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National Report on the Scottish Social Housing Charter - 2022 -2023

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About our National Reports

Each year we report on the information submitted to us by social landlords on their performance in achieving the standards and outcomes in the [Scottish Social Housing Charter](#). Social landlords are registered social landlords (RSLs) and local authorities (LAs). This report is our analysis of landlords' Annual Return on the Charter (ARC) for 2022/23.

We publish all of the [statistical information](#) provided by landlords in their ARC, as well as performance data by Charter standard and outcome. We also publish a landlord report for each landlord on our [landlord directory](#).

Our National Report and suite of performance data should be used by social landlords to report their own performance to their tenants and other service users. When doing this, landlords must include relevant comparisons (including to previous years, with other landlords and national performance) and give tenants and other service users a way to feed back their views on the style and form of the reporting. More detail on these requirements can be found in [section 3 of our Regulatory Framework](#).

Context

The last three years have been a period of significant upheaval for the whole of society. The period has been characterised by the COVID-19 pandemic, the UK out of the European Union, war in Ukraine, rising energy costs, heightened inflation and increased interest rates, and disruption to supplies of labour and materials. This wider global and economic context is an important consideration when assessing social landlords' performance.

There has been increased pressure on tenants' and other service users' household budgets because of the cost of living crisis. We know from our most recent [National Panel of Tenants and Service Users report](#) that around three quarters of Panel members feel that their financial circumstances are worse now than 12 months ago, with increased food and fuel costs as the biggest contributors to this.

Landlords are having to deal with significant challenges around increasing costs, including those for:

- materials and labour to repair, maintain and improve tenants' homes;
- pay increases for staff;
- energy costs in offices and common areas; and
- borrowing, with the Bank of England increasing interest rates from 0.1% in late 2021 to 5.25% in August 2023.

The latest homelessness statistics published by the Scottish Government showed the number of households and children living in temporary accommodation at the highest level since records began. Our recent [thematic review of homelessness services in Scotland](#) found that some local authorities are finding it increasingly difficult to fully meet their statutory duties on homelessness, particularly providing temporary accommodation when it is needed. We said in the report that the Scottish Government may need to consider what further urgent measures it can take to support local authorities, which for some there is a risk of systemic failure in their homelessness service. In July 2023, in response to the recommendations made by the Temporary Accommodation Task and Finish Group, the Scottish Government announced plans aimed at reducing the number of households in temporary accommodation.

Headline findings

The general picture shows:

- **Almost 9 out of 10 tenants are satisfied with the homes and services their landlord provides.**

Areas that matter most to tenants

- Emergency repairs response time remains at 4.2 hours for the third year
- Tenants satisfied with the quality of their homes decreased slightly to 84%
- Tenants satisfied that their rent is good value for money decreased slightly to 82%
- Average weekly rent in 2022/23 increased to £87.59
- Tenants satisfied with their landlord's contribution to neighbourhood management decreased slightly to 84%
- Anti-social behaviour cases which were resolved decreased slightly to 94%
- First stage complaints responded to in full remained high, although was down slightly to 95%
- Average rent in 2023/24 went up to 5.1%

Progress against the Charter

In section 2, we highlighted the significant challenges facing both tenants and landlords. These have undoubtedly affected landlords' performance against the Charter outcomes and standards over the last three years. Despite this, Scottish social landlords are still performing well across most of the standards and outcomes of the Scottish Social Housing Charter.

During 2022/23, performance has improved or been maintained in six outcomes, and declined in seven, with most of the decline being marginal.

Charter outcome	Progress
Equalities	Unchanged
Communication	Declined
Participation	Declined
Quality of housing	Improved
Repairs, maintenance and improvements	Unchanged
Estate management, anti-social behaviour, neighbour nuisance and tenancy disputes	Unchanged
Housing options	Declined
Access to social housing	Declined
Tenancy sustainment	Unchanged
Homeless people	Declined
Value for money	Declined
Rents and service charges	Declined
Gypsy/travellers	Improved

More detail on the indicators which contribute to each outcome and how performance has changed over time is available in the Charter Indicators and Data by Outcomes and Standards publication which is available [on our website](#).

Analysis

Homes

- **Homes available to rent increased to 623,969 - LAs up by 2,021, RSLs up by 4,389**

- **Average days to re-let properties increased to 56 days - LAs 67 days, RSLs 44 days**
- **The number of lets made by social landlords decreased to 50,993 - LAs 23,650, RSLs 27,343**

In 2022/23 Scottish social landlords provided 623,969 homes to rent, up 1% (6,410) from the year before. The number of LA homes increased by 2,021, while the number of RSL homes increased by 4,389.

Social landlords are seeing a lower turnover of homes than they did before the pandemic hit in 2020. Around 1,700 fewer homes became empty during 2022/23 than in the previous year and nearly 5,000 fewer than in 2019/20. This may indicate better tenancy sustainment, or that existing tenants are less keen to transfer; whatever the underlying cause, it does mean that social landlords have fewer homes available to let to people in need, including those who are homeless.

Homes were, on average, empty for 56 days. This is longer than the previous year, and significantly higher than the 32 days in 2019/20. Rent lost from homes being empty increased to more than £38.7million in 2022/23. In their ARC submissions, some landlords cited problems with contractor performance and availability, difficulties securing materials and issues with utility meters as affecting how quickly they were able to re-let homes.

	2021/22	2022/23
Number of empty homes	47,213	45,549
% of homes that became empty	7.8%	7.4%
Average days empty	52	56
Rent lost through empty homes	£38,164,483	£38,706,897

In 2022/23 landlords let a total of 50,993 homes, down 3.6% (1,901) on the previous year, and down nearly 8% on 2019/20. LAs let 23,650 homes and RSLs let 27,343 homes; a decrease for both compared to 2021/22.

Despite this overall reduction, there has been a 47% increase (1,585 in 2022/23 compared to 1,079 in 2021/22) in the number of lets made to households from 'other sources'; that is, as opposed to those on the housing list, existing tenants and people assessed as homeless. Some landlords told us that this is because of homes they allocated to Ukrainian refugees as part of the Scottish Government's commitment to support those displaced by the war.

Rent

- **Average satisfaction with rent being good value for money reduced to 82% - LAs 82%, RSLs 82%**
- **Average weekly rent in 2022/23 increased by 2.6% to £87.59**
- **Gross rent arrears increased to 6.9% - LAs 9.6%, RSLs 4.5%**

Average tenant satisfaction with rent being good value for money reduced by one percentage point to 82%, although for LAs this is a slight improvement on 2021/22.

The average weekly rent in 2022/23 was £87.59, up 2.6% on the previous year. Average LA rents were £81.02; 17% lower than average RSL rents of £94.55.

As we reported in our [rent setting thematic report](#) in March 2023, the average rent increase by social landlords for 2023/24 is 5.1%. The headline rate of inflation at the end of March 2023 was around 9%. Rent increases among RSLs were, on average, higher than LAs. The estimated cash value of the average increase for all social landlords is £4.38, with the cash value for LAs at £3.07 and for RSLs at £5.05.

SPOTLIGHT ON: impact of below-inflation rent increases

The current cost of living crisis is leading to significant hardship for many social housing tenants, including some of the most vulnerable in our society. Clearly, minimising increases in rent will help many tenants during this difficult period. That said, the findings from our National Panel of Tenants and Service Users suggest that increasing food and energy costs, and not rent levels, are the biggest contributors to the worsening financial circumstances of many tenants.

Social landlords have made significant efforts to minimise the level of rent increases for their tenants, especially in the last couple of years, with many applying increases below those assumed in their business plans and below the rate of inflation.

The 2023 annual rent setting exercise has been the most difficult that social landlords have faced for some time. They have had to consider their own rising costs, while recognising the financial hardship that is a reality for many of their tenants. The Scottish Government introduced the Cost of Living (Tenant Protection) Act 2022 which brought in a moratorium on increases in rents for homes provided by social landlords and private landlords running from September 2022 until at least the end of March 2023. Earlier this year, the Scottish Government expired the emergency provisions on rent caps for social landlords following agreements with the Scottish Federation of Housing Associations and CoSLA on how social landlords would proceed with rent increases for 2023/24. These agreements did result in many social landlords setting rents at levels below those assumed in their business plans and financial projections. So, social landlords have made significant efforts to minimise the level of rent increases, but this will have resulted in landlords having less resource available in the current year and in future years to invest in tenants' homes and service, and in providing new homes.

Landlords are also facing significant cost increases in maintaining existing homes alongside new costs for investing in those homes to meet increasing standards for energy efficiency and to achieve the decarbonisation of heating. Landlords' costs for staff, insurance, and other overheads are all growing, and increasing arrears may lead to higher bad debts - i.e. debt that cannot be recovered - in the future. In addition, the recent rapid increase in the Bank of England base rate from 0.1% to 5.25% has increased the cost of borrowing for social landlords; around 25% of borrowing by RSLs is on variable rates of interest, meaning that they will incur additional interest charges of around £66 million each year for existing borrowing.

Taken together, this means that social landlords will have to make tough spending decisions in the coming period as they seek to reduce their expenditure where they can. We are already seeing evidence that RSLs are reducing and delaying their plans to build new homes, with projections for the next five years nearly 15% lower than last year's projections meaning around 4,500 fewer affordable homes will be built. RSLs are also planning to cut back or delay investment in existing homes, with an aggregate figure of more than £15 million being cut from expenditure plans in some of the next five years.

Many RSLs undertake a range of activities which benefit their tenants and communities but are not core housing services, such as welfare and energy advice. This is a relatively small area of expenditure for most RSLs, but they plan to almost halve expenditure on these other activities in the future.

We will report more fully on the financial health of RSLs later in the year.

At 31 March 2023 social landlords had total arrears of rent of £189,970,797. This is 6.9% of total rent due; and the highest level of arrears reported in the ARC since the introduction of the Charter (it was 6.3% in 2021/22). The total arrears for RSLs increased to 4.5% from 4.2% in 2021/22, while the total for LAs rose to 9.6% from 8.7%.

2020/21

2021/22

2022/23

Gross rent arrears	£160,540,302	£169,603,465	£189,970,797
As % of rent due	6.1%	6.3%	6.9%

Many landlords told us that rent arrears increased as a consequence of the cost of living crisis, and that they are continuing to support their tenants and other service users with a specific focus on preventative measures such as maximising household income.

The number of households for which landlords are paid housing costs directly (through Universal Credit or Housing Benefit) decreased slightly by 0.05% to 392,440 in 2022/23, while the value of those payments increased by 2.5%.

Tenant satisfaction

- **Overall tenant satisfaction is marginally down at 87% - LAs 83%, RSLs 87%**

Landlords should carry out a tenant satisfaction at least every three years. In January 2023, we updated our [advisory guidance for landlords on surveying their tenants and service users](#), including the range of survey methods available to landlords and best practice approaches for each method.

Just under half of landlords carried out a survey during 2022/23, and more of these have been carried out face to face than in previous years.

Despite the slight reduction, overall tenant satisfaction remains high. There was a small increase in satisfaction among LA tenants and a small decrease among RSL tenants from the previous year.

Quality of homes

- **Tenants' satisfaction with the quality of their homes decreased to 84% from 85% - LAs 82%, RSLs 85%**
- **Percentage of homes that meet the Scottish Housing Quality Standard increased to 79% from 73% - LAs 71%, RSLs 88%**

Tenant satisfaction with the quality of their homes has fallen. Among LA tenants, it did increase slightly on the previous year, however it does remain lower than RSL tenants' satisfaction.

The number of homes that meet SHQS has improved compared to 2021/22 but is still lower than 2020/21.

	2020/21	2021/22	2022/23
Homes meeting SHQS	529,862	449,286	491,872
% meeting SHQS	87%	73%	79%
% failing SHQS - one criterion	6.6%	12.6%	11.4%
% failing SHQS - two or more criteria	0.4%	4.7%	3.8%

% exempt from SHQS	3.2%	2.6%	2.3%
% in abeyance from SHQS	2.9%	7.4%	3.5%

At 31 March 2023, 15.2% of homes failed SHQS, with most (11.4%) failing in just one criterion. A small proportion of homes are in abeyance from SHQS, which means work cannot be completed due to the behaviour of the tenant or owner of an adjoining property. This has reduced after a notable increase between 2020/21 and 2021/22; which landlords told us was largely due to tenants refusing access during the pandemic. Homes exempt from SHQS - which can be because of technical, disproportionate cost or legal reasons - has reduced slightly. SHQS criteria and the classifications used are set by the Scottish Government, and more detail can be found in the Scottish Government's [SHQS technical guidance](#).

We highlighted the difficulties that landlords reported in gaining access to tenants' homes in last year's National Report. Many of the visits to tenants' homes that were being attempted were to install interlinked smoke and heat detectors and complete electrical safety inspections; both of which form part of SHQS and compliance with these was due in February and March 2022, respectively.

While many landlords completed the outstanding work during 2022/23, some landlords are continuing to address backlogs. From the comments submitted by landlords, there were more electrical safety inspections outstanding than smoke and heat detector installations at the end of March 2023.

As well as access issues, landlords also told us that the problems securing materials and with contractor performance or availability that affected re-let times referred to earlier also affected their progress in meeting SHQS. In July 2023, we [wrote to social landlords](#) to advise them that their upcoming Annual Assurance Statement should include a clear statement on their compliance with relevant obligations in relation to tenant and resident safety, including electrical safety.

Landlords have projected that their SHQS compliance at the end of 2023/24 will be 90%. This was also what landlords had projected the compliance rate at the end of 2022/23 would be in the 2021/22 ARC submissions.

Repairs and maintenance

- **Percentage of tenants satisfied with their repairs service remains at 88% - LAs 89%, RSLs 88%**
- **Average hours to complete emergency repairs remains at 4.2 hours - LAs 4.7 hours, RSLs 3.6 hours**
- **Average days to complete non-emergency repairs decreased to 8.7 working days from 8.9 working days - LAs 9.7 days, RSLs 7.9 days**
- **Non-emergency repairs completed right first time remains at 88% - LAs 88%, RSLs 88%**

Tenant satisfaction with repairs and maintenance remains at 88%, with an increase to 89% for LAs.

Emergency repairs completion times remained stable at 4.2 hours, and there was a slight decrease in the time taken to complete non-emergency repairs. Landlords told us about working through backlogs of repairs during 2022/23 which had built up as a result of the pandemic. Some also again cited the availability and cost of materials, and the severe and prolonged cold weather in December 2022 as affecting their repairs performance during 2022/23.

Gas safety

During 2022/23, social landlords met their requirements on gas safety for 99.8% of their homes. This means that landlords did not carry out an annual gas safety check on gas appliances when required on 1,032 occasions; 578 for RSLs and 454 for LAs. This compared to 3,029 occasions in 2021/22.

We completed a review of the missed gas safety checks in the summer and established that they have all now been completed.

The most common reasons for missed or late checks were due to issues with data reporting as well as households self-isolating as a result of COVID-19, tenants refusing access for other reasons, and issues with contractor availability or performance.

Accurate record keeping and robust systems and processes are essential for landlords to be able to assure themselves about their compliance with gas safety legislation, as well as the other tenant and resident duties placed upon them.

Adaptations

The average time to complete adaptations decreased to 47 days from 54 days in 2021/22. 47 days was the average for both LAs and RSLs.

On 31 March 2023 there were 5,065 households waiting for adaptations; 2,023 for RSLs and 3,042 for LAs.

Tenant engagement

- **Tenants satisfied with opportunities to participate reduced to 86% - LAs 77%, RSLs 88%**
- **Tenants satisfied with being kept informed decreased to 90% from 91% - LAs 81%, RSLs 91%**

Average tenant satisfaction with opportunities to participate has reduced slightly to 86% for 2022/23. Satisfaction amongst RSL tenants remains at 88% and for LA tenants this has reduced to 77%.

The average satisfaction with being kept informed decreased slightly to 90% at an aggregate level, but among LA tenants reduced by 4% to 81% (for RSLs, it fell from 92% to 91%).

Other services

Homelessness

- **Households were not offered temporary accommodation when they should have been on 445 occasions**
- **There were 3,525 breaches of the Unsuitable Accommodation Order**
- **The numbers of households and children in temporary accommodation, and of open homeless applications, are the highest on record**
- **Social landlords allocated 41% of their homes to people assessed as homeless, up from 39% - LAs 49%, RSLs 35%**

[Homelessness statistics](#) published by the Scottish Government show:

- the number of homeless applications in 2022/23 increased by 9% (3,247) from the previous year to 39,006;
- 32,242 households were assessed as homeless, an increase of 10% (2,903);
- the number of open homeless applications - applications that are not yet completed - at 31 March 2023 increased to 29,652, up 15%, the highest level on record;
- there were 445 cases of households not being offered temporary accommodation when they should have been, down 38% from 715;

- there were 3,525 breaches of the Unsuitable Accommodation Order (UAO), up 74% from 2,025 in the previous year. You can find more about the UAO [here](#);
- there were 15,039 households in temporary accommodation on 31 March 2023, an increase of 6% (825). Households spent an average of 223 days in temporary accommodation, an increase of 9 days; and
- 79% of households assessed as unintentionally homeless secured a tenancy with a social landlord, the same percentage as in 2021/22.

ARC data shows:

- tenancy sustainment for households who were previously homeless has remained at 90%;
- overall, social landlords let 20,986 homes to people who LAs had assessed as homeless, up by 1% (230) on the previous year, although that is in the context of a decrease in all lets of 3.6%;
- social landlords let 41% of all lets to people assessed as homeless, up from 39% in 2021/22;
- LAs let 11,520 homes to people who they assessed as homeless, up by 1.2% on the previous year;
- LAs increased the proportion of lets to people assessed as homeless to 49% of all lets, up from 46% in 2021/22;
- RSLs let 9,466 homes to people assessed as homeless and referred by LAs, up by 1% (97); and
- RSLs let 35% of their total lets to people assessed as homeless, up from 33% in 2021/22.

Earlier this year, we said in our [thematic review of homelessness in Scotland](#) that there is considerable pressure on local authorities in the provision of homelessness services. The latest statistics published by the Scottish Government further highlight the extent of this pressure, with the number of open homeless applications at its highest as a result of more new applications and fewer closed cases during 2022/23.

The statistics show that there is acute pressure on temporary accommodation, with 445 occasions where local authorities did not meet their statutory duty to offer it. There were over 3,500 breaches of the Unsuitable Accommodation Order, and the numbers of households and children in temporary accommodation at 31 March 2023 was the highest recorded. Households with children continue to spend on average the longest time in temporary accommodation.

The ARC data shows that, despite an overall reduction in lets in 2022/23, social landlords let more homes and a greater share of their homes to homeless households compared to 2021/22. One of the measures announced by the Scottish Government as part of its response to the Temporary Accommodation Task and Finish Group is to encourage and support social landlords to increase the percentage of lets to homeless households.

Gypsy/Travellers

- **Average satisfaction with landlords' management of sites provided for Gypsy/Travellers increased to 76% from 71%**

Satisfaction amongst Gypsy/Travellers increased to 76% in 2022/23 from 71% in 2021/22. This continues to be lower than the satisfaction levels for other services provided by social landlords.

The average weekly pitch rent for Gypsy/Traveller sites owned by social landlords decreased by 1% to £75.31 in 2022/23, with a range of £50 to £95.22.

Year	Weekly pitch rent
2018/19	£69.62

2019/20	£72.14
2020/21	£73.86
2021/22	£75.97
2022/23	£75.31

We continue to engage with landlords that provide Gypsy/Traveller sites about their compliance with the [minimum site standards](#) set out by the Scottish Government, and about their obligations in relation to fire safety. Of the 28 sites in Scotland managed by social landlords, one is currently closed whilst being rebuilt. Of the remaining 27 sites, 23 comply with Scottish Government's minimum standards and with fire safety requirements; two comply with the minimum site standards but have yet to meet fire safety requirements; one site complies with fire safety requirements but has yet to meet minimum standards and one site does not comply with either the minimum standards or fire safety requirements.

Factored owners

- **Average satisfaction with factoring reduced to 62%, - LAs 51%, RSLs 63%**

Satisfaction amongst factored owners has fallen from 65% to 62% and so continues to be well behind those for other services provided by social landlords. For LAs, satisfaction has remained at 51%. In comparison, satisfaction amongst RSLs' factored owners decreased from 67% to 63%.

The average annual management fee for factored owners has increased by 2% to £107.59 in 2022/23. However, the average fee charged by LAs has increased to £58.43. This is half of the average fee charged by RSLs at £124.18.

Year	Annual management fee
2018/19	£93.73
2019/20	£101.64
2020/21	£103.12
2021/22	£105.43
2022/23	£107.59

Want to know more?

You can see the landlord reports, comparison tool and data tables on the [landlord directory](#) on our website. For more analysis, a [full dataset](#) of all landlords' performance information is also available.

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