

Registered Social Landlord Quarterly Regulation Survey October - December 2022 Summary

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Introduction

This is the second 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 previous quarterly survey, some of the definitions have been refined for consistency. 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 October 31st December 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 September 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, despite there being evidence of an increase in the amount of arrears. The Regulation team will continue to discuss any performance outliers with the RSL concerned and agree any appropriate actions.

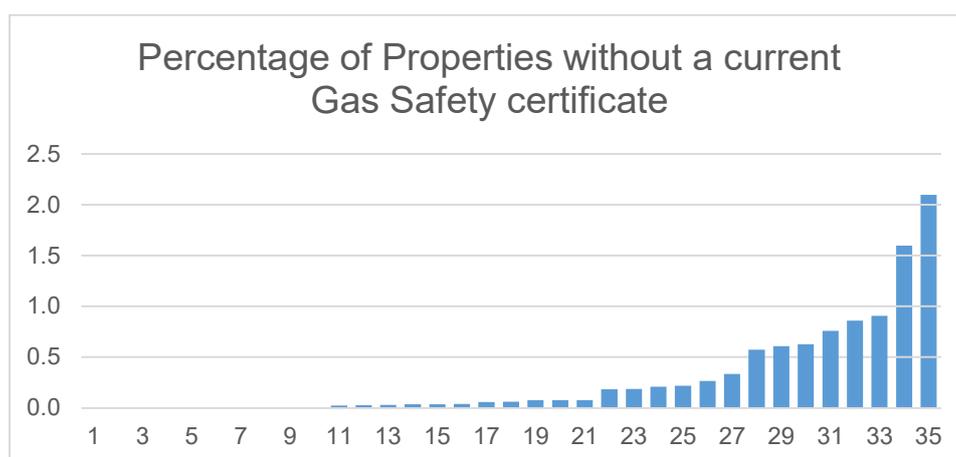
Tenant Safety

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 Q3-2022. RSLs 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 99.7% having decreased slightly from 99.8% in Q2-2022.
- 16 RSLs report levels of 100%, with two reporting less than 99%.
- Overall 99.92% of properties have no outstanding gas safety remedial actions with 31 RSLs reporting no properties with outstanding actions.



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

Fire Risk Assessments

- The number of fire risk assessments reported as being up to date stands at 95% (Sept - 91.3%).

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

Asbestos Surveys

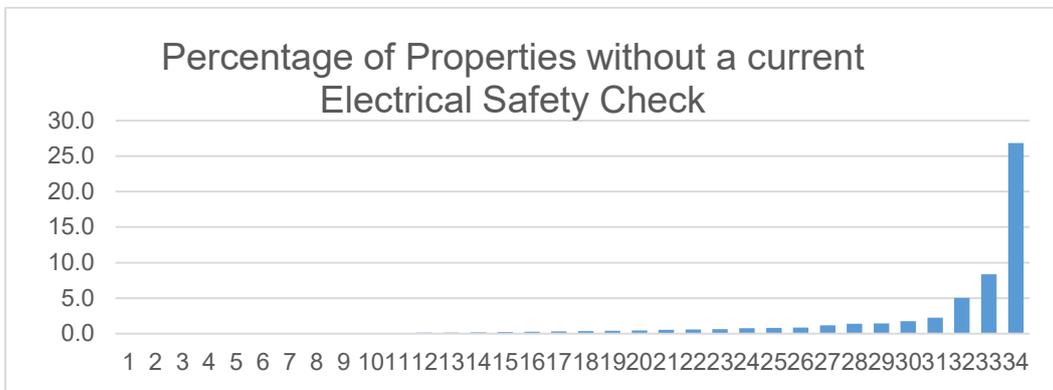
- 99.3% of surveys are reported as being up to date (Sep – 99.2%).
- 28 RSLs are reporting 100% up to date surveys (Sep – 31)
- One RSL reports less than 90% of surveys are up to date.
- 27 RSLs report that they have no outstanding recommendations from their asbestos surveys (Sep – 29)
- One RSL reports that over 8% of its properties (26 of 322 that require an asbestos survey) have outstanding recommendations outside of its own timetable.

