



THE SCOTTISH  
HOUSING  
REGULATOR

13 May 2011

Dear Chief Executive/Director

## **Regulatory Advisory Note: data issues**

In April 2010 we published the [Data Matters](#) report which stressed the need for accuracy in the data you report to us for regulatory purposes. The report also highlighted issues we found when carrying out visits to verify the data supplied by RSLs in their Annual Performance and Statistical Returns (APSRs). Many of these issues were found again in the 2010 programme of visits and Annex A to this note provides an update, based on evidence we have collected.

**This is about the sector as a whole rather than about your individual organisation or circumstances - but you need to consider how to apply our advice in your organisation.**

Having the right information, at the right time, is of course critical for RSLs' effective management of performance, and governing bodies need it for holding their management team to account.

It is also an important element of our risk-based and proportionate approach to regulation. Where we have concerns about the accuracy and completeness of the information supplied we may require a higher level of regulatory engagement than would otherwise be the case.

Because we use the APSR data for comparing landlords we need to ensure definitions are applied consistently for each performance measure. Often RSLs will use the same performance measures for their own internal management purposes, but in some cases we might need a different level of detail or use different definitions to enable comparability across the sector.

### **Action by RSLs**

Over the last three years we have visited around 50 RSLs to verify their APSRs. We have seen some improvement in the management of data, but we continue to find a number of common weaknesses.

It is therefore important that you and your governing body ensure you are satisfied that relevant staff:

- understand our notes on completion to the APSR thoroughly and know how to produce the information required and any supplementary information that may be needed;
- make use of our helpline before completing the forms, if anything is unclear; and
- keep the evidence from the time of submission for your own audit purposes and for our use should we include you in a verification visit.

Your governing body and staff should use this report and the annex to consider:

- how your RSL deals with providing data to us; and
- how you can improve the quality and accuracy of data you use and provide to us.

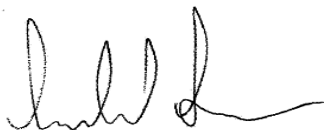
### **The future of data provision and verification**

We will continue to use data provided in the APSR to assist in informing our regulatory assessment of the sector. And we will continue to carry out a programme of annual verification visits to satisfy ourselves that the data provided is accurate.

The Housing (Scotland) Act 2010 introduces a new Regulator and the Scottish Housing Charter. The Regulator will undertake a major review of the data it needs to collect from landlords to monitor the outcomes of the Scottish Social Housing Charter in 2012. It will consult landlords on the information it collects and also the use of verification visits with focus on what it will need to monitor landlords' delivery of the Charter.

Please copy this advisory note to your Chairperson and relevant staff. If you would like to talk to us about the issues raised in this note please contact Gerhard Mors, Senior Analysis Manager, on 0141 305 4065 or Christine Dugan, Business Information Manager, on 0141 271 3756 or by email [gerhard.mors@scottishhousingregulator.gsi.gov.uk](mailto:gerhard.mors@scottishhousingregulator.gsi.gov.uk) or [christine.dugan@scottishhousingregulator.gsi.gov.uk](mailto:christine.dugan@scottishhousingregulator.gsi.gov.uk) in the first instance.

Yours sincerely



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## **Annex A: Lessons learned from Annual Performance and Statistical Return verification visits**

### **Part D: Housing Management**

#### **Question 2 (C) & (D) – average number of days taken to re-let properties<sup>1</sup>**

1. These two questions deal with the length of time it takes to re-let properties and the average time taken (calendar days) to re-let properties. Pages 12 – 15 of the notes on completion contain definitions and give examples of how to calculate performance.
  
2. *Issues with definitions (Ref: Question 2(C) page 13 - Notes on completion).*
  - Ensure you do not report houses held for decant purposes; which are leased or are new lets in the data you supply.
  - The measure of re-let times is in calendar days; you should ensure you do not exclude periods when your office is closed, weekends and public holidays from the count of days.
  - Periods when properties are empty and subject to major repairs and are unsafe to be occupied should not be counted when calculating the length of the void period. You must, however, include any void period from the date of completion of the major repair work to the start date of a new tenancy when reporting re-let times.
  - You only report on the length of time a property was void once the property has been re-let. When a void period spans across two reporting years you report the re-let in the return for the year in which the void ended and a new tenancy started. You should calculate and report the total number of days the property was void (spanning the two years).
  
3. *Issues with data recording*
  - In a few of the cases we verified there were no detailed records available to support the overall figures stated in APSR. We cannot

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<sup>1</sup> The question references throughout this part of the report are in relation to the 2009-10 APSR

verify your return if there are no detailed reports to support data supplied.

- Please ensure you keep accurate records of the start and end dates of tenancies and supporting information on any periods excluded on file; poor record keeping can lead to incorrect calculations of the number of void days reported. This can impact both the re-let time bands and average re-let times.

