance.