Regulator of
Social Housing

Quarterly survey for Q2

July to September 2021

November 2021

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Introduction

1. This quarterly survey report is based on regulatory returns from 209 private registered providers (PRPs) and PRP groups who own or manage more than 1,000 homes. One provider has submitted for the first time this quarter.

2. The survey provides a regular source of information regarding the financial health of PRPs, in particular with regards to their liquidity position. The quarterly survey returns summarised in this report cover the period from 1 July 2021 to 30 September 2021.

3. The regulator is aware of the difficulties associated with forecasting in the current climate and acknowledges that although some elements are behind forecast, overall trends in expenditure, income and development are clear.

4. The regulator continues to review each PRP's quarterly survey. It considers a range of indicators and follows up with PRP staff in cases where a risk to the 12-month liquidity position is identified. We have assurance that all respondents are taking appropriate action to secure sufficient funding well in advance of need.

5. Figures have been rounded to the nearest £billion to one decimal place. This can result in rounding differences in totals and percentages as the individual returns are denominated in £000s.

Summary

Liquidity

Total facilities and undrawn facilities increase in the quarter. Slight decrease in cash following high loan repayments. Aggregate liquidity remains strong.

- £115.3 billion total facilities in place at the end of September, up from £113.4 billion in June. £0.7 billion of this can be attributed to one provider who submitted a quarterly survey return for the first time this quarter.
- New finance of £2.9 billion agreed in the quarter; 71% of this from capital markets.
- Refinancing activity was again evident in the quarter, partially a result of Covid Corporate Financing Facilities expiring. Loan repayments were £1.5bn and loan drawdowns were £2.4bn.
- Total cash and undrawn facilities total £35.2 billion; sufficient to cover forecast expenditure on interest costs (£3.5 billion), loan repayments (£3.3 billion) and net development (£16.7 billion) for the next year.
- Mark-to-market (MTM) exposure on derivatives reduced by 9% over the quarter to £1.9 billion, following an increase in swap rates.

Performance in the quarter

Interest cover and income collection indicators remain robust. Out-turn major repairs below forecast. However, projections show catch up spend throughout the year.

- Capitalised major repairs spend below forecast for the quarter, but at £479 million is 4% up on previous quarter.
- Cash interest cover (excluding current asset sales) of 158% in the quarter, compared to forecast of 116%.
- Interest cover levels in the quarter are above forecast, primarily because spend on capitalised major repairs was £0.2bn below projections.
- Net cashflows from operating activities were also above forecasts, attributable to movements in debtor and creditor balances in working capital, and a more prudent approach in forecasts due to the on-going uncertainty.
- Marginal improvement in arrears and rent collection rates since June. Slight improvement in void losses, however remain at historically high levels.

Investment in new and existing stock

Development expenditure was below the committed amount included in forecasts and lower than Q1 out-turn.

Reprofiling of costs means there is another increase in 12-month development and major repairs spend forecasts.

- £2.9 billion investment in housing properties in the quarter to September 2021; 7% less than in the previous quarter, and 32% below forecast.
- Capitalised repairs and maintenance expenditure forecast to reach £3.1 billion over the next 12 months, compared to £2.0 billion over the last 12 months.
- Development out-turn expenditure lower than forecast due to the impact of supply issues over the quarter.
- Development spend forecast to reach £18.3 billion over the next 12 months, compared to £12.1 billion over the last 12 months.
- Combined capitalised major repairs and development 12-month forecast is at a record high. However, given the current challenges experienced with delays relating to labour and material shortages, this is an area we will continue to monitor.
- Slight increase in the number of AHO units completed in the quarter. Market sale completions remain below average.
- 18-month pipeline for AHO units stands at 36,855 units and 10,691 units for market sales.

Sales

Reduction in the number of unsold properties in the quarter. AHO unit sales remain at historically high levels, although total current asset receipts were below forecast.

- AHO sales total 4,543 units (June: 4,520), and market sales total 1,250 units (June: 1,414). AHO unit sales are above pre-pandemic levels.
- 11% reduction in the number of AHO units unsold for more than six months, and 24% reduction in market sale units unsold for more than six months.
- Total asset sales of £1.6 billion achieved. At £531 million, AHO first tranche sales are the highest value ever recorded, although aggregate current asset sales are below the amount that was previously forecast.
- Fixed asset sales total £0.6 billion; 12% above the forecast for the quarter. Forecast fixed asset sales rise to £2.8 billion as transactions between Registered Providers increase.
- £5.0 billion current asset sales forecast for the 12 months to September 2022, £4.6 billion of which relates to properties where development is contractually committed.

Operating environment

6. The quarter to September 2021 saw the removal of the majority of remaining coronavirus restrictions, including social distancing and social contact restrictions[1].

7. Overall inflation, as measured by the Consumer Prices Index (CPI), increased to 3.1% in the 12 months to September 2021[2]. For registered providers, this figure will be used to calculate the maximum increase that can be applied to social rents from 1 April 2022, which is capped at CPI + 1%. A monthly increase in CPI of 0.3% was also recorded between August and September 2021, compared to an increase of 0.4% between the same two months of 2020.

8. Gross domestic product increased by an estimated 0.6% in September 2021, and is now 0.6% below the pre-pandemic level recorded in February 2020[3]

9. Monthly construction output grew by 1.3% during September 2021, with both new work and repairs and maintenance experiencing increases. The level of new work was 3.5% below February 2020 (pre-pandemic) levels, whilst repair and maintenance works were 3.9% higher. Although there was an increase in monthly output, overall construction output over the quarter (July to September 2021) fell by 1.5% in comparison to the previous quarter, with both new work and repairs and maintenance works seeing reductions of 0.3% and 3.6% respectively. This is the first quarterly fall since the quarter ending June 2020. [4]

10. Construction output prices grew by 5.1% in the year to September 2021; the largest annual increase since records began in 2014. The strongest annual growth was experienced in the area of new housing works, with prices increasing by 7.5%[5]. Housing repairs and maintenance prices grew by 4.0% over the 12-month period.

11. A temporary increase in the Stamp Duty threshold to £500,000 was in place between July 2020 and the end of June 2021. Between 1 July and 30 September 2021, a transitional relief rate of £250,000 was in place and on 1 October the Stamp Duty threshold reverted back to its previous level of £125,000[6].

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[1] Moving to step 4 of the roadmap - GOV.UK (www.gov.uk)

[2] Consumer price inflation, UK - Office for National Statistics

[3] GDP monthly estimate, UK - Office for National Statistics (ons.gov.uk)

[4] Construction output in Great Britain - Office for National Statistics

[5] Construction output price indices - Office for National Statistics

[6] Extension of the temporary increase to the Stamp Duty Land Tax nil rate band for residential properties - GOV.UK (www.gov.uk)

12. UK house prices increased by 11.8% in the year to September 2021, with the average house price reaching a record high of £270,000.[7] The largest annual increases were recorded in the North West (16.8%) and the East Midlands (14.7%), whilst the smallest increase was in London (2.8%).

13. The number of payrolled employees increased during the quarter to reach 29.2 million in September, back in line with pre-pandemic levels[8].

