NATIONAL CODE
assured accommodation

ANUK/Unipol National Codes for Purpose Built Student Accommodation

Annual Report 2021/22

Presented to the Department for Levelling Up, Housing and Communities

History of the National Codes

The National Codes were developed in response to concerns raised by a number of organisations, including NUS, about management standards in the expanding new sector of privately-owned and -managed student accommodation.

Following initial discussions in 2002, ANUK, NUS and Unipol formed a consortium in 2004 and began to devise a Code for private sector accommodation providers. Discussions were held with a number of private providers, some of whom agreed to become founding members of the Code. Meetings were also held with other interested stakeholders, such as ASRA and CUBO, who suggested developing a Code for accommodation managed by universities and colleges as well.

The Codes were formally launched in November 2004 and the first membership year began in 2005 – with around 50,000 bed spaces covered.

During the passage of what became the 2004 Housing Act, the Government expressed some interest in recognising Codes of Practice/Standards within the scope of this legislation. It therefore awarded 'Approved' status to both of the ANUK/Unipol Codes in 2006 (and did the same for the Code operated by Universities UK).

By 2007 it had become clear that the ANUK/Unipol Code for Educational Establishments was in need of some revision in order to better reflect the standards that managers of University and College accommodation were aspiring to. A review was carried out and a revised Code received government approval in August 2008.

Both of these Codes have 'Approved' status under Section 233 of the 2004 Housing Act, which requires local housing authorities to except accommodation operated by educational establishments from mandatory HMO Licensing. However, accommodation operated by non-educational establishments is not excepted.

The above legislation only applies to England, and different requirements exist in Wales and Scotland. However, where a provider has signed-up to the National Codes, their requirements apply to purpose-built student accommodation throughout the whole of the UK.

Following review of the ANUK/Unipol Code for Non-Educational Establishments, a revised version came into effect from May 2016. A review of the Code for Educational Establishments was last undertaken in 2018 and it became operational from September 2019.

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Executive summary

The National Codes continue to be a highly effective tool in raising property and property management standards in purpose-built student accommodation (PBSA), alternatively known as 'student halls'.

2021/22: a year in review

Review of the Code for Non-Educational Providers
In 2021/22, a full review of the core document for the Code for Non-Educational Providers was taken forward. Initiated in January 2020, this was the first major review requiring government approval since the scheme's inception in the early-2000s. The review process was steered by a special group established for the purpose and overseen by the Committee of Management and Code Consortium. Following broad-based consultation, the revised Code was agreed by Parliament and came into force in March 2022.

Among many revisions, changes were made to the requirements on rent levels for disabled students; the incorporation of a *New and refurbished buildings protocol* into the Code (including automatic compensation for students affected by late construction); and enhanced obligations in supporting students' mental health. The new document now requires members to act in the best interests of students, a precept that underlies all Code standards.

The National Codes website
The National Codes website continues to serve as a public register and repository of definitive up-to-date documentation. In 2021/22 and throughout the height of the pandemic, the website has evolved into a go-to resource for guidance and advice on best practice for the sector. This is reflected in significant growth in user visits to the site.

Verification visits
In 2021/22, 157 verification visits to members' properties were completed, 31 per cent fewer than in 2020/21. The lower number is attributable to the dynamics of cyclical revisits and to fewer new buildings coming into commission in 2020/21. Of the visits conducted, 86 per cent resulted in action, the largest annual proportion recorded for the Codes' six-year dataset.

Training
During the pandemic, engagement with training was exceptionally strong. Established to keep members abreast of current issues, the free-to-attend UK Student Accommodation Forum continued to be convened regularly through 2021/22. For the year in review, a new free course was introduced for operational staff to improve their understanding of the specialist nature of student accommodation. This was well-subscribed. To support the new Code requirement for Non-Educational Providers, Unipol introduced Mental Health First Aid training for members in 2021/22. This and other new Unipol courses have had a positive take-up.

