

Registered Social Landlord Quarterly Regulation Survey July - September 2022 Summary

Contents

Introduction	2
Data Returns	2
Summary	3
Tenant Safety	3
Gas Safety	3
Fire Risk Assessments	3
Asbestos Surveys	4
Water Hygiene	4
Electrical Safety Checks	4
Repairs and Maintenance	5
Emergency Repairs	5
Routine Repairs outstanding per property	5
Lettings	6
Void Properties	7
Arrears, Notices of Seeking Possession (NOSP) and Evictions	7
Arrears	7
Notices of Seeking Possession (NOSP)	8
Evictions	9
Financial Resilience	9
Availability of funding	9
Covenant Compliance	10

Introduction

This is the first summary report of the quarterly regulation survey which follows on from the monthly business continuity survey put in place during the pandemic. The purpose of the survey is to provide regulatory assurance data to enable the early identification of potential issues and challenges through analysis of individual data and sector wide trends.

Since the first quarterly survey in June 2022, some of the questions and definitions have changed. Where we can, we have provided a comparison to previous data but where this is not possible, the data still provides a picture of how the sector is performing as a whole.

Data Returns

This summary is based on the quarterly surveys submitted by RSLs, the last of which covered the period 1st July 30th September 2022 and all RSLs requested to return the survey did so.

We have noted where the results are based on a data set which is less than the full 35 RSLs surveyed.

The data used is management information provided by RSLs. It has not been subject to any quality assurance or validation.

Unless otherwise indicated, all comparisons are to the June 2022 survey.

As always, if you want to discuss any issues or have any questions, please contact housingregulation@gov.wales.

Ian Walters
Head of Regulation

Summary

RSLs report that pressures, including those resulting from the cost-of-living crisis are being managed. The Regulation team will continue to discuss any performance outliers with the RSL concerned and agree any appropriate actions.

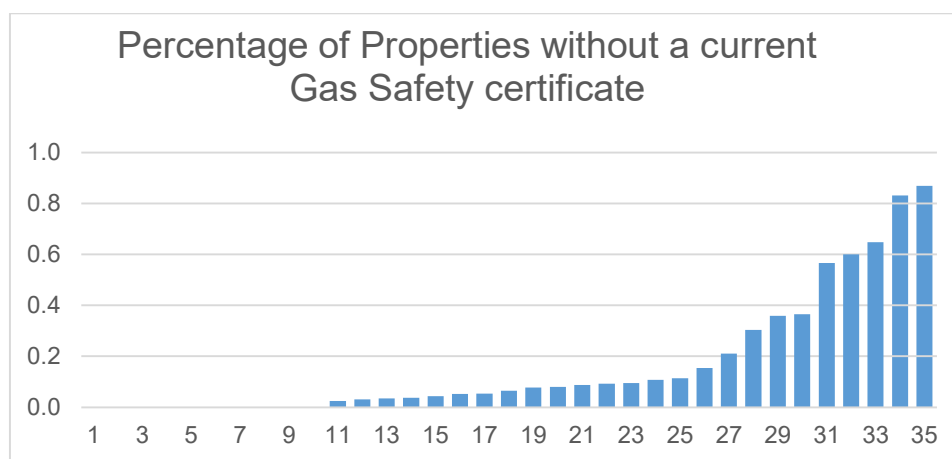
Tenant Safety

Whilst we will continue to take a pragmatic and proportionate approach, the safety of residents as well as service users is the absolute priority and remains a zero-tolerance matter for the regulator.

A safety check/inspection/survey may identify and recommend works or further investigations which should be carried out within a timescale set by each individual RSL unless there is a statutory or other applicable timescale. We have asked RSLs to advise us of the number of properties with outstanding recommendations/improvements that have not been completed within the agreed timescale and remain outstanding as at the end of Q2-2022. You must however ensure any outstanding works do not pose a risk to tenant safety in any circumstances.

Gas Safety

- The level of gas safety checks reported as being completed to target across the sector is currently 99.8% having improved from 99.5% in Q1-2022.
- 10 RSLs report levels of 100%, with none reporting less than 99%.
- Overall 99.89% of properties have no outstanding gas safety remedial actions with thirty RSLs reporting no properties with outstanding actions.