14. The Coronavirus Job Retention Scheme, which allowed employers to claim grant towards the salary costs of furloughed workers, ended on 30 September 2021. Provisional figures show that when the scheme closed, a total of 1.14 million jobs were still being supported by the scheme[9]. At this point, the estimated annual pay for around half of furloughed employees was up to £15,000.

15. Providers need to remain alert and ready to respond to further changes in the operating and economic environment. They will need to ensure that risks are monitored including the potential for increasing interest rates and possible changes to coronavirus restrictions over the winter months, including the implementation of contingency plans ('Plan B') as set out in the Government autumn and winter plan[10]. Forecasts will need to be closely monitored and updated, and flexibility will need to be included to allow any growing risks to be effectively managed.

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[7] UK House Price Index - Office for National Statistics (ons.gov.uk)

[8] Labour market overview, UK - Office for National Statistics (ons.gov.uk)

[9] Coronavirus Job Retention Scheme statistics: 4 November 2021 - GOV.UK (www.gov.uk)

[10] Guidance overview: COVID-19 Response: Autumn and Winter Plan 2021 - GOV.UK (www.gov.uk)

Private finance

16. The sector's total agreed borrowing facilities increased by £1.8 billion over the quarter, to reach £115.3 billion at the end of September (June: £113.4 billion) and of this, 52% related to bank loans. Almost 40% of the reported increase in agreed facilities includes the existing facilities held by one provider, who has submitted the survey for the first time this quarter.

Figure 1: Total facilities (£ billions)

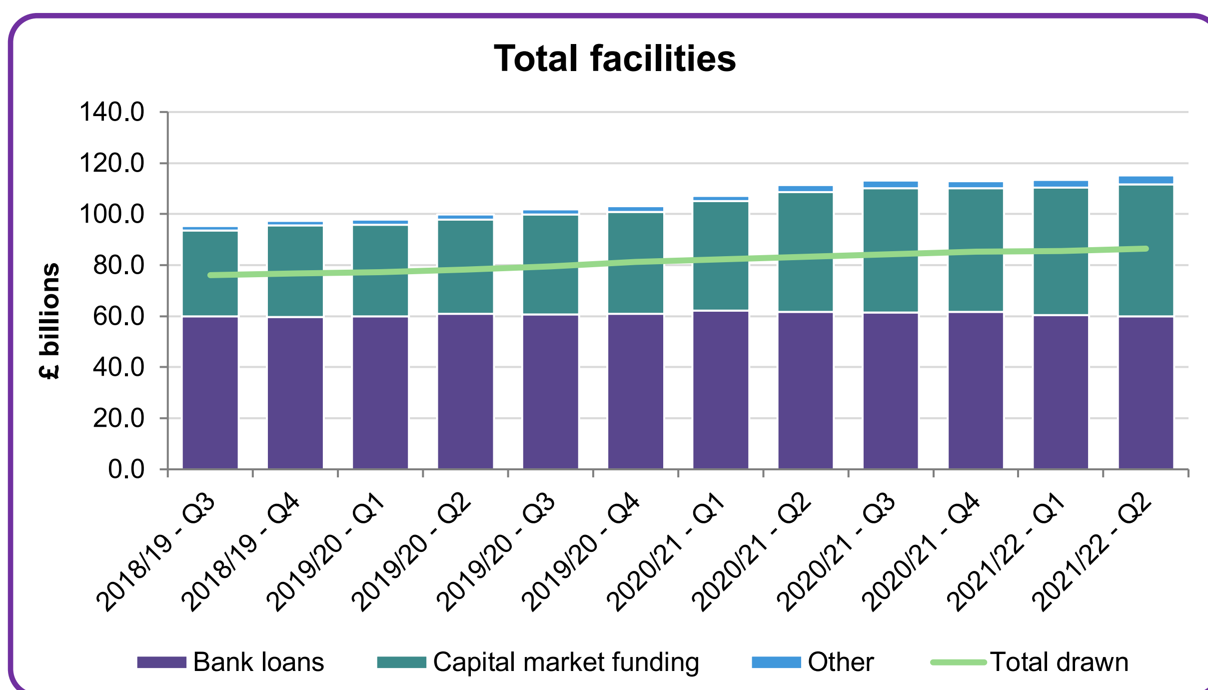


Table 1: Total facilities – drawn and secured

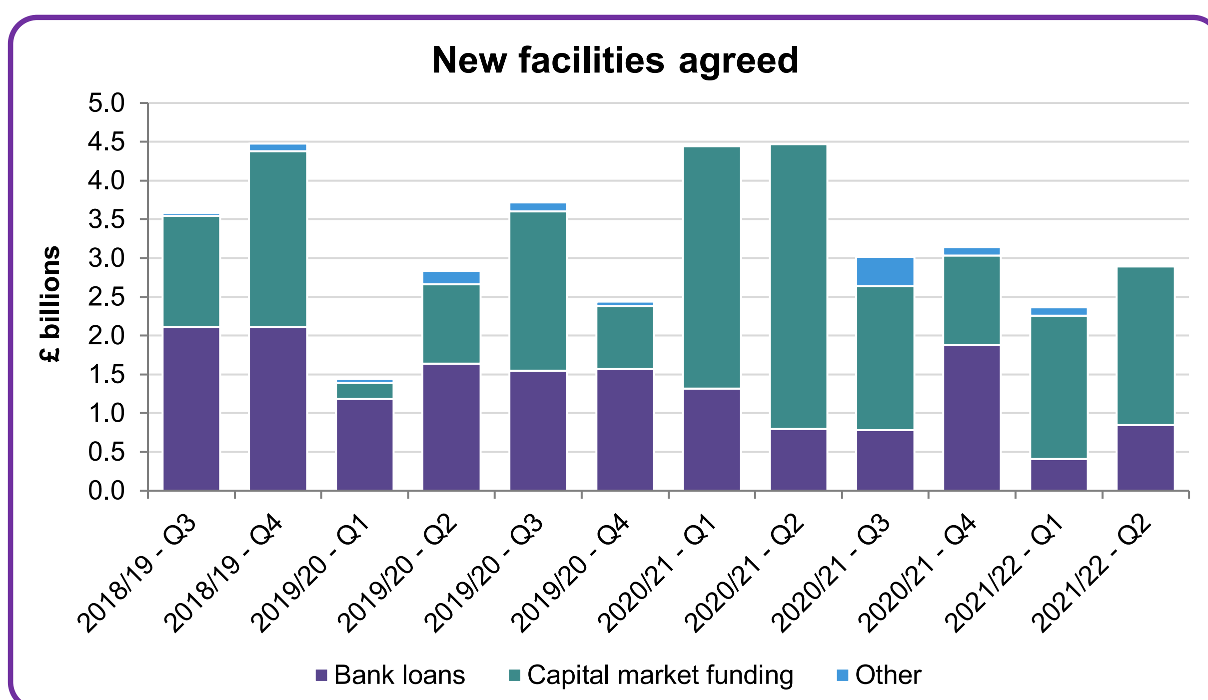
£billons	*Previous quarter*	*Current quarter*	*% change*
Drawn	85.4	86.5	1.2%
Undrawn	28.0	28.7	2.5%
Secured	102.7	104.0	1.2%
Security required	3.5	3.6	2.9%
Security not required	7.2	7.7	6.4%

17. 95% (June: 92%) of providers were forecasting that debt facilities available at the end of September would be sufficient for more than 12 months.

18. A total of 29 providers arranged new finance during the quarter (June: 27). New facilities agreed, including refinancing, totalled £2.9 billion, with 13 providers each arranging facilities worth £100 million or more. This is a 24% increase on previous quarter (June: £2.4 billion), mainly due to a rise in bank lending following the lowest level of bank loans reported in June.

19. Capital market funding, including private placements and aggregated bond finance, accounted for 71% (£2.1 billion) of new funding in the quarter, with five bond issues accounting for over two-thirds of this amount. Bank lending rose to £0.8 billion, following the lowest amount reported in over four years last quarter, and other finance sources, mainly from local authority lending, were nil this quarter.

Figure 2: New facilities agreed (£ billions)



20. Total cash and undrawn facilities available within the sector totalled £35.2 billion, a 2% increase from the £34.5 billion reported in June, partly due to the new submission of one provider. Total available facilities would be sufficient to cover the forecast expenditure on interest costs (£3.5 billion), loan repayments (£3.3 billion) and net development for the next year (£16.7 billion), even if no new debt facilities were arranged and no sales income was received.

21. Loan repayments have been higher in recent quarters (September £1.5bn, June £1.7bn) than the previous three-year average of £1.0 billion. Providers are reporting large refinancing activity to take advantage of low interest rates. The £1.5 billion worth of loan repayments made during the quarter include £0.4 billion worth of repayments relating to the Covid Corporate Financing Facility (CCFF), which was set up to provide short-term cashflow support. The remaining £0.6 billion worth of outstanding CCFF held by PRP groups[11] will be due for repayment by March 2022 at the latest.

Table 2: 12-month forecasts

£billons	*Previous quarter*	*Current quarter*	*% change*
Drawdown from facilities agreed	6.8	7.1	4.7%
Drawdown from facilities not yet agreed	3.5	2.6	(24.9)%
Loan repayments	3.9	3.3	(16.8%)

22. Drawdowns from facilities not yet agreed have been forecast by 26 providers that are either undertaking voluntary refinancing or are extending existing facilities, typically to fund uncommitted development programmes.

[11] Results and usage data | Bank of England

Cashflows

23. It is essential that providers maintain sufficient liquidity. The regulator engages with PRPs that have low liquidity indicators. Table 3 below shows actual performance for the quarter compared to the forecast, and the 12-month cashflow forecasts to September 2022.

Table 3: Summary cashflow forecast[12]

Figures in £ billions	3 months to 30 Sep 2021 (forecast)	3 months to 30 Sep 2021 (actual)	12 months to 30 Sep 2022 (forecast)
Operating cashflows excluding sales	1.0	1.3	3.7
Interest cashflows	(0.8)	(0.8)	(3.4)
Payments to acquire and develop housing	(4.2)	(2.9)	(18.3)
Current assets sales receipts	1.2	1.0	5.0
Disposals of housing fixed assets	0.5	0.6	2.8
Other cashflows	(0.2)	(0.1)	(0.3)
Cashflows before resources and funding	**(2.5)**	**(0.9)**	**(10.6)**
Financed by:			
Net grants received	0.5	0.2	1.6
Net increase in debt	1.4	0.8	6.4
Use of cash reserves	0.7	(0.2)	2.5
Total funding cashflows[13]	**2.5**	**0.9**	**10.6**

24. Interest cover, based on operating cashflows excluding sales, stood at 158% in the quarter to September 2021 (June: 102%), higher than the forecast of 116% made in June. Operating cashflows excluding sales were £0.3bn higher than forecast. This was mainly because out-turn capital major repairs spend was £0.5bn compared to a forecast of £0.7bn

25. The majority of providers have attributed differences in net cashflows to movements in debtor and creditor balances in working capital, particularly, timing differences on rent and prepayments. Other providers have also reported taking a more prudent approach in their forecasts.

[12] Operating cashflow excludes current asset sales receipts and costs of sales. 'Payments to acquire and develop housing' include payments in respect of both current and fixed assets.

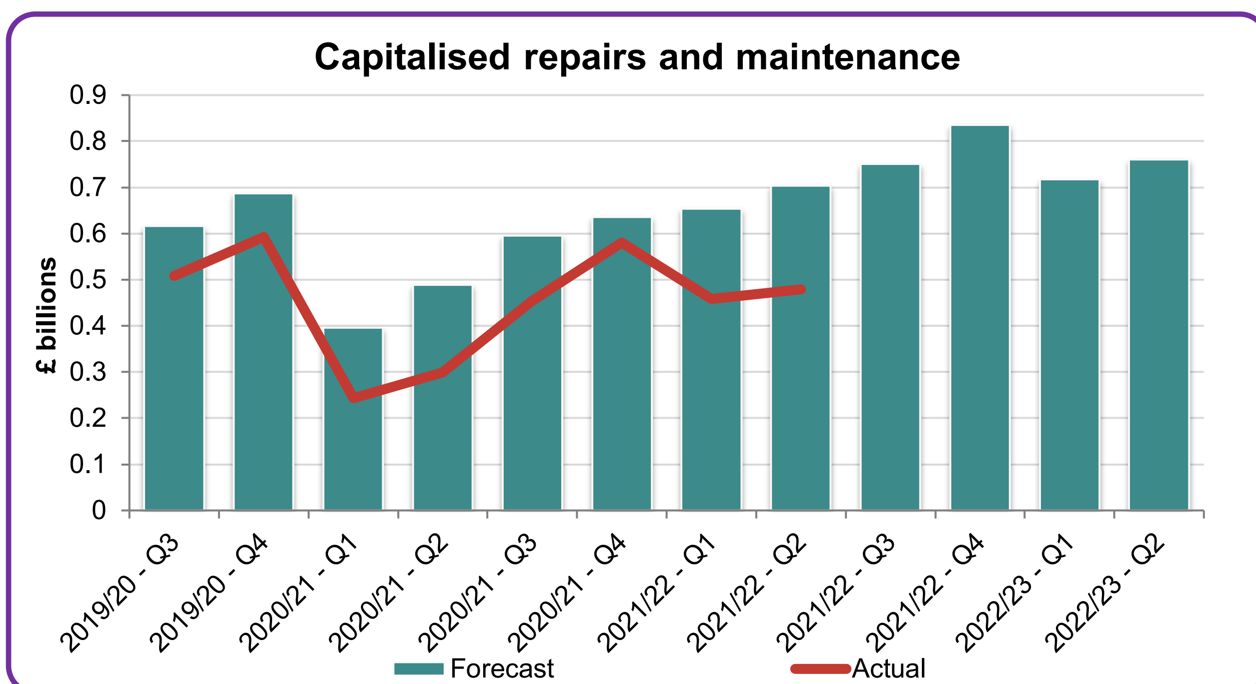
[13] There are rounding differences in the calculated totals; figures are reported by providers in £000.

26. The figures submitted by providers show interest cover averaging 108% over the 12-month forecast period, lower than the 12-month forecast of 117% in June. The anticipated decrease in interest cover results from forecast net cashflows from operating activities being, on average, £11 million lower per quarter than in the quarter to June 2021 and by additional expenditure on capitalised repairs and maintenance, which is forecast to increase by an average of £51 million per quarter over the 12-month forecast period.

27. Actual expenditure on capitalised repairs and maintenance amounted to £479 million during the quarter; 32% lower than the amount forecast although 4% more than the amount spent in the previous quarter. The majority (79%) of providers reported an underspend against previous forecasts, with many citing the main reason being a slowdown over the summer as a result of labour and materials supply issues in the sector continuing from the pandemic and Brexit.

28. In the 12 months to September 2021 capitalised expenditure on repairs and maintenance was £2.0 billion, compared to the £2.5 billion forecast at the start of the period. For the 12 months to September 2022, the sector has forecast capitalised repairs and maintenance expenditure of £3.1 billion (June 12-month forecast: £2.9 billion), a 7% increase which includes catch-up spend reprofiled from quarter two. In light of the impact of the current operating environment, the deliverability of these forecasts is challenging, therefore the regulator will continue to monitor the viability of these forecasts.

Figure 3: Capitalised repairs and maintenance expenditure (£ billions)



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29. Current asset sales of £4.4 billion were achieved in the 12 months to September 2021, compared to the £4.6 billion forecast at the start of the period. For the 12 months to September 2022 the sector has forecast a further £5.0 billion worth of current asset sales, of which £4.6 billion relates to properties for which development is contractually committed.

30. In the 12 months to September 2021 fixed asset sales were £2.4 billion. For the 12 months to September 2022 the sector has forecast a further £2.8 billion worth of fixed asset sales which include around £0.5 billion worth of housing assets that will be transferred between registered providers through an intra-group transaction.

31. Available cash balances, excluding amounts held in secured accounts, increased by £0.2 billion during the quarter. This compares to a forecast reduction in cash of £0.7 billion expected at the end of the previous quarter.

32. Cash available at September 2021 totalled £6.4 billion (June: £6.5 billion). Forecasts show this reducing to £4.1 billion over the next 12 months as cash reserves are used to fund development programmes. In addition to the £6.4 billion available, cash held in secured accounts and therefore not accessible to providers totalled £1.3 billion (June: £1.1 billion). Typically, these accounts are used to hold Mark-to-market (MTM) cash collateral, amounts in escrow and leaseholder sinking funds.

Development

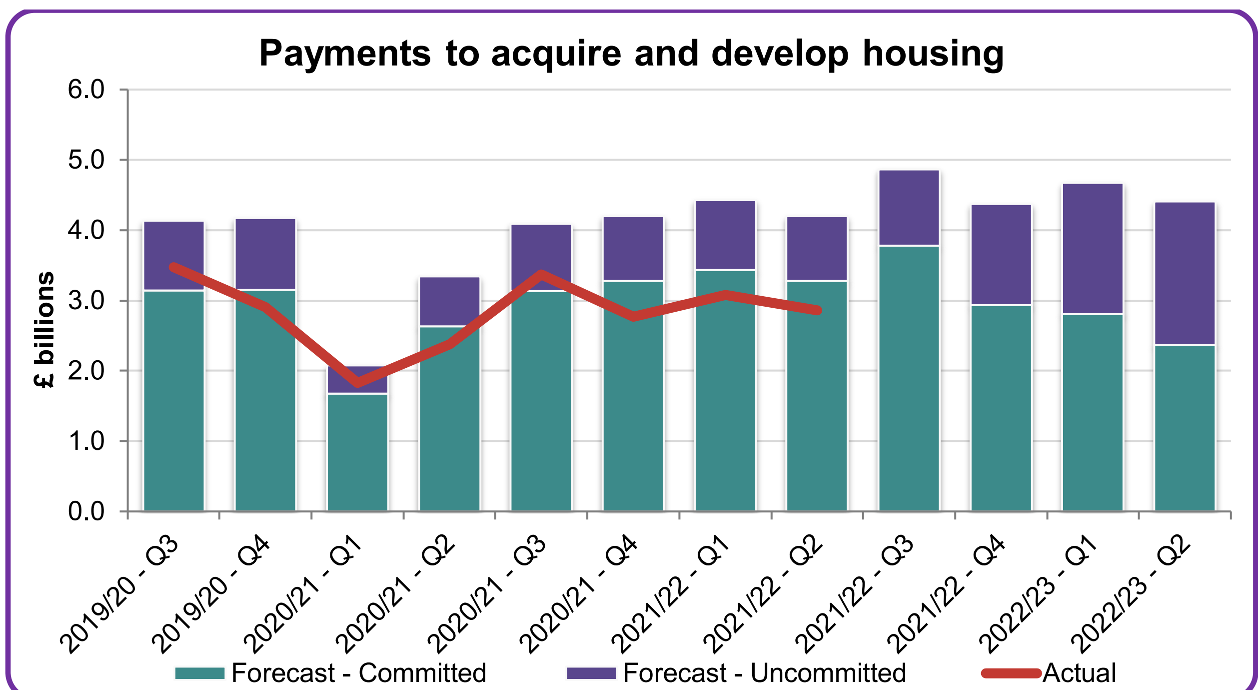
33. In the 12 months to September 2021, £12.1 billion was invested in the acquisition and development of housing properties, compared to £10.6 billion in the year to September 2020.

34. Actual expenditure in the quarter to September 2021 amounted to £2.9 billion; 7% less than in the previous quarter. Expenditure was 32% below the £4.2 billion forecast for the quarter, and 13% below the £3.3 billion forecast for contractually committed schemes. In the two years prior to the coronavirus pandemic, development expenditure averaged £3.0 billion per quarter.

35. In addition to general scheme delays and slippage, providers have reported development works being affected by material and labour shortages across the construction sector, which in turn have led to price increases.

36. For the next 12 months a further £18.3 billion worth of investment has been forecast, of which £11.9 billion is contractually committed. This is a 5% increase on the previous quarter's forecast of £17.5 billion and would represent a 52% increase in investment in comparison to the previous 12 months. Forecast expenditure includes an element of catch-up works from schemes that were delayed during lockdown periods, or for those currently impacted by material and labour shortages. Of the total £18.3 billion forecast, £0.3 billion is attributable to the addition of one large provider to the dataset.

Figure 4: Payments to acquire and develop housing



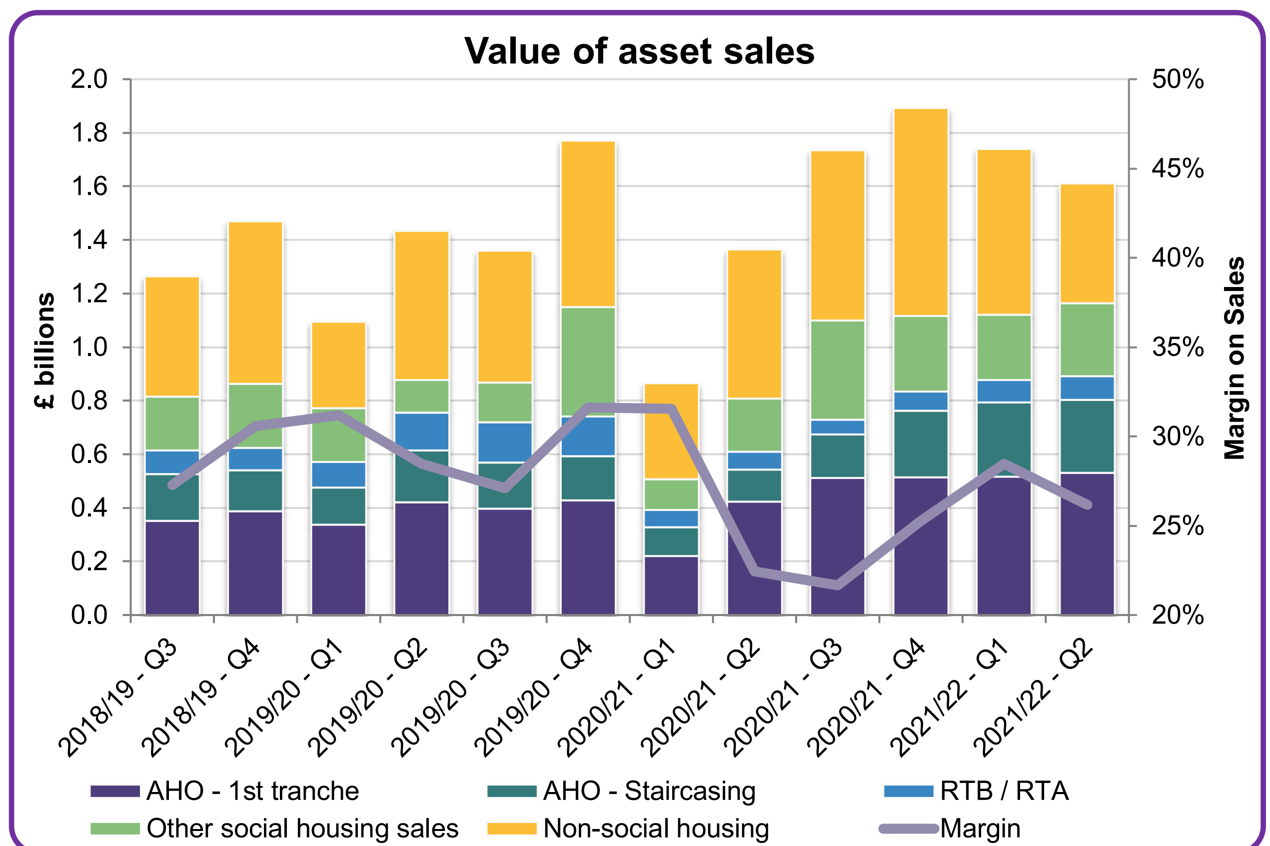
Housing market

37. Total asset sales, including staircasing, RTB/RTA and voluntary sales, as well as Affordable Home Ownership (AHO) first tranche sales and market sales, amounted to £1.6 billion in the quarter to September (June: £1.7 billion). Market sales totalled £448 million, which is lower than the values achieved in the previous four quarters, however at £531 million, AHO first tranche sales were the highest ever recorded[14].

38. Current asset sales for the quarter (market sales and first tranche AHO sales) were 18% below forecast, with a total of £1.0 billion sales achieved (June £1.1 billion). Fixed asset sales (including staircasing, RTB/RTA and voluntary sales) amounted to £0.6 billion (June: £0.6 billion); 12% higher than the amount forecast in June.

39. Overall surpluses from asset sales stood at £0.4 billion for the quarter (June: £0.5 billion), and overall margins reduced from 28% to 26%. The reduction is driven by a reduction in margin on shared ownership first tranche sales, which fell to 17% in the quarter; the lowest level recorded since 2012.

Figure 5: Value of asset sales



[14] Data first collected in 2011.

Table 4: AHO units

AHO units	Previous quarter	Current quarter	% change
Completed	3,812	3,940	3.4%
Sold	4,520	4,543	0.5%
Margin	20.3%	17.1%	(15.7%)
Unsold	6,662	6,157	(7.6%)
Unsold for more than 6 months	2,432	2,166	(10.9%)
18-month pipeline	35,327	36,855	4.3%

40. Sales of AHO units have exceeded the number of completions for the third consecutive quarter, leading to an 8% reduction in the overall number of unsold units and an 11% reduction in the number of units unsold for over six months. The addition of one new provider into the dataset this quarter has increased the number of unsold units, and without this the reduction in total unsold units would have been just under 10%, and the reduction in units unsold for over six months would have been over 14%.

41. Sales of AHO units have remained consistently high over the last 12 months, averaging 4,571 units each quarter. Before this, AHO sales had not exceeded 4,000 units in a reporting quarter[15]. This has been influenced by the temporary increase in the Stamp Duty threshold, which came into effect in July 2020 and returned to the previous level of £125,000 from 1 October 2021.

42. Around half of the unsold AHO stock at the end of the quarter was held by 12 providers. These 12 providers all reported access to sufficient finance, with each holding between £0.2 billion and £1.2 billion worth of cash and undrawn facilities at the end of the quarter. Between them this amounted to £9.0 billion, or 25% of the total facilities available within the sector.

43. Of the units unsold for over six months, 25% were held by providers operating mainly in London[16]. In comparison, these providers accounted for 16% of the total AHO completions over the last 12 months.

44. 17 providers held over 50 units of stock that had been unsold for more than six months, accounting for 75% of the total figure. Where sales income has been delayed, the regulator will monitor the provider's liquidity exposure and test business plans to ensure they are robust enough to cope with a range of adverse scenarios.

[15] Data first collected in 2011.

[16] Defined as providers holding 50% or more of their existing stock within the region

45. The overall surplus on AHO sales stood at £91.1 million in the quarter to September (June: £104.9 million). This is lower than the surplus reported in each of the previous three quarters, but consistent with the three-year average of £89.1 million. Although the volume and value of sales reported in the quarter remains high, there has been a reduction in margin to 17.1% (June: 20.3%).

Figure 6: AHO/LCHO unsold units

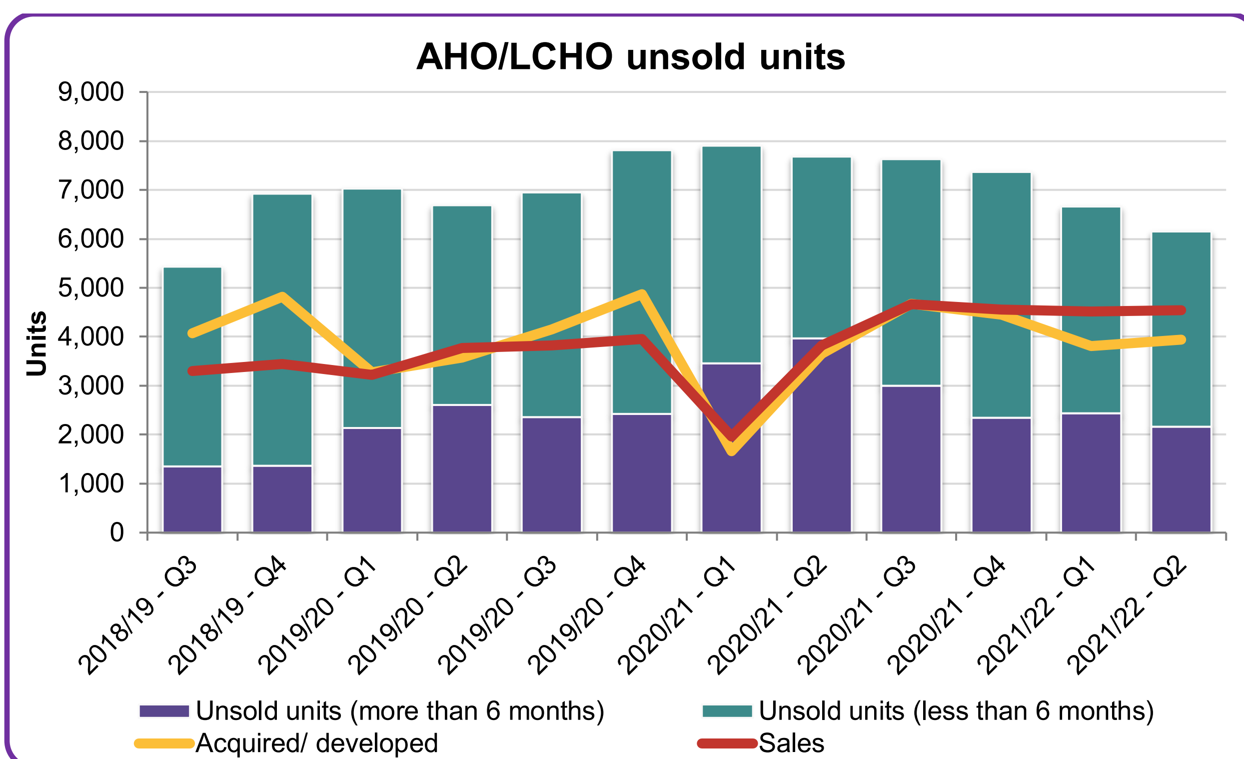


Table 5: Market sale units

Market sale units	*Previous quarter*	*Current quarter*	*% change*
Completed	1,178	1,130	(4.1%)
Sold	1,414	1,250	(11.6%)
Margin	16.6%	16.4%	(1.0%)
Unsold	1,655	1,331	(19.6%)
Unsold for more than 6 months	749	571	(23.8%)
18-month pipeline	11,526	10,691	(7.2%)

46. The number of both market sale unit completions and the number of sales achieved were lower than the previous quarter. The number of market sale completions was below 1,200 units for the second consecutive quarter. Completions have averaged 1,320 units per quarter over the last three years, and 1,394 units per quarter in the two years prior to the pandemic.

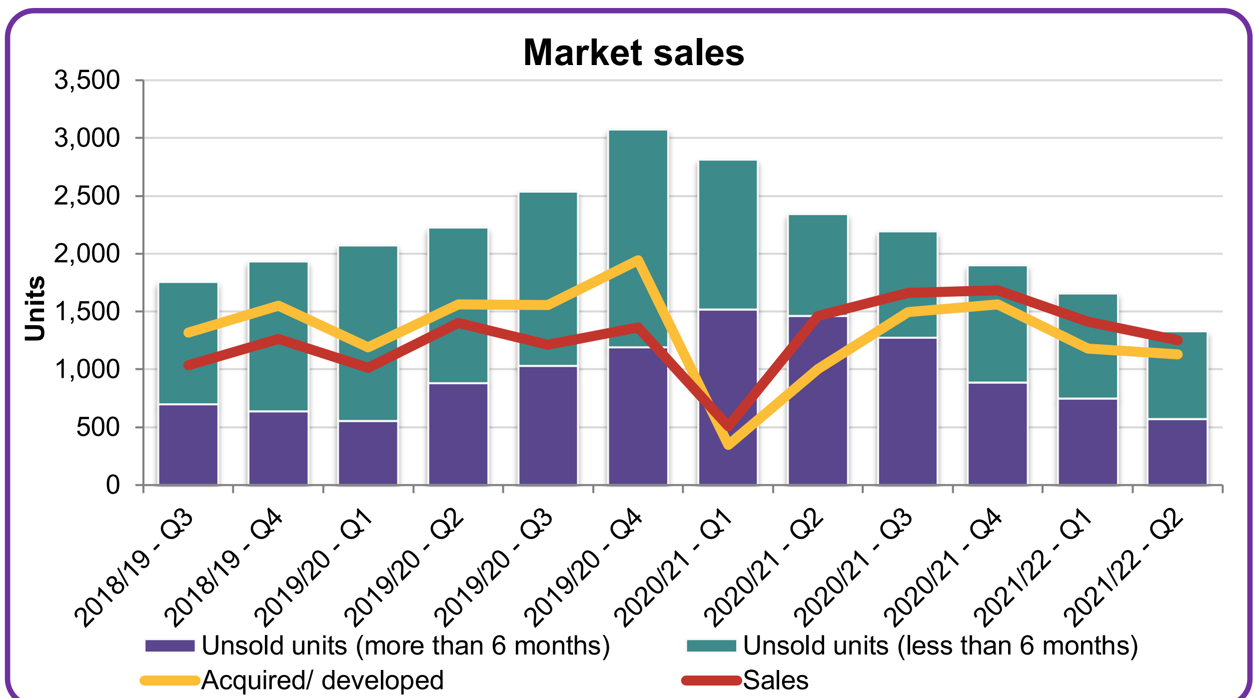
47. As with AHO, the high number of market sales compared to unit completions has resulted in a reduction in both the overall number of unsold units, and the number unsold for over six months. The total number of unsold market sale units is now at the lowest level reported in over three years.

48. Development for outright market sale continues to be concentrated in relatively few providers, with over half of the unsold market sale units reported at the end of the quarter being held by six providers. These providers each had access to between £0.3 billion and £1.2 billion worth of cash and undrawn facilities. Between them this amounted to £4.7 billion, or 13% of the total facilities available within the sector.

49. Of the market sale units unsold for over six months, 43% were held by providers operating mainly in London[17]. Between them, these providers were responsible for 35% of the total number of market sale units that were developed over the last 12 months.

50. The overall surplus on market sales stood at £73.6 million in the quarter to September (June: £102.9 million), giving a margin on sales of 16.4% (June: 16.6%).

Figure 7: Market sales



[17] Defined as providers holding 50% or more of their existing stock within the region

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51. The pipeline of AHO completions expected in the next 18 months stands at 36,855 units, of which 31,605 units are contractually committed. The pipeline figures represent a 66% increase in AHO development compared to actual performance in the 18 months to September 2021, when there were 22,187 completions. Pipeline AHO units have been affected this quarter by the addition of one large new provider to the dataset, which has increased pipeline units by around 3%.

52. For market sale, completions expected over the next 18 months stand at 10,691 units, of which 10,042 are contractually committed. If achieved, this would equate to a 59% increase in market sale development in comparison to the actual completions achieved over the previous 18 months, which stood at 6,715 units.