Water Hygiene

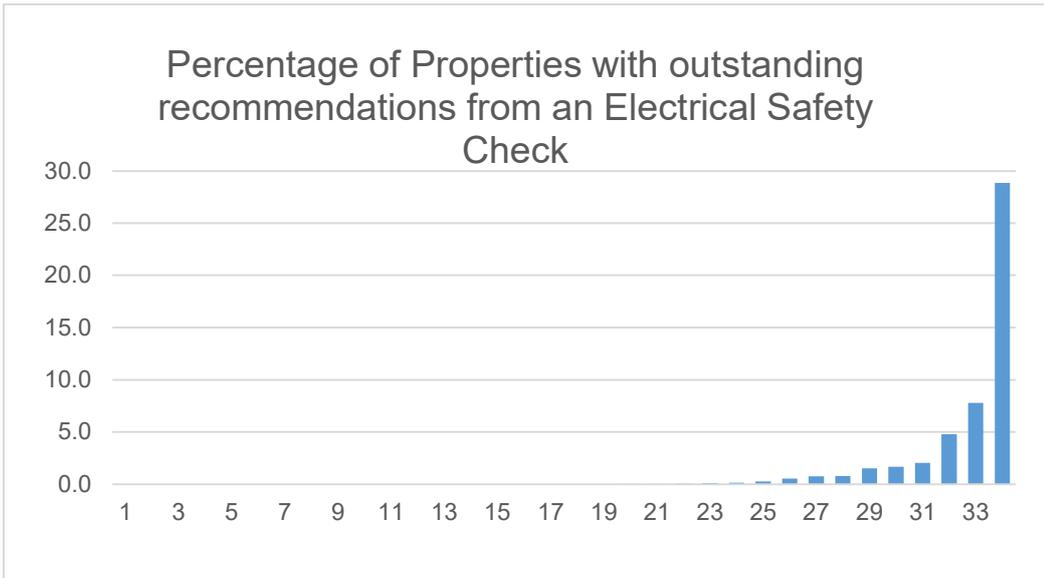
- 99.2% of testing is reported as being up to date (Sep – 99.4% amended)
- 30 RSLs report up to date test levels of 100% (Sep – 30)
- 22 RSLs report that they have no outstanding recommendations from their water testing (Sep – 22)
- Three RSLs report that over 50% of their properties (which require a water test) have outstanding recommendations outside of its own timetable (Sept – four over 75%)

Electrical Safety Checks

- 98.4% of properties across the sector are reported as having a current electrical safety certificate (Sep – 98.5%).
- Nine RSLs are reporting 100% of electrical safety inspections are up to date (Sept – five)
- Nine RSLs reported less than 99% being up to date compared to ten in September
- 21 RSLs reported that no properties have outstanding electrical safety check recommendations (Sept – 14)
- One RSL reported over 25% of its properties had outstanding electrical safety check recommendations outside of its own timetable.



