Social housing sector remains financially strong

The Regulator of Social Housing has today (5 March) published the results of its latest quarterly survey of registered providers’ financial health. The report covers the period from 1 October 2020 to 31 December 2020.

The sector remains financially strong with access to sufficient finance, despite the continuing challenges arising from the coronavirus pandemic.

The sector has good access to finance with total cash and undrawn facilities totalling £35.5 billion at the end of the quarter. The sector continues to attract considerable investment and has raised in total £113 billion in private finance. This includes £3 billion in new facilities during the quarter.

Capitalised repairs and maintenance spending increased to £455 million, a 50% increase on the previous quarter, although it was lower than forecast. Providers have reported ongoing delays as a result of lockdown restrictions; however, outturn spend was more in line with levels seen before the start of the coronavirus pandemic.

Investment in housing supply during the quarter was £3.4 billion, an increase of 42% on the previous quarter. This was higher than the forecast for contractually committed schemes. Sales receipts in the quarter totalled £1.7 billion; 17% higher than the forecast and reflecting the caution and uncertainty shown by providers in making forecasts.

Arrears and void loss figures remain stable, although still affected by coronavirus restrictions and associated increase in unemployment. Rent collection rates continue to be consistent with normal seasonal trends, and underlying cashflow performance remains strong.

Forecasts for the next 12 months indicate that performance and plans are continuing to return towards levels seen before the coronavirus pandemic, however this could be impacted if the Government is forced to delay elements of its roadmap.

Will Perry, Director of Strategy at RSH, said:

> The social housing sector continues to show financial strength and forecasts increased spend on maintenance and investment over the next twelve months.
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> The continuing challenges caused by the coronavirus pandemic reinforce the need for providers to manage risk effectively and ensure they can both maintain services to tenants and plan and invest for the future.

Notes to editors

- The quarterly survey provides a regular source of information regarding the financial health of private registered providers, in particular with regard to their liquidity position.

- The quarterly survey returns summarised in the report cover the period from 1 October 2020 to 31 December 2020 and the latest report is based on regulatory returns from 214 PRPs and PRP groups who own or manage more than 1,000 homes. The survey Data about income collection, including rent collection, was first collected in 2013.

- The Regulator of Social Housing promotes a viable, efficient and well-governed social housing sector able to deliver homes that meet a range of needs. It does this by undertaking robust economic regulation focusing on governance, financial viability and value for money that maintains lender confidence and protects the taxpayer. It also sets consumer standards and may take action if these standards are breached and there is a significant risk of serious detriment to tenants or potential tenants.

- For press office contact details, see the Media enquiries page. For general queries, please email enquiries@rsh.gov.uk or call 0300 124 5225.