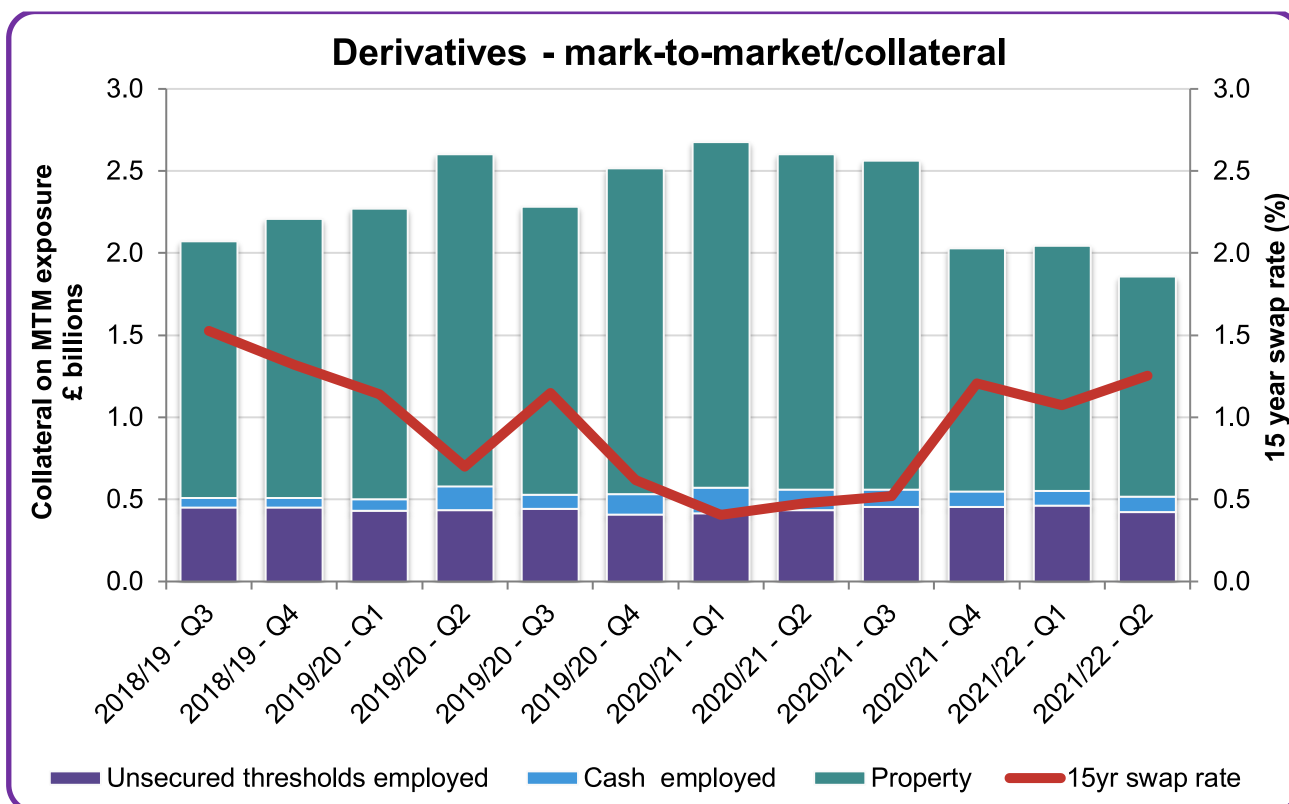
Derivatives

53. At the end of September, 43 providers (June: 43) reported making use of free-standing derivatives. The notional value of standalone derivatives decreased by £0.5 billion over the quarter to £8.5 billion, as facilities expired or were cancelled due to refinancing. 66% of the overall decrease is attributable to one provider completing a bridging loan.

54. Gross MTM exposure reduced by 9% over the quarter, from £2.0 billion in June to £1.9 billion at the end of September. This follows an increase in swap rates, with the 15-year swap rate rising from 1.073% at the end of June to 1.255% at the end of September.

55. Unsecured thresholds and available security pledged to swap counterparties totalled £3.6 billion. Of this total collateral, £1.5 billion (June: £1.6 billion) had been employed in the form of property or cash, together with unsecured thresholds of £0.4 billion. The excess collateral available consisted primarily of property pledged but not employed.

Figure 8: Derivatives – Mark-to-market / Collateral



56. The above graph shows MTM exposure excluding excess collateral. Generally, for PRPs, MTM exposure increases as swap rates fall.

57. Collateral given in terms of security and cash continues to exceed the sector's exposure levels, providing some mitigation against the risk of future adverse movements in swap rates. At sector level, the headroom of collateral and unsecured thresholds available over current exposure was £1.7 billion (June: £1.5 billion).

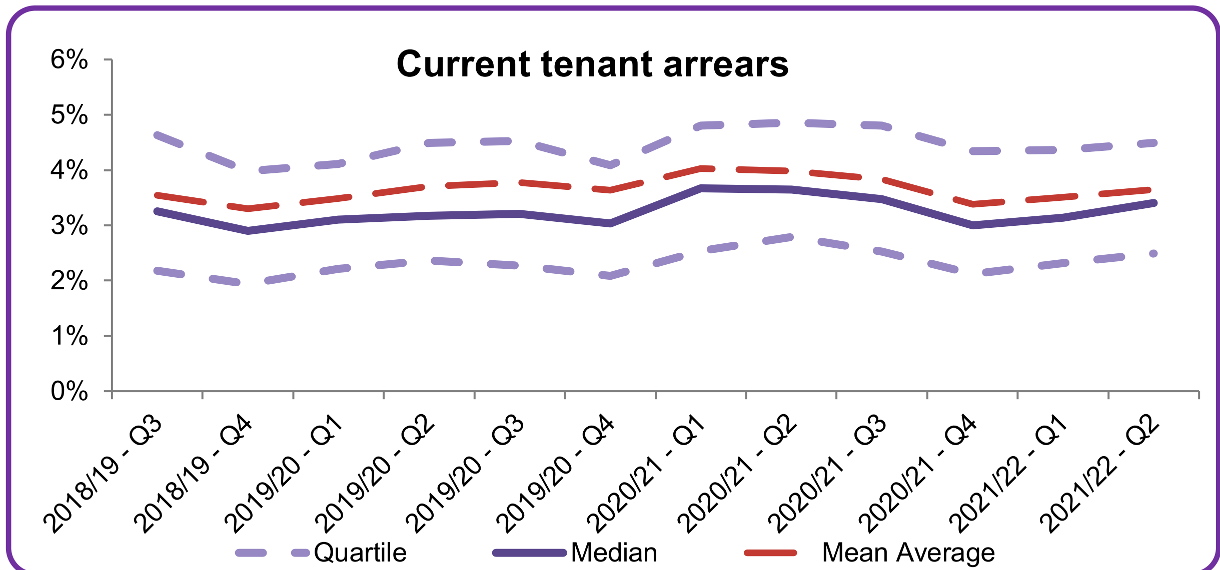
58. Of the 43 providers that were making use of free-standing derivatives, 38 had collateral pledged that exceeded or equalled their level of exposure. The five providers that were under-collateralised at the end of the quarter were not required to provide additional security to cover exposure.

