

The key challenges facing social housing

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The Scottish Housing Regulator

- We are the **independent regulator** of social landlords in Scotland and we regulate:
- 160 Registered social landlords
- 32 local authorities
- Our role is to **monitor, assess, report and intervene (where appropriate) on social landlords' performance and the financial well being and governance of RSLs.**
- We have one statutory objective – **to safeguard and promote the interests of tenants (both current and future tenants) as well as people who are homeless, factored owners and Gypsy/Travellers.**

How do we involve tenants in our work?

- What we will do 2023-26
- National Panel
- Tenant Advisors
- Regional Network Liaison Group
- Our Board

Findings from National Panel

- A quarter of members that responded said they are not managing well financially,
- Around three quarters feel that their financial circumstances are worse now than twelve months ago.
- More than half of respondents were having difficulty heating their home at the time of the survey in the early months of 2023, compared with just under a third at the same point in 2022.
- Nine in ten respondents cited energy costs as the main factor contributing to difficulties in heating their home.
- Two in five respondents reported experiencing difficulties in affording their rent in the last year.

Discussion Paper

- Regulatory priorities
- Annual assurance statements
- Annual return on the charter
- Tenant and resident safety
- Regulatory requirements
- Notifiable events
- Regulatory status
- Significant Performance Failures

Anything else?



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Timescales for the Framework Review

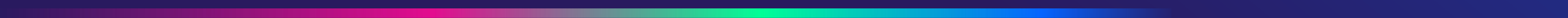
- 9 June 2023 Issue Discussion Paper
- To 11 August 2023: Discussions with stakeholders
- Mid October 2023: Consultation opens for 8 weeks
- Mid December 2023: Consultation closes
- December – January 2024 Finalise
- January 2024 Board approval
- 1 February 2024: Publish new Framework
- 1 April 2024: New Framework goes live



Performance 2022-23



Summary of year-end results for 2022-23



At a glance...

<p>Average satisfaction falls 8–10 points in three years</p>	<p>Challenges in delivering repairs services and increased demand for damp and mould investigations have resulted in falling satisfaction rates – 8–10 points lower than equivalent results pre-2020.</p>
<p>Complaints volumes increase 78%</p>	<p>Ombudsman-led work to raise the profile of complaints in England has led to an increase in volumes. This is closing the gap on Scotland’s established complaint handling systems.</p>
<p>Arrears stabilise at 2.8%</p>	<p>Despite prices of everyday essentials rising by up to 11% in the year, social landlords have sustained tenancies and kept current arrears below 3%, at the same level as 2022.</p>
<p>Repairs volumes rise to 3.1 per property</p>	<p>Even with continued operational challenges, many landlords have been able to set repairs services on the right track by completing long-outstanding work in 2022/23.</p>
<p>In-target repairs completions drop to 85%</p>	<p>A knock-on effect of working through repairs backlogs is a drop in the proportion completed within target timescales, with similar falls in satisfaction rates.</p>

Customers

Satisfaction rates started the year relatively static but difficult winter conditions and increased demand for damp and mould investigations, resulted in falling satisfaction rates

On average, satisfaction rates were around 2–3 points lower than 2021/22 and 8–10 points lower than the equivalent results pre-2020

In England changes to the Complaint Handling Code, have led to a 78% rise in recorded Stage 1 complaints. This means that landlords will need to increase resources and visibility of complaint management as English regulation draws closer to its Scottish counterparts

Digital contact is slowly increasing as landlords invest in customer portals – now around two points higher than in 2022

We forecast that monthly averages may reach 1 in 3 contacts before 2024.

76.2%

Average overall satisfaction with the service over the year

40.3

Formal stage 1 complaints received in year per 1,000 units

82.9%

% of complaints resolved within target in year

27.1%

Average contact received via digital channels over the year

Management

Diverse performance results for housing management teams during 2022/23

Performance varies both between individual landlords and across various management activities

Many income collection teams have shown resilience when faced with external factors such as the cost-of-living crisis

Voids and lettings performance has struggled to recover since the pandemic

Increases in vacancies and re-let times and low lettings rates have created a “new normal” with more vacant homes staying empty for longer periods

2.80%

True current tenant arrears at year-end as a % of rent due

35.7

New ASB cases reported in year per 1,000 units

6.10%

Social housing lettings completed in year as a % of units

0.57%

Dwellings vacant but available at year end as a % of units

4.13%

Average % of working days lost due to sickness in year

Maintenance

Have maintenance teams face the biggest challenges in 2022/23?

- Shortages in labour and materials
- The onset of price inflation affected the construction industry earlier than the consumers
- The spotlight on housing quality questions the effectiveness of asset management

Challenges to repairs services = fall in transactional satisfaction.

Put simply, stretched services that aren't performing at expected levels result in lower satisfaction rates.