Gas safety compliance of individual RSLs as at Sept 2022- data set 35.

Fire Risk Assessments

- The number of fire risk assessments reported as being up to date stands at 91.3%. This is lower than anticipated but RSLs report this is due to recent changes to Fire Risk Assessments for which further guidance is expected in December 2022.

- 23 RSLs, report up to date assessment levels of 100%.
- Seven RSLs reported that no properties have any outstanding fire safety recommendations

Asbestos Surveys

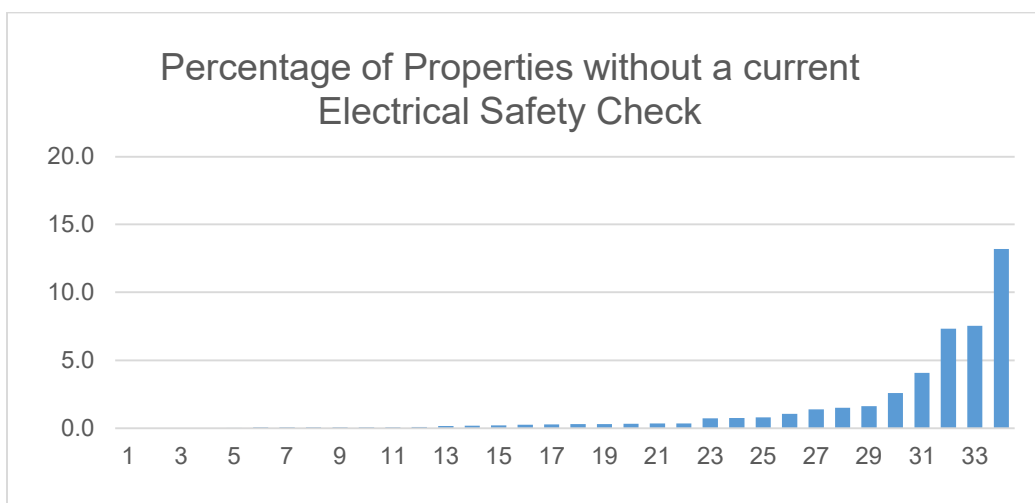
- 99.2% of surveys are reported as being up to date.
- 31 RSLs are reporting 100% up to date surveys
- One RSL reports less than 95% of surveys are up to date.
- 29 RSLs report that they have no outstanding recommendations from their asbestos surveys.
- One RSL reports that over 30% of its properties (of 45 that require an asbestos survey) have outstanding recommendations outside of its own timetable.

Water Hygiene

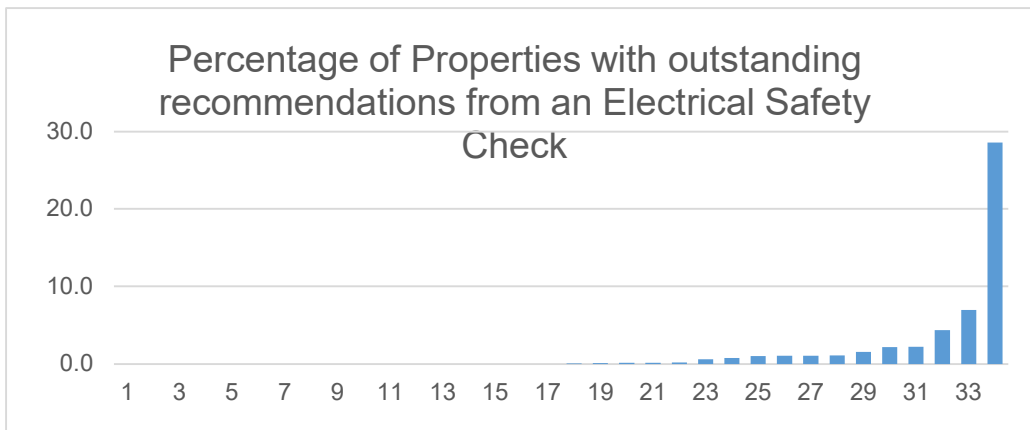
- 99.8% of testing is reported as being up to date
- 30 RSLs report up to date test levels of 100%.
- 22 RSLs report that they have no outstanding recommendations from their water testing.
- Four RSLs report that over 75% of their properties (which require a water test) have outstanding recommendations outside of its own timetable.