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

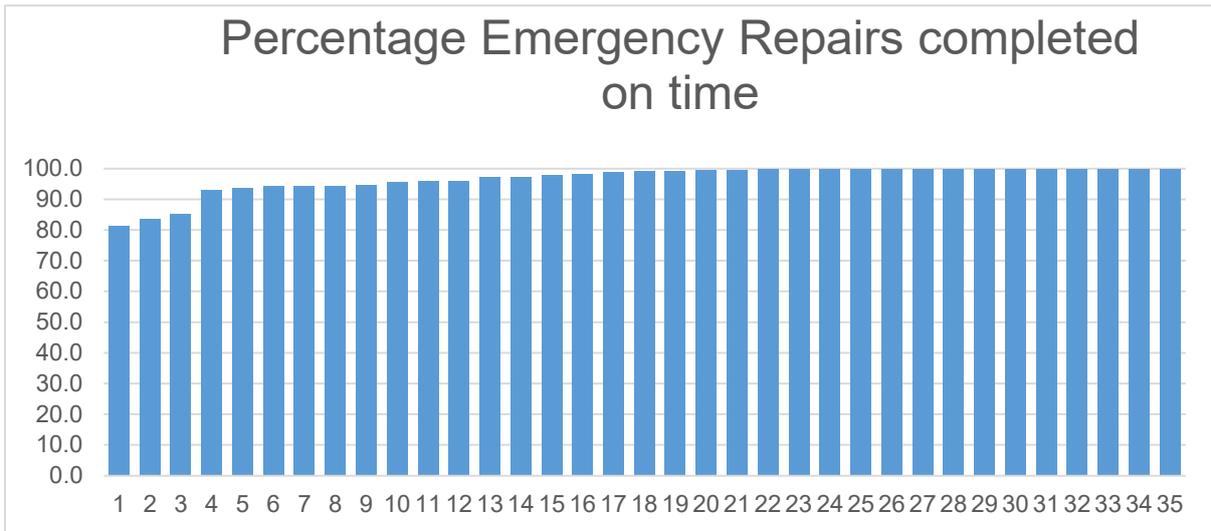


Outstanding electrical recommendations as at December 2022 - data set 34. One RSL has been excluded due having a small number of properties, which disproportionately affects the statistics.

Repairs and Maintenance

Emergency Repairs

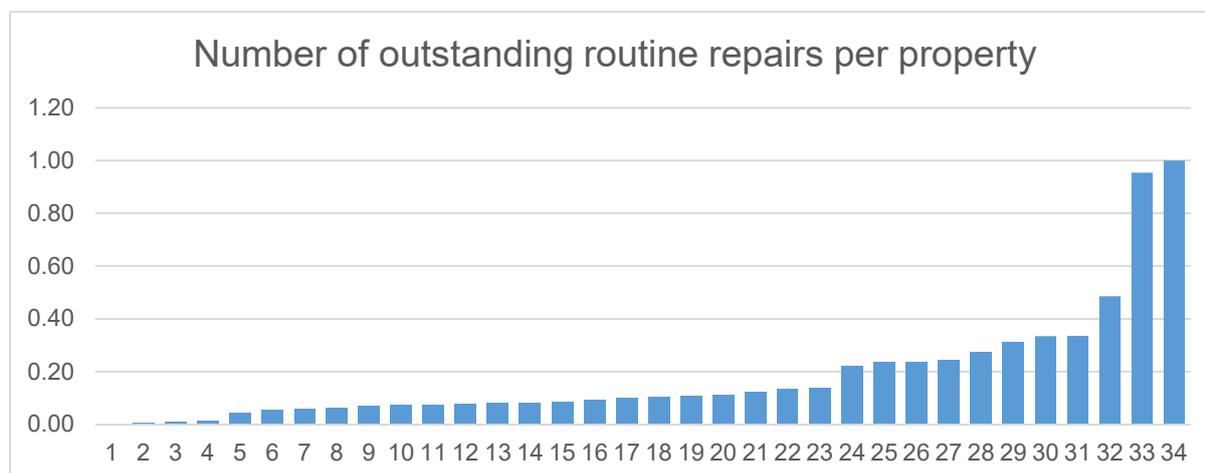
- 96.5% of emergency repairs were completed withing target (Sep - 97%) which equates to 32,800 repairs (Sept – 26,873)
- 12 RSLs reported 100% of emergency repairs being completed on time (Sept – 12)
- Three RSL reported under 90% of emergency repairs were completed to target (Sept – four)



RSL emergency repairs completed to target during October - December 2022 - data set 35

Routine Repairs outstanding per property

- RSLs reported 0.15 repairs were outstanding per property (Sept - 0.12) – this equates to 22,525 repairs in total.
- Two RSLs reported no routine repairs outstanding (Sept - three)
- Two RSLs exceeded 0.5 repairs outstanding per property (Sept - one)

