

## **RSL Stock Condition Information Needs**

### **What kind of information on the condition of their stock do RSLs hold at present?**

RSLs hold information on their stock in a variety of ways and for different purposes. The reason why the type of stock condition information held varies because the origins of RSL housing stocks are so different, and because they are so different in scale. RSLs may have:

- mainly new build stock - or stock built over the last 30 years or so
- former local authority or Scottish Homes Stock which they have acquired through stock transfer
- predominantly nineteenth century tenemental stock, often the subject of comprehensive improvement programmes by RSLs.

Some RSLs have fewer than a hundred houses, while the largest have over ten thousand. A substantial number of Scottish RSLs have fewer than 500 houses. In consequence, some RSLs - for example those with small, newly built stocks – rely mainly on the original specifications for the stock and informal knowledge of their maintenance staff, whereas large stock transfer associations may be making use of stock condition information collected at the time of the transfer, primarily for valuation purposes.

### **What factors will influence how RSLs collect and hold stock condition information in future?**

RSLs need information on the condition of their housing stock to plan for its maintenance, but because the origin, size and indeed the condition of the stock varies so considerably, there has been no imperative for them to hold that information in the same way. (Although all RSLs should have a good knowledge of stock condition issues because a sound RSL business plan should always be based on an understanding of the thirty year life cycle costs of maintaining that stock at an adequate level).

The introduction of the Scottish Housing Quality Standard has changed that position quite fundamentally. All RSLs (and indeed all local authority landlords) now require to have sufficient information about their stock to assess what needs to be done to ensure that each and every house will meet the Standard by 2015. That means that RSLs now need to hold information about the current position of each house relative to the standard, to be able to project whether any houses are likely to fall below the Standard in the period up to 2015, and they need to be able to plan for the investment they will have to make in the stock to achieve that position.

Unless they are satisfied that they have blocks of stock which are to all intents and purposes identical in terms of their fit with the Standard, local authorities will need to hold information about each individual house they own. (However, it is unlikely that houses in blocks of stock built at the same time and to the same standard will be wholly identical for a variety of reasons - the state of repair of individual properties may vary over time as a result of weather damage or damage to fittings caused by occupants, end terrace houses may have lower NHER ratings, void repairs may have changed the standard of fittings, etc).

### **How should RSLs collect the information they need?**

From an RSL standpoint then, collecting information about stock condition is rather different type of exercise from the SHCS or the LHCS, which are sample surveys, designed to allow a generalised overview of the condition of the housing stock to be presented at local or national level.

The stock condition information which RSLs will now need must be both detailed and property specific – not for reporting purposes – but to allow them to plan to achieve the Standard in each and every house. They need to be able to record also the differential effect of RTB and other changes in their stock on the investment needed to achieve and maintain the stock at SHQS level.

It follows then that while RSLs may hold some information in the form of sample surveys – and this is particularly likely for RSLs created by stock transfer - the need now is for a stock database which will allow them to record their progress towards the various milestones set out in their delivery plan

(It is worth noting at this point that some RSLs who have tried to use sample surveys carried out for valuation purposes to plan the details of their capital programme have found it to be not particularly well suited to that use).

RSLs may wish to move gradually toward that position, either by cloning information from existing sample surveys and/or using periodic inspections for other purposes to create a record for each individual house. Cloned data is never as satisfactory as 'real' data, but it may be acceptable initially, or even long term if the RSL has reason to believe that certain blocks of stock are very homogenous.

## **What is the best way of storing stock condition information?**

Because RSLs vary so hugely in size and type, it is not possible to advocate a single format for stock condition information. For a small RSL with new build stock, a very simple Excel spreadsheet may be adequate, whereas a large stock transfer organisation may wish to have information held in a database package, in a format in which it may be aggregated in a number of different ways - by estate, for example or particular geographies.

If there is a need to report by particular geographies, the data should be geo-coded, to allow it to be analysed at ward, postcode, or even street or block level. This is likely to be particularly important for RSL stock in local authority areas where there are problems of low demand and where there is a need to prepare regeneration strategies which will focus on the most viable parts of the stock. Some RSLs may hold substantial blocks of stock in such areas and fit with SHQS and the cost of meeting it will be one of the factors which should be taken into account in preparing the regeneration strategy.

Some RSLs may have the IT and surveying capacity to set up appropriately designed stock condition information systems in house, while others will not. A number of different private sector providers are offering software and survey packages which will support landlords' stock condition information needs and some RSLs may find that it is more cost effective for them to use these packages.

## **Does the LHCS have a role to play?**

What is important is that RSLs should ensure that the information which is being collected considers all the SHQS issues. The information should be based on a format not dissimilar to that of the LHCS survey form (Appendix 2) and the addendum to it for SHQS (Appendix 3) purposes which has been produced.

That information will not however be sufficient. The stock database should also record the year of replacement for key elements and for financial planning and valuation reasons, the estimated cost of that replacement. This information will then feed into the RSL business plan, which will also include allowances to deal with reactive and cyclical repairs. The timing and level of these allowances for reactive and cyclical repairs should be informed by the survey.