Electrical Safety Checks

- 98.5% of properties across the sector are reported as having a current electrical safety certificate (March 99.6%).
- Five RSLs are reporting 100% of electrical safety inspections are up to date.
- Ten RSLs reported less than 99% being up to date compared to four in March.
- 14 RSLs reported that no properties have outstanding electrical safety check recommendations.
- One RSL reported over 25% of its properties had outstanding electrical safety check recommendations outside of its own timetable.



Electrical safety checks as at Sept 2022 - data set 34. One RSL has been excluded due having a small number of properties, which disproportionately affects the statistics.

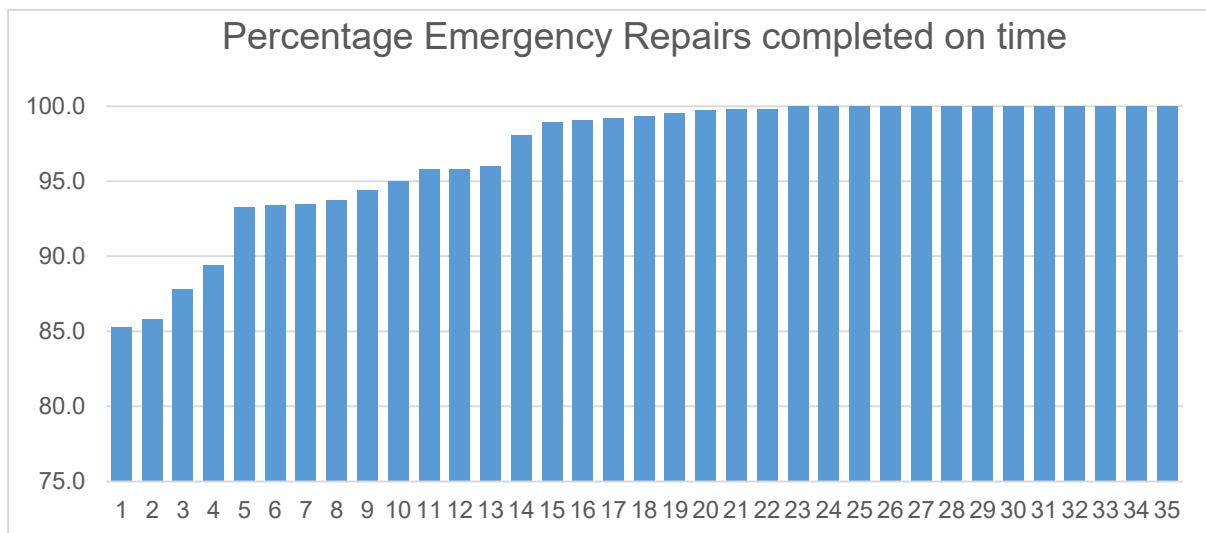


Outstanding electrical recommendations as at Sept 2022 - data set 34. One RSL has been excluded due having a small number of properties, which disproportionately affects the statistics.