Complaints
In 2021/22, there were 161 complaints to the National Codes. All cases have now been closed. Most were resolved by the providers themselves. The lower number of complaints made in 2021/22 is attributable to the high level of contract release and rent refund activity in 2019/20 and 2020/21 in the context of the pandemic. The Code Tribunal upheld three complaints in the 2021/22 academic year.

The year ahead

Significant sector trends
For the year ahead and into the medium term, there are some significant trends in prospect. While the university sector has been inactive in growing their own capacity, the private PBSA sector has been expanding apace and gaining market share rapidly in recent years. More provision is becoming substantially concentrated in the hands of the large private operators. Higher education institutions (HEIs) increasingly rely on private developers to house their first-year students. However, in the wake of Covid, the number of long- or medium-term underwrites between HEIs and private PBSA providers is in decline. Consequently, direct lets of private PBSA to returning students are increasing and thereby squeezing the availability of accommodation available for newly arriving students.

Construction and development of new bed spaces continue to be impeded by supply chain issues which began during the pandemic, but are now exacerbated by materials shortages and cost inflation. In summer 2021/22, 21 new buildings were reported as having been delivered too late for students to occupy at the start of their contract. These buildings contained 6,454 bed spaces and late delivery affected 2,034 students.

In 2022/23, the delivery of new bed spaces is slowing. The market had anticipated a post-Covid bounce as developers caught up with their planned trajectory, but this has not materialised. The economic shock from the October mini-budget has constrained development further. As a result, the number of new student bed spaces entering the sector will be significantly down in 2022/23. In London, the slowdown is further complicated by the impact of the London Plan, Policy H15. This is currently the subject of sector representations to the Greater London Authority.

At the start of the 2022/23, several major HEIs ran out of bed spaces in their host cities, resulting in affected students often being temporarily housed in towns/cities remote from their place of study.

Utility costs

Rising energy costs have probably not been passed on to students in 2022/23, but are likely to be fully factored into rents for 2023/24. In time, when combined with other pressures in the system, major hikes in inclusive rents/utility bills may threaten the ambitions of the higher education sector’s widening participation agenda.

More flexibility on contracts

ANUK/Unipol are working with the sector to urge greater flexibility in contract lengths to make the most efficient use of rooms for the entire year, particularly where there are accommodation shortages.

Review of the Code for Educational Establishments

Following major revisions to its counterpart, the Code for Educational Establishments is now being reviewed. Work on this began in April 2022. It is anticipated that the review will import many of the student benefits on disability, late construction and mental health and wellbeing provision incorporated into the Code for Non-Educational Providers. Additional clauses will relate to encouraging co-operation on mental health and wellbeing between university and private providers. Consultation on proposed changes is ongoing and it is hoped a final draft will be submitted to DLUHC by the end of 2023.

The National Codes: Scotland and Northern Ireland

Both Codes cover buildings across the United Kingdom but the Codes are only recognised by Governments in England and Wales. The Scottish Government is in discussion with Unipol about a separate Code for Scotland. As the PBSA grows in Northern Ireland, it is hoped that the Assembly may also formally recognise the Codes.

Membership of the Codes

There are now 406,635 bed spaces covered by the Codes, and membership is rising steadily. It is estimated that this accounts for 97% of those eligible to join the Codes. From summer 2018 to summer 2020, some 30,000 new bed spaces were added each year. This figure dipped to 18,649 in 2021. The fall was initially attributed to delays caused by Covid operating difficulties, but the persistence of low figures of new-build PBSA into 2022 (14,711) gives the lie to that theory. Added to this downturn, more existing bed spaces are being withdrawn for upgrading or remedial works (estimated at 10,000 for 2022/23).

The number of new beds coming into commission in 2023 is likely to be similar to 2022. Beyond that, two strong headwinds will come into play: increases in construction costs; and rising gilt rates, which affect the funding that underpins the development of new PBSA beds. These factors will further slow development until at least 2025.