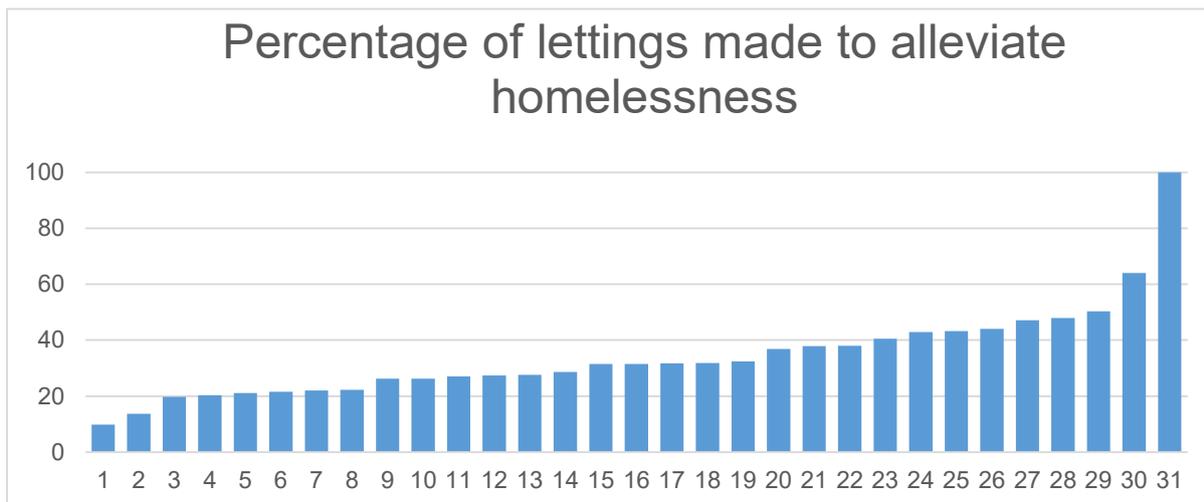


RSL Routine repairs outstanding at December 2022 - data set 34. One RSL has been excluded due having a small number of properties, which disproportionately affects the statistics. Some properties will be waiting for more than one repair to be completed.

Lettings

During the quarter, clarification was issued to RSLs when reporting the number of units of accommodation let in the quarter to alleviate homelessness. RSL were advised that Priority need homeless are those households accepted by a local authority as homeless or threatened with homelessness who are categorised, by the local Authority, as being in priority need of accommodation.

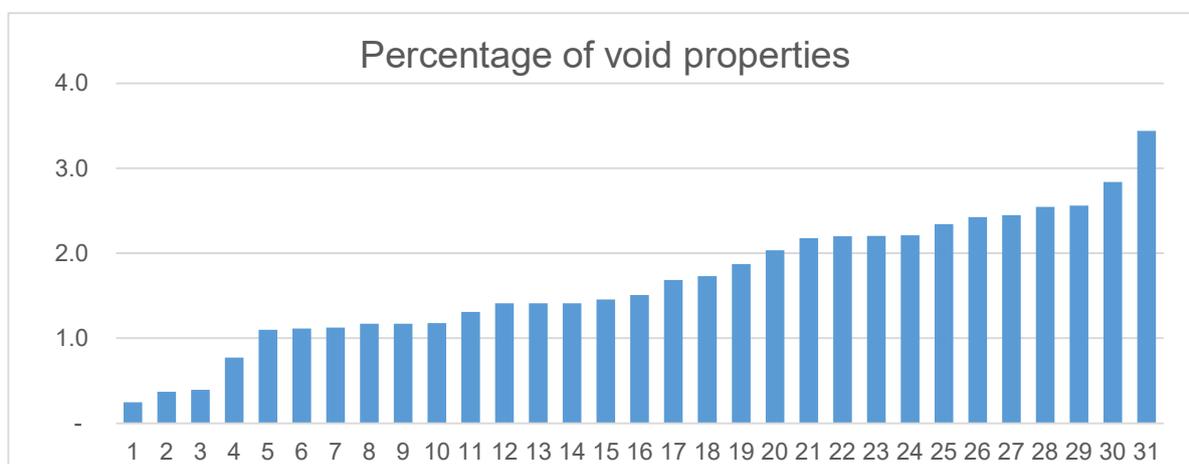
- On average 38.19% of properties let were to alleviate homelessness
- One RSL reported 100% of its properties were let to alleviate homelessness during the quarter, whilst eight RSL reported over 40% of lettings were made to alleviate homelessness.
- 14 RSLs reported less than 30% of let properties were to alleviate homelessness during October-December 2022



RSL percentage of lettings to alleviate homelessness during October – December 2022 - data set 31.
Four small RSLs have been removed from the graphical analysis.

Void Properties

- The average level of vacant properties (both routine and strategic) in the quarter was 1.6% (Sept – 1.7% amended).



