

Cynulliad Cenedlaethol Cymru / National Assembly for Wales

Y Pwyllgor Cyfrifon Cyhoeddus / Public Accounts Committee

Ymchwiliad i drefn reoleiddio Cymdeithasau Tai / Inquiry into Regulatory oversight of Housing Associations

Ymateb gan Gyngor ar Bopeth / Evidence from Citizens Advice

Citizens Advice Cymru welcomes the opportunity to respond to this inquiry and provide evidence that is relevant to the sector. We have provided specific responses to those questions which are most relevant to the people we help via our network of local offices across Wales.

The effectiveness of the current Regulatory Framework for Housing Associations Registered in Wales

Our statistics show the issues we have dealt with across our network in Wales. We receive fewer issues about Housing Associations compared with the private rental sector (PRS). The tables below show the number of issues that were recorded during quarter 1 and quarter 2 of 2016.

NB: Clients/issues for both these quarters should be looked at separately and not added together, otherwise this could result in the same client being counted twice.

Q1 – April to June

Type of issue	No. of clients	No. of issues	%	Change from Q1 2015-16
PRS property	853	1,085	28%	-7%
Environmental & neighbour issues	327	418	11%	-1%
LA housing	267	313	8%	-7%

Threatened homelessness	282	312	8%	-20%
Owner occupier property	260	275	7%	-20%
HA housing	227	263	7%	-18%

▲ Table 9: Top six housing problems dealt with by Citizens Advice during Q1 2016-17

Q2 – July to September				
Type of issue	No. of clients	No. of issues	%	Change from Q2 2015-16
PRS property	924	1,123	28%	-15%
Environmental & neighbour issues	361	438	11%	+11%
LA housing	274	317	8%	-16%
Threatened homelessness	290	316	8%	-15%
Owner occupier property	296	314	8%	-10%
HA housing	250	305	8%	-6%

▲ Table 9: Top six housing problems dealt with by Citizens Advice during Q1 2016-17

The effectiveness and quality of governance arrangements

Our statistics show that we receive less issues from the RSL sector compared to the PRS. This may be due to RSL governance arrangements being relatively effective compared to other sectors. However, there remains a low level of issues; this could be improved on.

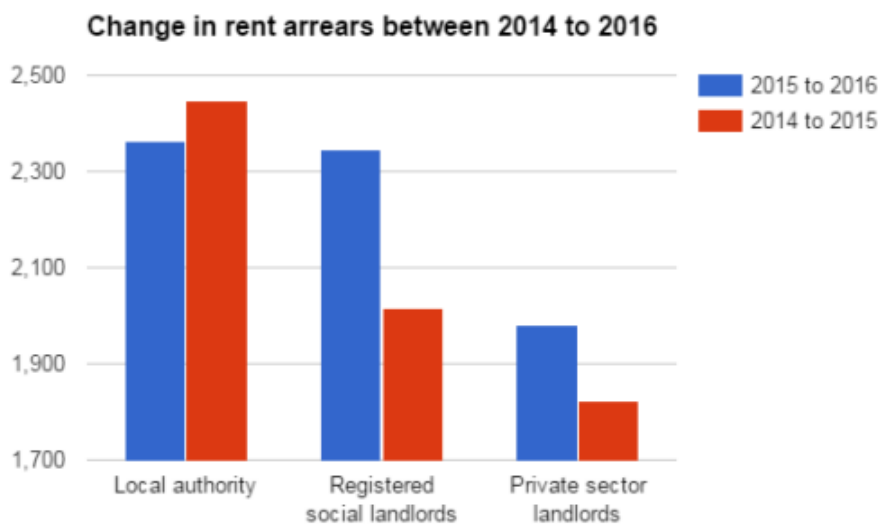
We welcome any proposals that improve the information given to tenants about governance arrangements to enable them to address their issues.

We also welcome proposals that assist tenants in gaining the independent, quality-assured information and advice which would enable them to address any issue with their RSL.

Whether the current regulatory regime is effective in managing and mitigating sector wide risks

There are risks in the sector that need effective management, including the impact of welfare reform; the economic uncertainty created by the referendum decision to leave the EU and the ongoing austerity impact on public services. Some of these factors will impact on rent arrears.

During 2015–2016 more than 12,000 people sought our help with housing-related issues, a 3% rise despite the number of issues seen remaining almost static (up by only 100 issues). Nearly a third (29%) continue to relate to private rented sector properties only. While the private sector leads in number of issues, as is clear from the graph overleaf, we have seen a marked jump in registered social landlords (RSL), housing association (HA) and private rented sector (PRS) related rent arrears enquiries over the past year.



Looking at the detail of these rises within the RSL and HA sector, there was a 100 person and issue related increase in possession claims for arrears over the past year and a similar rise relating to debt repayment issues. Looking at PRS rent arrears there were small rises across most rent arrears issues, from an increase in liability for debts (up 29% to 343) through to possession claims (up 21% to 161) and eviction (up 47% to 163).

Our view is that rent arrears appears to be on the increase in the sector and governance arrangements need to manage this risk.