In the year to June 2022, the Codes welcomed 12 new members, who together add 14,113 bed spaces to the total. Two private sector members were removed in 2021 as part of the Code compliance processes. A number of members withdrew from the Codes representing natural changes to membership.

Governance

The Codes' standing bodies – the Committee on Management, the Audit Panel and Consortium – are running effectively and meeting regularly to discharge their responsibilities fully. Attendance is good and improving.

Looking further ahead

Across the next three years, the aim is to lay the foundations of a national student advice system, developed as part of the National Codes regulatory role. This student advice service will give better information on students' housing options and costs. In the light of growing accommodation shortages across the UK, over the next year, it is hoped that a 'traffic light' system can be developed to tell students where there are shortages and how it might affect them across a letting year.

The standards team at Unipol, who run the Codes, are very proud of the work that has been done in the sector over the past year, and we look forward to continuing to extend our beneficial influence over the student accommodation sector in the forthcoming year.

A year in review: key statistics 2021/22

406,635 bed spaces covered by the National Code ↑ **7.3%**

27,790 new bed spaces entering the members' organisations

58 per cent of the whole sector's bed spaces are covered by the Codes

12 new member organisations

1,617 members enrolled on National Code training courses

33,272 visits to the National Code website

157 verification visits completed, 135 of which resulting in actions and improvements

161 complaints to the National Code, 38 of them investigated by the Code Investigator

100 per cent of complaints resolved for the year

Introduction

The National Codes continue to be a highly effective tool in raising property and property management standards in purpose-built student accommodation (PBSA), operated by both the educational and private sectors.

Central to the success of the enterprise is the level of trust and confidence that ANUK/Unipol are able to build and sustain in both sectors. Critical to these are:

- the integrity and robustness of the formal documentation that underpins the Codes;
- the effective, consistent and fair use of that documentation through trusted, competent professionals operating in sound administrative and governance structures;
- the high profile of its website as not only a reference facility for stakeholders but as an authoritative source of up-to-date information, guidance and advice on good practice for the whole sector.

2021/22: the year in review

Major development work

The new Code for private providers

Review processes

For the year in review, a major focus of the organisation's work has been to update the *National Code of Standards for Larger Developments for student accommodation not managed and controlled by educational establishments* document through a full review process:

- to extend and deepen standards
- to make good any omissions that emerge as the sector develops and the circumstances in which it operates change (not least PBSA management in the context of a pandemic, and construction and operational challenges posed by dislocation in the UK economy).

Undertaken across the academic years 2019/20 – 2021/22, this was the first major review requiring government approval since the scheme's inception in the mid-2000s. It was separate from, but supplementary to, the routine triennial reviews of the Code, conducted to ensure continuing alignment with legislative and regulatory change.

The review was shaped to maximise the involvement of practitioners and regulators in the sector and to exploit their expertise fully.

A special group drawn from the Code membership was established for the purposes of review. It began work in January 2020 and reported to the National Codes Committee of Management in November of the same year. A number of larger providers were informally consulted about proposed changes, and some points of clarification were added to the draft copy as a result.

The Code Consortium finalised the draft revised iteration, which was circulated for public consultation in July and August 2021. Additional amendments were made to take account of consultees' responses and this version was submitted to DLUHC in September 2021.

Comments were received from DLUHC's legal and policy advisors in November 2021 and further changes were determined later that month. In early 2022, the Explanatory Memorandum to the Statutory Instrument was agreed and the Code Declaration was amended, following legal advice, to clarify succession between future updated versions of the Codes.

Finally, the Code was impact-assessed against the requirements of Section 149 of the Equality Act 2020 to ensure that the changes made supported the effective discharge of the public sector equality duty.