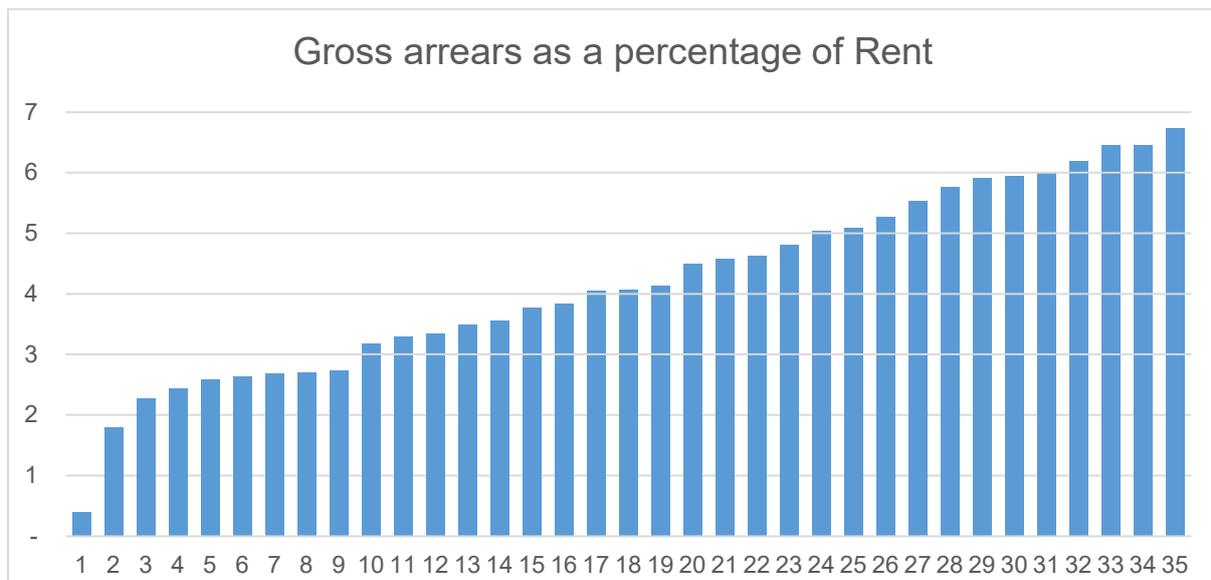
RSL void properties as at December- data set 31.
Four small RSLs have been removed from the graphical analysis.

- The overall number of void properties remains fairly static
- 18 RSLs report a decrease in the number of void properties, and 11 report a slight increase.

Arrears, Notices of Seeking Possession (NOSP) and Evictions

Arrears

- The total rent outstanding from current tenants has increased to £38.5m (Sept - £35.2m), which is 4.4% of the annual rent roll (Sept – 4%).
- 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 £24.1m which is 2.7% of the rent roll. (Sept - £22.6m, 2,6% of the rent roll)
- One RSL has seen a fall in the amount due directly from tenants of 1%, whilst a further eight have seen an overall reduction in arrears. However, another 14 have seen an increase of 0.5% or more in arrears with two of those having exceeded a 1% increase
- 16 RSLs have arrears of less than 4% of their rent roll (Sept – 18), whilst five RSLs have exceeded arrears of 6% (Sept – two)



Rent arrears at the end of December 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.

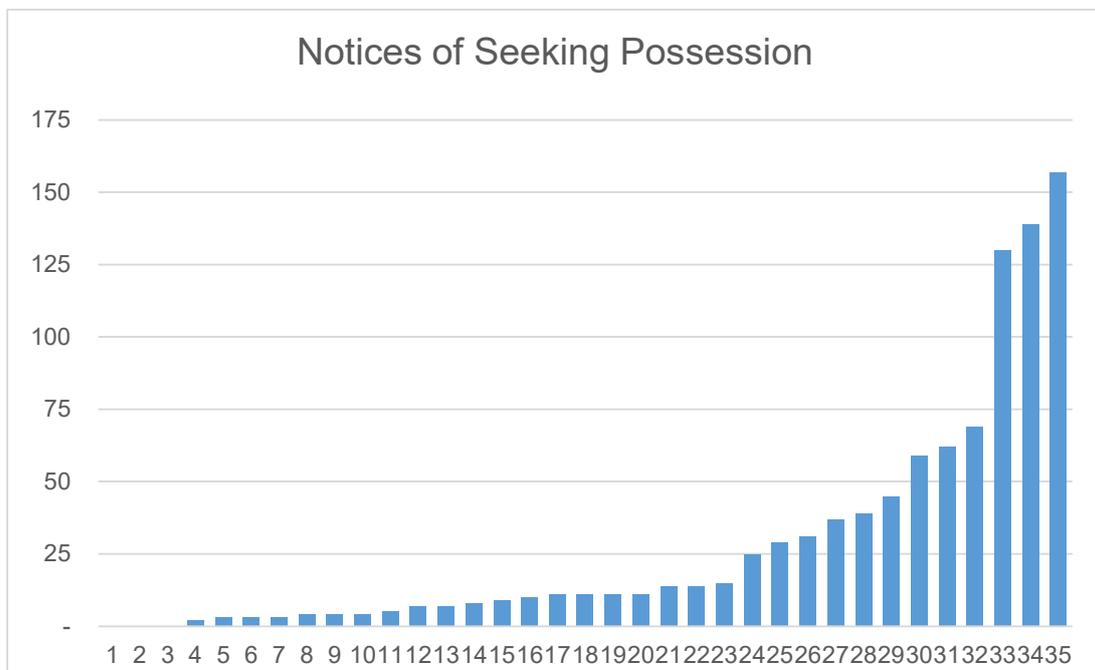
Number of weeks in arrears		Percentage of tenants	
		Dec	Sep