Repairs and Maintenance

Emergency Repairs

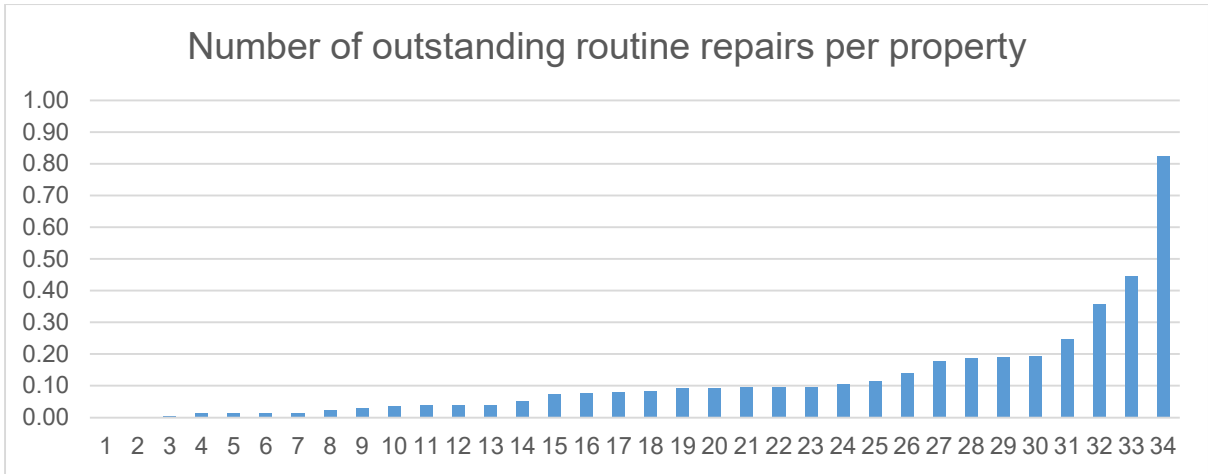
- 97% of emergency repairs were completed withing target (Q1 97.1%) which equates to 26,873 repairs.
- 12 RSLs reported 100% of emergency repairs being completed on time.
- Four RSL reported under 90% of emergency repairs were completed to target.



RSL emergency repairs completed to target during July-September 2022 - data set 35

Routine Repairs outstanding per property

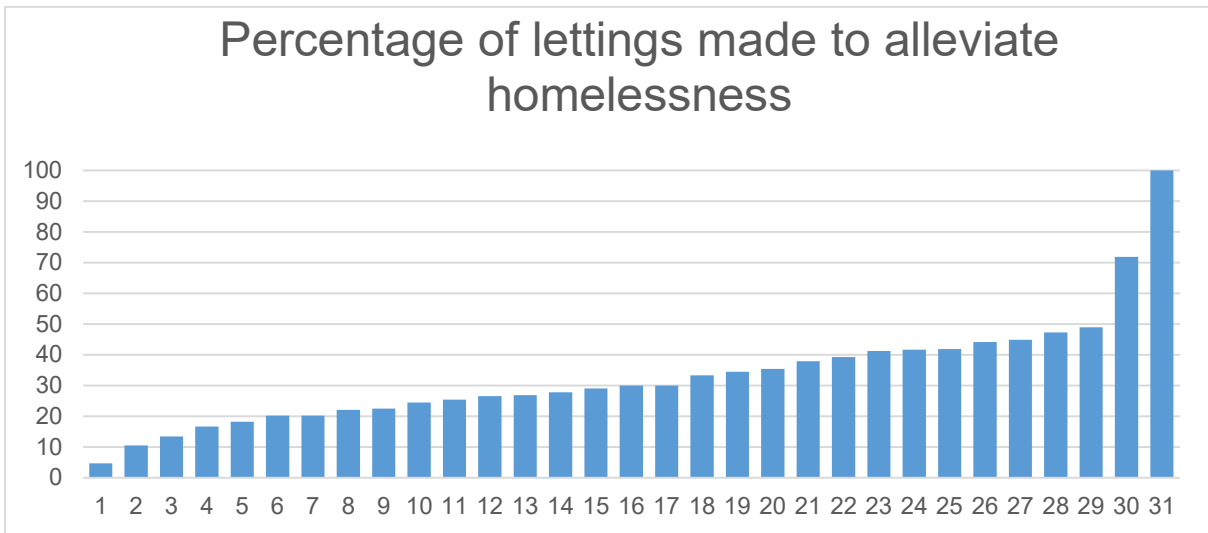
- RSLs reported 0.12 repairs were outstanding per property (0.13 in Q1) – this equates to 18,698 repairs in total.
- Three RSLs reported no routine repairs outstanding (5 in Q1)
- One RSL exceeded 0.5 repairs outstanding per property (2 in Q1)



RSL Routine repairs outstanding at September 2022 - data set 34. One RSL has been excluded due having a small number of properties, which disproportionately affects the statistics. Some properties will be waiting for more than one repair to be completed.