The Code was laid before Parliament on 1 March 2022 and came into force the following day.[1]

Changes to the Code

The changes to the Code are numerous and substantive, but three stand out:

a) changes to the way in which students with disabilities and specified characteristics are charged for their rooms. While the changes financially benefit all such students, charges for rooms significantly adapted and occupied by students with mobility/physical impairment must now be priced at the lowest room rate available in a Code member's portfolio in that locality. This provision will make a real difference to these students' disposable income and help them with living costs that are much higher than for most students.

b) automatic compensation for students who suffer disruption as a result of late construction of their contracted accommodation. The level of compensation is pitched to reflect the major adverse impact on affected students. For example, a developer whose 300-bed building is four weeks late will be required to pay compensation amounting to £240,000, on top of having to offer alternative accommodation for their student tenants. The administration of this new provision is supported by the Code's incorporation of the *New and refurbished buildings protocol* (Appendix 5 to the revised document). Progress on the construction/refurbishment of members' accommodation is now continuously tracked and checked for compliance with Code requirements.

c) new requirements on members to provide enhanced support for students' mental health and wellbeing, including clear, comprehensive and effectively disseminated information on mental health issues, clear locus and lines of responsibility, clear referral routes, and wide-ranging training for staff.

These changes mark the first time the private sector's obligations in these areas have been successfully codified.

While all revisions to the Code are material, two others are deserving of special mention here:

- It is now plainly stated as a key purpose of the Code that, in running their accommodation, members must act in the best interests of students. This is of particular significance insofar as it serves as a precept that underlies all other Code obligations.

- For each high-risk building of 18 metres and above, members are now required to provide the National Codes administrator with an up-to-date Fire Risk Assessment and evidence that this has been undertaken by an accredited body.

A full account of revisions to the Code is publicly available on the National Codes website.

The National Codes website

Repository of formal Code documentation

The National Codes website is an important resource for members, prospective members, students, regulators and people working more widely in the provision of PBSA. Its primary purpose is to serve as the public register and repository of definitive up-to-date documentation relating to the administration and governance of the National Codes.

Additionally, the website provides:

- news and best practice guidance on topical issues and challenges
- access to key research publications directly and indirectly relevant to the PBSA sector.

Coronavirus guidance

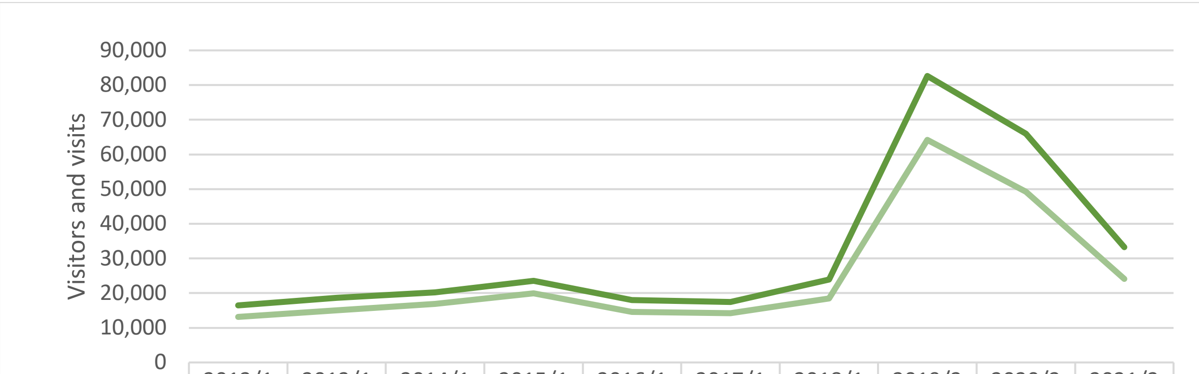
Foremost among its best practice guidance in recent history has been the provision of information, advice and guidance on managing PBSA in the context of the coronavirus pandemic. Specifically, government updates communicated to the higher education sector were tailored, rearticulated and made available on the website for the benefit of its PBSA-focussed readership, as the course of the pandemic played out and government regulation and policy evolved in response to changing circumstances. Areas covered by the guidance included advice on self-testing, encouragement to take up vaccinations and clarification of information on managing student self-isolation in shared flats.