8-12	3.55%	3.36%
13-26	2.71%	2.66%
27-52	0.78%	0.74%
52 or more	0.15%	0.14%

- A total of 51,018 tenants (33.5% are known to be in receipt of Universal Credit, up from 32.7%% in June. A total of 24,629 APAs were received in December (16.2% of tenancies).

Notices of Seeking Possession (NOSP)

- 978 NOSPs were issued by 32 RSLs in Q3 (Q2 – 1,160).
- Three RSLs issued more than 100 NOSPs in the quarter



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

Evictions

- 101 claims were lodged at court for rent arrears during the last quarter (Q2 – 111)
- 25 evictions were granted to 15 RSLs in the last quarter. This compares to 12 evictions granted to 10 RSLs in Q2.
- Of the 25 evictions, 17 were for arrears, seven for Anti-Social Behaviour, and one for other reasons.
- 20 RSLs carried out no evictions during Q3 (25 Q2).

Financial Resilience

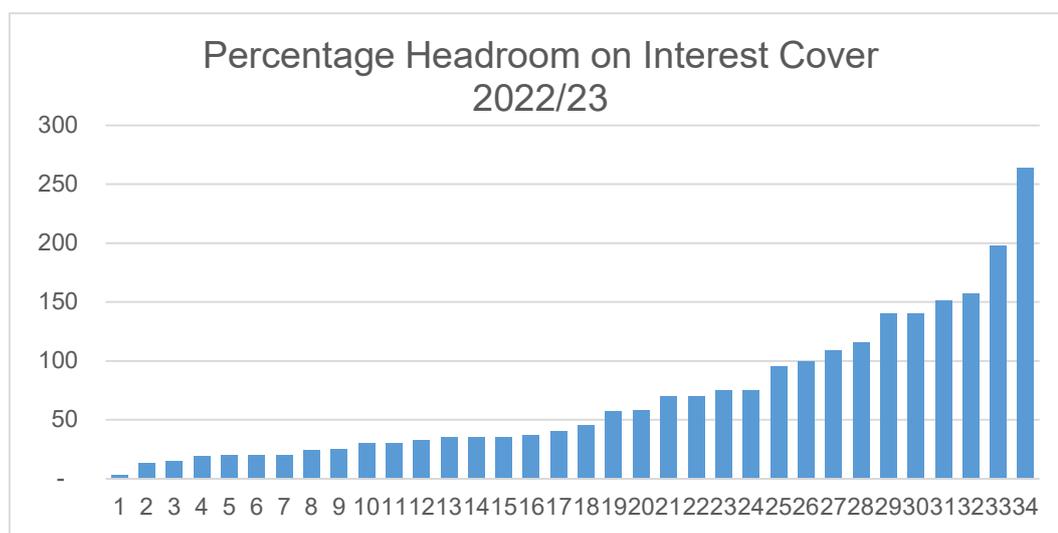
Availability of funding

- No RSLs are reporting any issues accessing existing or new funding.
- There is approximately £1.47 billion of funding available to the sector in Wales, down £50 million from September. There are £955 million of undrawn facilities supplemented by cash reserves of £511 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, all report having at least 1 year's funding in place and 19 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 34

- There are currently four RSLs forecasting less than 20% headroom on their interest cover covenant in 2022/23.
- Nine 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.