Lettings

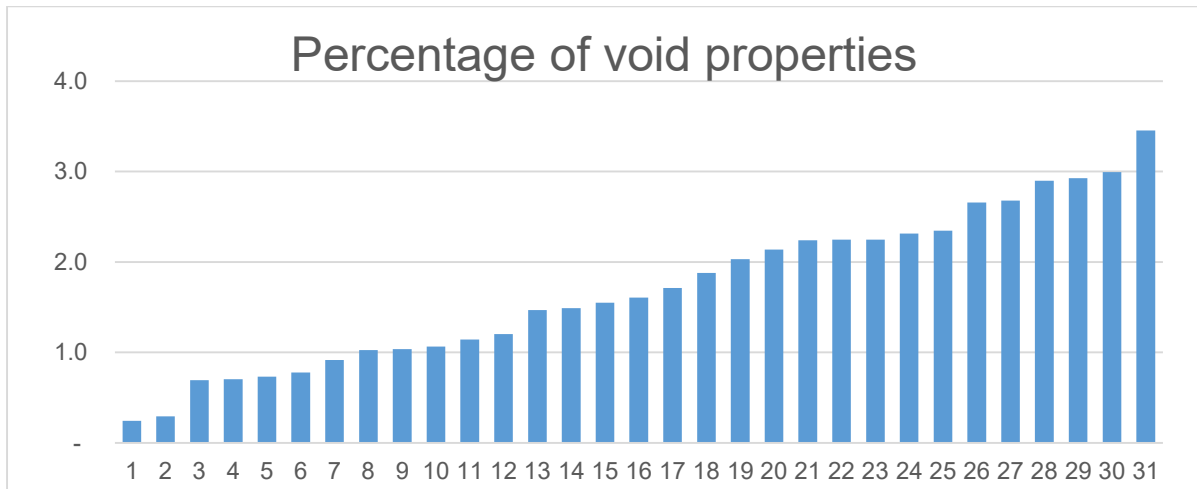
- On average 30.9% of properties let were to alleviate homelessness (Q1 29.3%).
- One RSL reported 100% of its properties were let to alleviate homelessness during the quarter, whilst 14 RSL reported over 40% of lettings were made to alleviate homelessness.
- 16 RSLs reported less than 30% of let properties were to alleviate homelessness during Q2.



RSL percentage of lettings to alleviate homelessness during Quarter 2 - data set 31. Four small RSLs have been removed from the graphical analysis.

Void Properties

- The average level of vacant properties in the quarter was 1.3% (Q1 - 1.2%).



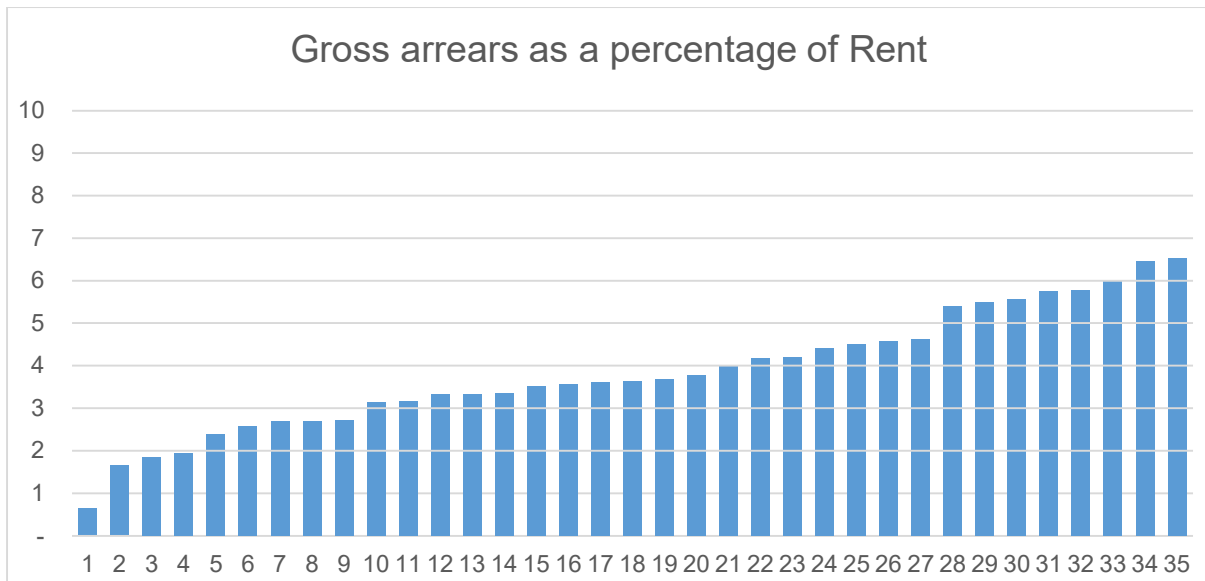
RSL void properties during Quarter 2 - data set 31.
Four small RSLs have been removed from the graphical analysis.