The National Code website also included information linked to Scottish Government guidance for operations in the academic year 2021/22, and details of the [Coronavirus (Extension and Expiry) (Scotland) Act 2021](), which was extended from its original deadline in September 2021 to September 2022. Updates from Senedd Cymru and the Northern Ireland Assembly were also linked to the National Code website during this time.

Members' use of the website

Visitor numbers to the National Codes website have risen by 83 per cent in the past decade. Figure 1 highlights the key resource centre the Code website came to represent during the pandemic. Visitor numbers and visits to the website spiked as members sought advice on pressing matters such as best practice in managing student accommodation and rent refunds. The site's advice pages – particularly on the practical application of government guidance – were highly popular with member providers, but also students.

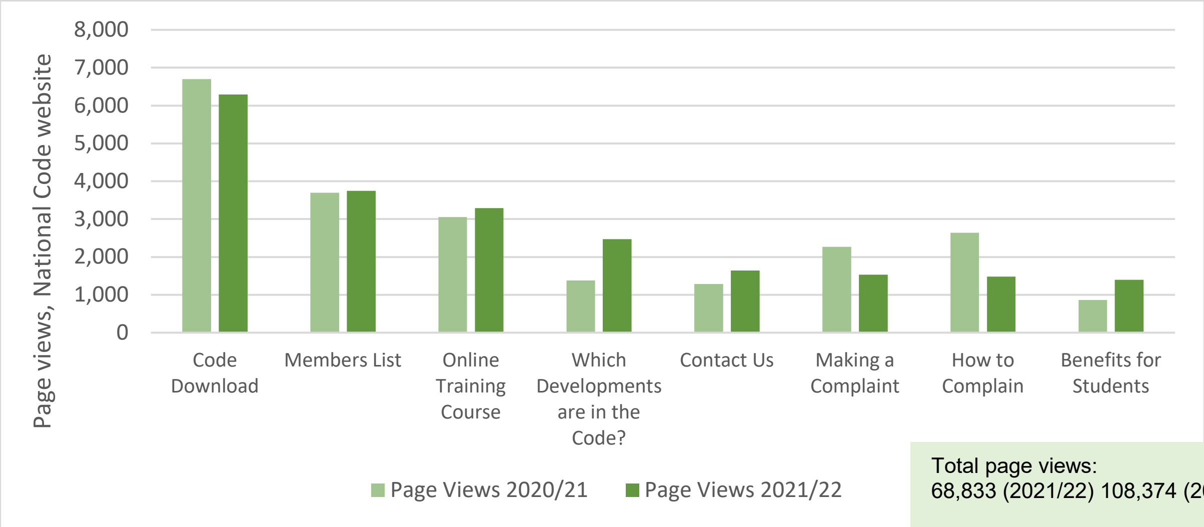
Figure 1: National Code website: visits and visitors



	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Visits	16,464	18,657	20,239	23,526	17,973	17,455	23,933	82,618	65,981	33,272
Visitors	13,142	15,010	16,919	19,968	14,583	14,167	18,451	64,189	49,242	24,094

The subjects of greatest interest to members during the past two years are shown in the chart below. The clamour for information and advice on Covid-19 is clearly reflected in 2020/21 web activity.

Figure 2: Page views 2020/21 and 2021/22



Total page views:
68,833 (2021/22) 108,374 (2020/21)

Coronavirus information & advice:
1,734 (2021/22) 44,766 (2020/21)

Review of core activities

Verification visits

Visits to member properties to ensure compliance with Code standards on safety and operational effectiveness are a core component of scheme administration. There are eight types of visit conducted each year:

New applicants	Cyclical re-visits	New developments	Complaints
Existing members	Revisits	Change of operational management	Chair's action

In 2021/22, 157 verification visits were completed, 31 per cent fewer than in 2020/21. The lower number is attributable to:

- the phasing of cyclical revisits: each existing member needs to have a specified number of inspections every three years, and there were fewer needed in this period;
- fewer new buildings coming into commission in 2020/21.