99.99%

% of homes with valid gas safety record at year-end

98.87%

% of properties with a EICR certificate up to 5yo at year-end

0.71

Emergency repairs completed in year per property

2.36

Non-emergency repairs completed in year per property

86.7%

Average satisfaction with the repairs service over the year

85.0%

Percentage of non-emergency repairs completed by target

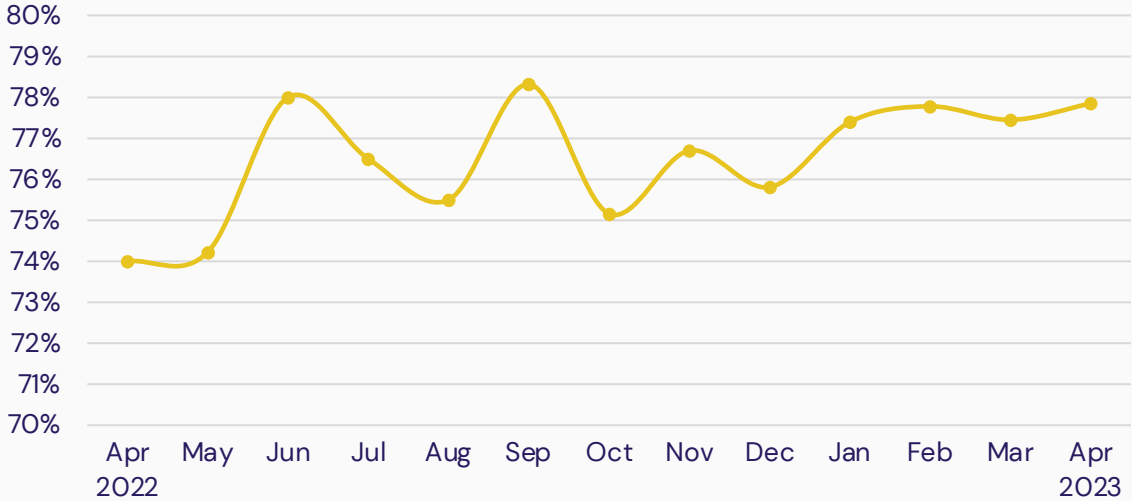
Only way is up for satisfaction

The motivation to understand and work to improve perception rates is now balanced across Scotland, Wales and England

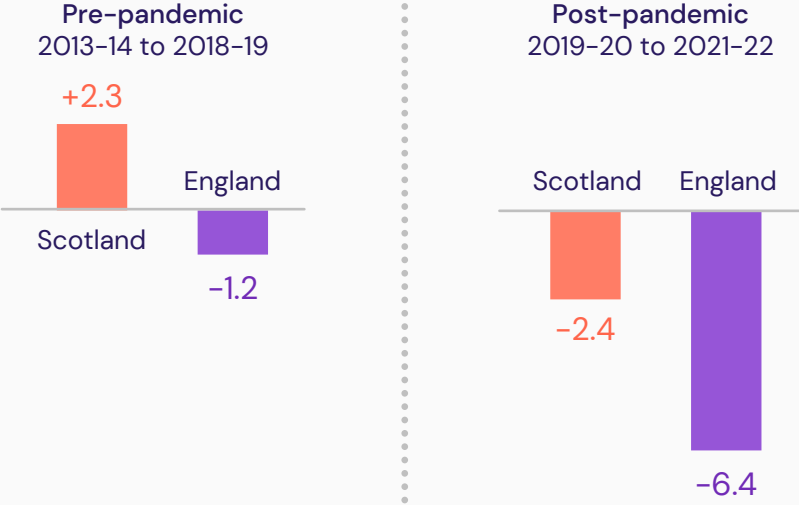
Over the past three years, we have reported significant declines in overall satisfaction scores

In Scotland where the tenant-focused regulatory framework has been in place since 2013-14, recent falls in satisfaction have been less pronounced

Satisfaction with the service provided (perception)



Long-term changes in overall satisfaction scores



Spotlighting complaints

After a period of rising monthly complaint levels, in April 2023 volumes have stabilised with an average of 3.1 complaints per 1,000 units

England now has a fully functioning complaint handling code

Management of complaints is more aligned to Scotland

In Scotland – the SPSO has been empowered to take action and provide redress to residents for several years

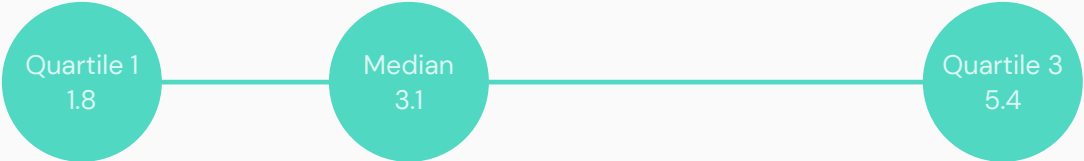


Complaints volumes breakdown

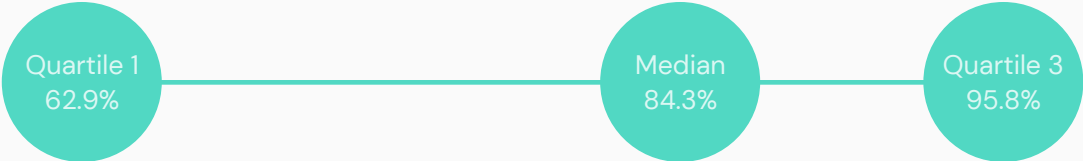
We estimate that **2.76 stage 1** complaints per 1,000 units were received in April 2023

Based on a 11% historical escalation rate, we estimate that **0.34** complaints were **stage 2**

Formal Stage 1 & 2 complaints received per 1,000 units (April 2023)



Stage 1 & 2 complaints resolved within timescale (April 2023)



Summary ...

Satisfaction	The only way is up – slow signs of improvement
Lettings	We are seeing a new normal post-pandemic
Repairs	Repairs and maintenance services are under pressure
Complaints	The spotlight is on complaints and customer experience (particularly in England)
People	The great resignation is slowing