- Whilst the overall number of void properties remains fairly static there is a difference in performance of individual RSLs. One is reporting an increase in excess of 1.5%, and two reporting an increase of 0.5% or more in void properties. Three report a reduction of over 0.5% in voids properties.

Arrears, Notices of Seeking Possession (NOSP) and Evictions

Arrears

- The total rent outstanding from current tenants has increased to £35.2m (June £33.6m), which is 4% of the annual rent roll (June 3.9%).
- The total rent outstanding due directly from tenants, i.e. excluding amounts due directly from housing benefit and alternative payment arrangements (APAs), has reduced. It currently stands at £22.6m (2.6% of the rent roll), a reduction of £0.8m since June.
- Within this relatively stable sector position two RSLs have seen a fall in the amount due directly from tenants of more than 1.5%, whilst a further nine have seen an overall reduction in arrears. However, another 12 have seen an increase of 0.5% or more in arrears with three of those having exceeded a 1% increase.
- 18 RSLs have arrears of less than 4% of their rent roll, whilst two RSLs have exceeded arrears of 6%.



Rent arrears at the end of September 2022 - data set 35
 Some RSLs are specialist providers with limited rental income due directly from tenants

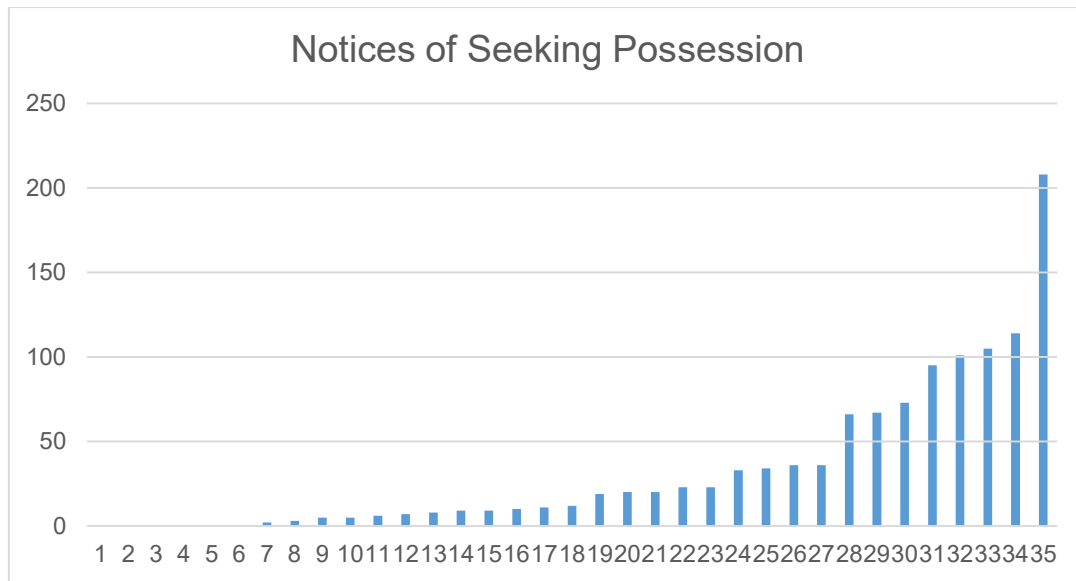
- The percentage of tenancies in arrears banded by weeks of rental income has increased apart from those with 52+ weeks of arrears.