Of the visits conducted, 86 per cent (135) resulted in action, the largest annual proportion recorded for the Codes' six-year dataset (Figure 3).

Figure 3: Verification visits completed since 2016/17 by actions needed

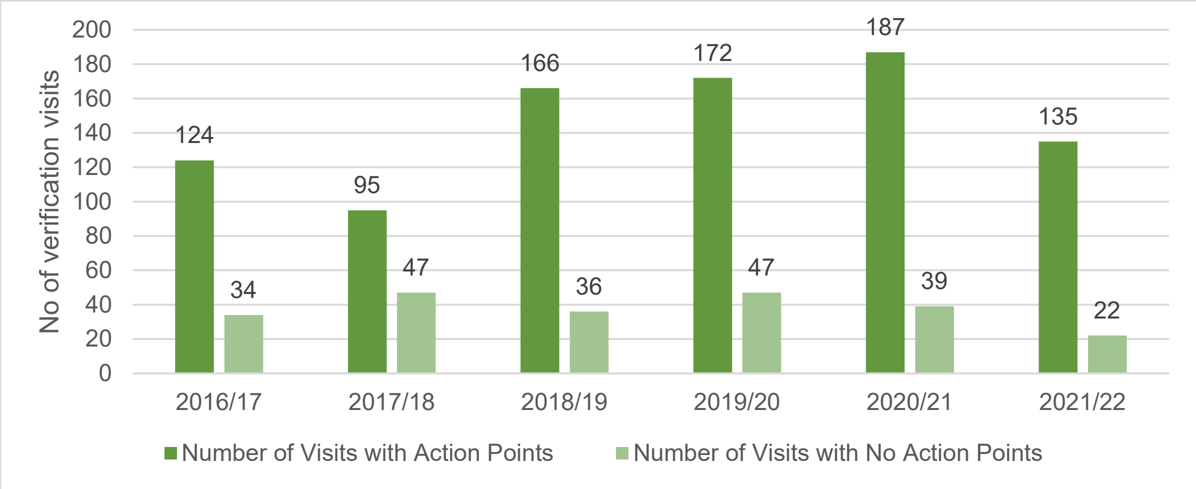
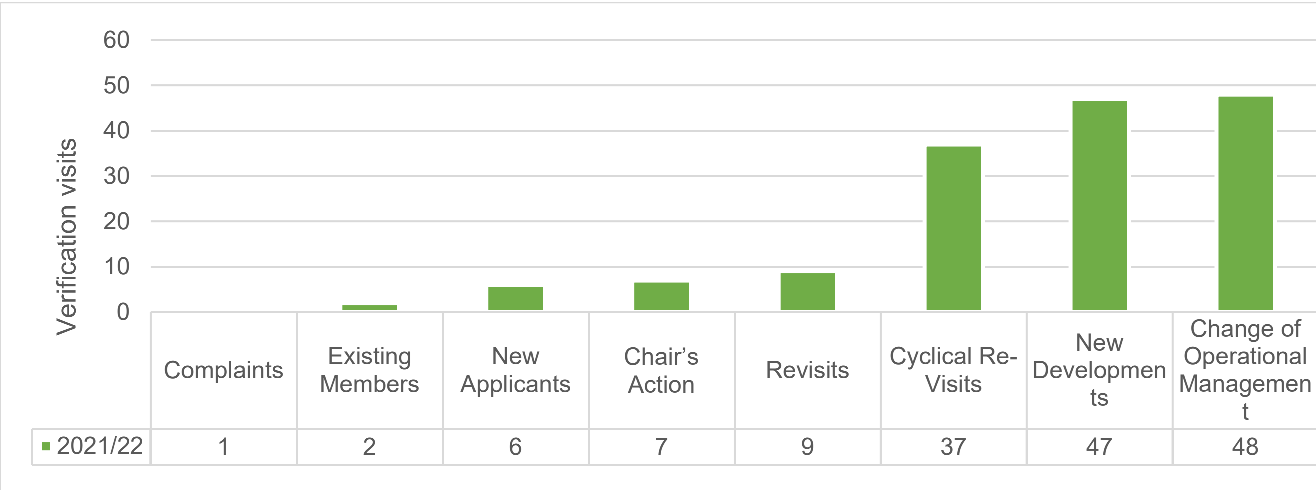