## **Voids - Part D: Housing Management**

### **Question 4(C) – rental income lost through voids**

4. RSLs have to supply details of the total amount of the rental income lost due to void periods for houses and garages during the year. This should refer to those properties reported as new lets (with void periods) or re-lets, **plus** those which remain vacant at the year end. There are exclusions applied which are explained fully on page 22 of the notes on completion.
5. *Issues with definitions (Ref: Question 4(C) page 22- Notes on completion).*
  - When calculating the rental income and amount lost for dwellings, ensure you follow the instructions given on situations when exclusions apply; for example, periods when a property is subject to major repair and uninhabitable should not be included in void loss figures. It is important to note the difference in definition of rental income and void loss for this question compared to questions 4(F)(i) gross rent debit and 4(F)(iii) total void loss.
  - Ensure the rent loss stated for the year refers to the same properties reported at questions Part D, 2(B) and (C) **plus** any other houses that remain unlet at 31 March.
  - Only include the rental income and the void loss for the rental year you are reporting on. The rent loss for any void period that spans over two rent accounting years should be allocated and reported as appropriate against each rent accounting year.

6. *Issues with data recording*
- You must record the actual dates when each individual property was empty, calculate and record the actual number of calendar days for each and, based on the rent in payment, record the rent loss for each. The aggregated value of this calculation is the total void loss and you should only report on that element which is in respect of the rent accounting year you are reporting on.
  - It is important that you have a report listing all properties to support the void loss reported. We expect you to be able to explain how the amount of void loss reported is calculated.
  - In a few cases there were no detailed records available to support the overall figures stated in the APSR. We cannot verify a return if there are no detailed reports to support data supplied.

#### **Arrears - Part D: Housing Management**

7. These indicators are concerned with RSLs' management of rent arrears.

This topic is covered in pages 23 -27 of the notes on completion.

#### **Questions 4(D) (iii) Gross Arrears**

8. Each year RSLs are required to advise us of their total arrears outstanding at the end of the rent accounting year on both current and former tenant rent accounts – including arrears on garages.
9. *Issues with definitions (Ref: Question 4(D) page 23 – Notes on completion)*
- Ensure you **do not** include in the reported rent arrears balances any known housing benefit overpayments which you have debited to current or former tenant rent accounts.
  - You should **not** adjust arrears balances at the end of the accounting year for any recoveries made by Councils for housing benefit overpayments from tenants on-going entitlement to housing benefit throughout the year.

10. *Issues with data recording*

- Ensure there are detailed records available to support the gross rent figure used in the calculation. We cannot verify a return if there are no detailed explanations/reports to support the data used in calculating performance.
- In carrying out sampling of cases we found instances where cases had been omitted from the return, without explanations being provided.

**Question 4(F) (vii) Percentage of current tenants owing more than 13 weeks net rent**

11. This question identifies serious arrears cases. The calculation is based on the net rent due (gross rent less any entitlement to housing benefit) on each individual current tenant's rent account at 31 March each year. Page 26 of the notes on completion gives detailed instructions on how this should be calculated.

12. *Issues with definitions (Ref: Question 4(F)(vii) page 26 - Notes on completion)*

- Ensure when you perform the calculation you do so on the number of current tenants who owe more than 13 weeks net rent (based on the net rent at 31 March) and greater than £250 - as a percentage of all current tenants.
- Ensure that if you have debited current tenant rent accounts with housing benefit overpayments that you exclude these overpayments when calculating the arrears balance for this indicator.
- Ensure you use the net rent for each individual tenant in arrears when performing the calculation, do not use the average rent for all your properties.

- Be sure to **exclude** current tenants who only rent a garage when you calculate rent arrears.

13. *Issues with data recording*

- We found a lack of available reports to confirm data supplied.

### **Response Repairs – Part E: Maintenance, Question 1(A)**

14. This indicator has been changed for 2010/11 reporting and RSLs should ensure they understand the definitions applicable to the new range of indicators. The verification findings listed below remain relevant to the new repairs indicator.

15. *Issues with definitions (Ref Section 1 page 29 - Notes on completion)*

- Ensure that you correctly calculate the time taken to complete a repair; this should be measured as the time taken from when the repair is first reported, until the work is satisfactorily completed in the opinion of the landlord. You should include any time taken to carry out pre-inspections.
- Ensure that void repairs are excluded from the data you supply.
- Ensure that you include re-chargeable and 'Right to Repair' repairs in the figures.
- Meter readings and letter deliveries are not repairs and should not be included in the data.

16. *Issues with data recording*

- Emergency repair target response times are measured in hours, not days; therefore the response times will also need to be measured in hours: we found some RSLs who failed to record the time of day when repairs were reported/carried out, but they reported achievement of targets measured in hours. These RSLs have consequently submitted data for which it is impossible to verify whether or not they reflect reality.

- If for some reason there is a need to amend target times for individual repairs once raised there should be clear records kept to support each amendment.
- It is important that you retain records on an individual repair basis which support the data submitted. Otherwise, on verification we will be unable to confirm the data submitted as being accurate. In some cases IT systems were unable to reproduce the same information at a later date, due to updated information being input.