Number of weeks in arrears	Percentage of tenants	
	Sep	Jun
8-12	3.36%	3.18%
13-26	2.66%	2.49%
27-52	0.74%	0.64%
52 or more	0.1%	0.1%

- A total of 49,023 tenants (32.7%) are known to be in receipt of Universal Credit, up from 31.7% in June. A total of 23,432 APAs were received in March (15.6% of tenancies).

Notices of Seeking Possession (NOSP)

- 1,160 NOSP were issued by 29 RSLs in Q2 (Q1 – 888).
- Four RSLs issued more than 100 NOSP in the quarter, with one of those issuing 208.
- One RSL issued 20% of the total NOSP in Wales in the last 12 months, having issued notices to the equivalent of 11.8% of its tenants.



Number of NOSPs issued in the last quarter (Data set 35).

Evictions

- 111 claims were lodged at court for rent arrears during the last quarter.
- 12 evictions were granted to 10 RSLs in the last quarter. This compares to 24 evictions granted to 13 RSLs in Q1.
- Of the 12 evictions, 10 were for arrears, one for Anti-Social Behaviour, and one for other reasons.
- 25 RSLs carried out no evictions during Q2 (22 Q1).

Financial Resilience

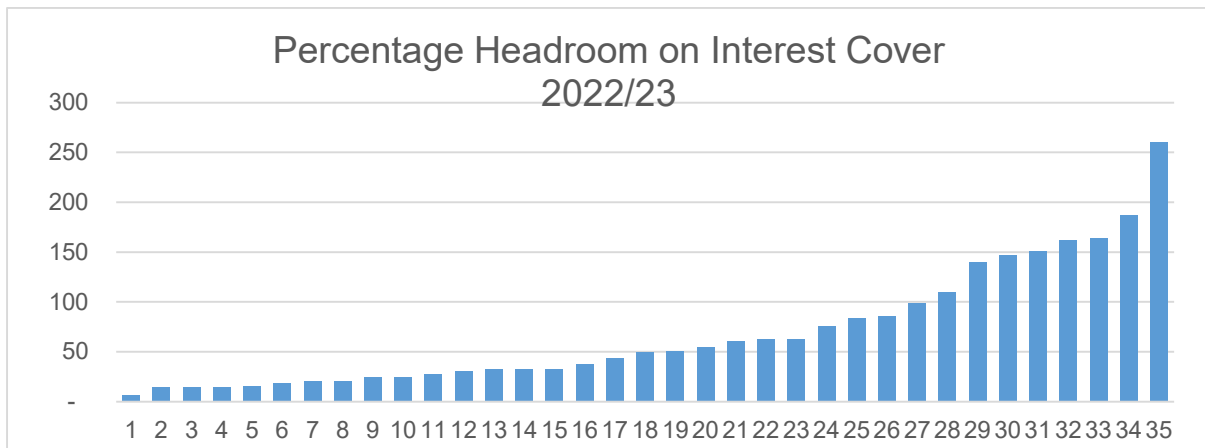
Availability of funding

- No RSLs are reporting any issues accessing existing or new funding.
- There is approximately £1.5 billion of funding available to the sector in Wales, up £30 million from June. There are £873 million of undrawn facilities supplemented by cash reserves of £646 million. (Undrawn facilities includes revolving credit facilities (RCF) as well as long term agreements in place but yet to be drawn down but excludes overdraft facilities).
- Of the 25 RSLs requiring new funding to complete development programmes, one reports that new funding needs to be in place within a year.
- Where RSL has reported needing new funding within a year, we are satisfied that progress to secure new facilities is sufficiently advanced.
- 22 RSLs report having at least 18 months funding in place.

Note - In determining when new funding is required all expenditure, whether committed or not, is included.

Covenant Compliance

- No RSLs are reporting potential non-compliance issues with covenants for either 2022/23 or 2023/24.



Expected headroom against the RSLs tightest interest cover covenant for 2022/23 - data set 35

- There are currently six RSLs forecasting less than 20% headroom on their interest cover covenant in 2022/23.
- Eleven RSLs are forecasting less than 20% headroom on their gearing covenant in 2022/23.
- Where RSLs are reporting lower levels of covenant headroom we are satisfied that the position is being appropriately managed.