59. Interest rate volatility means that collateral requirements will remain a long-term exposure, and MTM positions need to be closely monitored. For the majority of providers, MTM exposure decreases as swap rates rise, however a small minority of providers would be adversely impacted by future increases in swap rates. Providers must ensure that they have sufficient security available to manage the effects of further volatility in swap rates.

Income collection

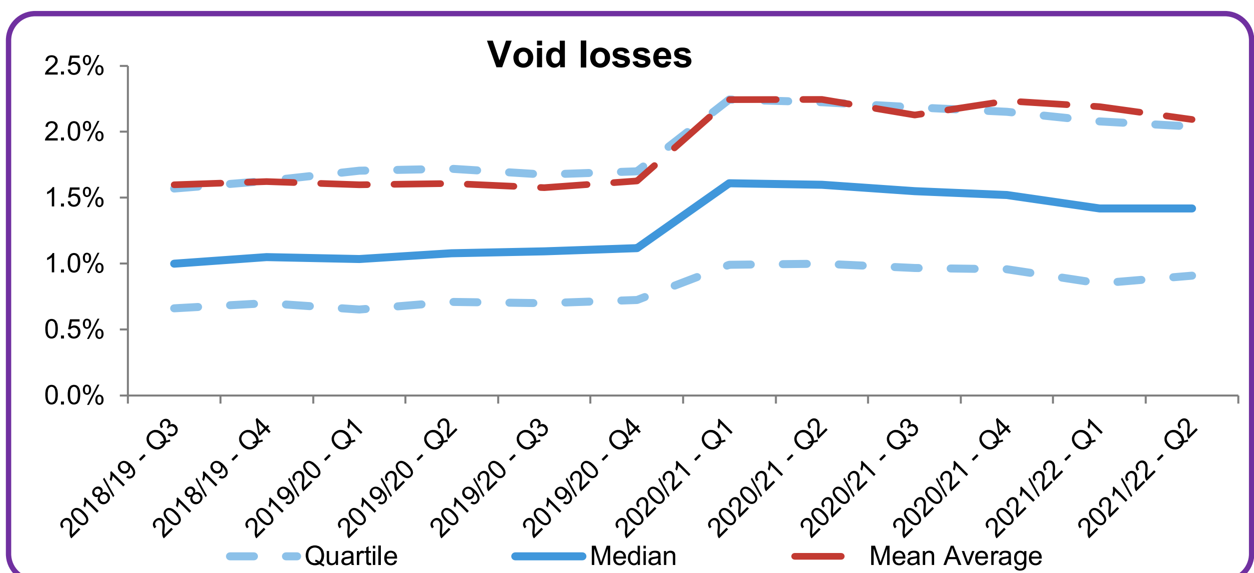
60. At the end of September, 72% of providers reported that their levels of arrears, rent collection and voids were all within, or outperforming their business plan assumptions, compared to 74% at the end of June.

Figure 9: Current tenant arrears



61. Mean current tenant arrears stood at 3.6% at the end of September (June: 3.5%). This is lower than the 4.0% reported in the same quarter of 2020/21, and consistent with the 3.7% recorded in the same period of 2019/20. The highest levels of arrears continue to be experienced by providers operating mainly in London.

Figure 10: Void losses

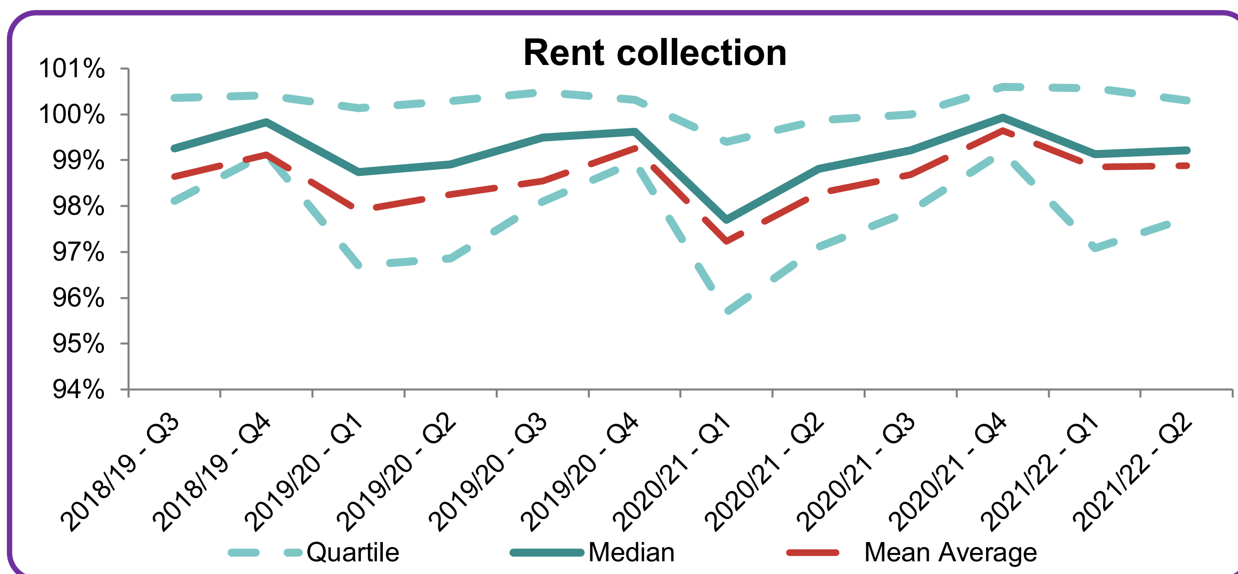


62. Void levels remain significantly higher than those experienced before the start of the coronavirus pandemic, although there has been a slight improvement during the quarter. Median void remained at 1.4% (June: 1.4%), compared to 1.6% in September 2020 and 1.1% in September 2019.

63. The highest void rent losses are typically reported by providers with a large proportion of supported housing units, care home units or Housing for Older People, and providers have reported that this has been exacerbated by the pandemic. Providers with over 50% of their stock within these categories reported mean void losses of 5.7%, compared to 1.8% reported by providers with less than 50%.

64. A total of 59 providers have stated that levels of income collection are outside of business plan assumptions. Across all providers, 14 have recorded void losses of 5% or more (June: 15). Providers reported that voids remained high and above business plan assumptions partly due to delays in referrals of homeless applicants from Local Authorities, and the continued impact from the pandemic. With a rise in homelessness, due to the moratorium on evictions, the increase in homeless applicants is causing an impact on referral times. The ripple effect of material and staff shortages have also delayed improvement works required to void properties before they can be re-let.

Figure 11: Rent collection



65. Mean average rent collection rates stood at 98.9% at the end of September (June: 98.9%), with the median at 99.2% (June: 99.1%). The number of providers reporting rent collection rates of less than 95% decreased to 13 at the end of September (June: 25, March 2021: 5), in line with seasonal trends. Income collection rates generally increase over the course of a financial year as Housing Benefit receipts fall in line with rent charges, and for some providers, as rent-free weeks are applied.

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