Figure 4 splits down the 2020/21 verification visits by type. New developments and changes in management accounted for 61 per cent of all visits.

Figure 4: Verification visits by type 2021/22



Each year, in addition to the visits triggered by sector activity, verifiers run a location-specific visit programme. In 2022, Leicester was chosen for this purpose and 17 visits took place. The location-specific visit allows a team-based approach to verification and individual views can be moderated to ensure consistency in the verification programme.

Training

A range of training is provided for members of the National Codes to support good practice and compliance. Engagement with training was exceptionally strong during the height of the pandemic, and reflects members' confidence in the Code management to deliver reliable, up-to-date information and quality advice in challenging circumstances.

Engagement with National Code training courses over time

Figure 5: National Code training: members enrolled on courses

	2019/20	2020/21	2021/22
Members enrolled	1,473	1,251	1.617

During the pandemic, the free-to-attend UK Student Accommodation Forum was established to keep members up to date on current issues, and this continued through 2021. Session themes included:

- *Reflections on the 2020-21 letting year*
- *The 2021-22 academic year – what is likely to happen?*
- *International students – what is happening now and in future?*
- *The NUS/Unipol Accommodation Costs Survey – main findings and behind the headlines*
- *Post-pandemic, have university campuses lost their mojo?*
- *Are utility-inclusive rents an open cheque for suppliers?*
- *International students – what happened this year?*
- *Students with families – advice, housing supply and demand*

During 2021, a new free course was introduced for operational staff to improve their understanding of the specialist nature of student accommodation. *Understanding higher education and the National Codes for PBSA* had 70 enrolments in 2021.

Members of the Code for Non-Educational Providers are now required to train their staff in mental health crisis management. Additionally, they can avail themselves of Mental Health First Aid training provided by Unipol (42 enrolments in 2021). Code members also receive discounted access to training courses provided by Unipol. In 2021, there was a particularly positive take-up for:

- *The law and student housing*
- *Understanding health and safety in PBSA*

Advocacy and research

The secretariat for the National Codes sits within the student housing charity Unipol Student Homes, which has a research and advocacy arm focussed on advancing understanding of the needs of students and the sector.

For the benefit of its members, the National Codes website routinely provides ready access to publications by Unipol and other national agencies engaged in higher education and student housing research. In 2021, these included:

- *International students and factors affecting accommodation in the UK*, Unipol, September 2021
- Student Academic Experience Survey 2021, Higher Education Policy Institute, June 2021
- *Accommodation Costs Survey*, Unipol/National Union of Students (NUS), December 2021

The Accommodation Costs Survey is a triennial report that analyses rents and other costs in PBSA across the UK. The 2021 results shone a light on the housing affordability challenge facing many students: the average PBSA rent outside London accounted for 72 per cent of the maximum student loan, or 88 per cent in London. Recommendations from the report included:

- wider provision of targeted accommodation bursaries
- maintaining some affordable stock and choice
- recognition in public policy that student accommodation has a special enabling status.

Code complaints, investigations and tribunals

The Codes complaints procedure follows a three-stage process. This provides for cases to be escalated as necessary:

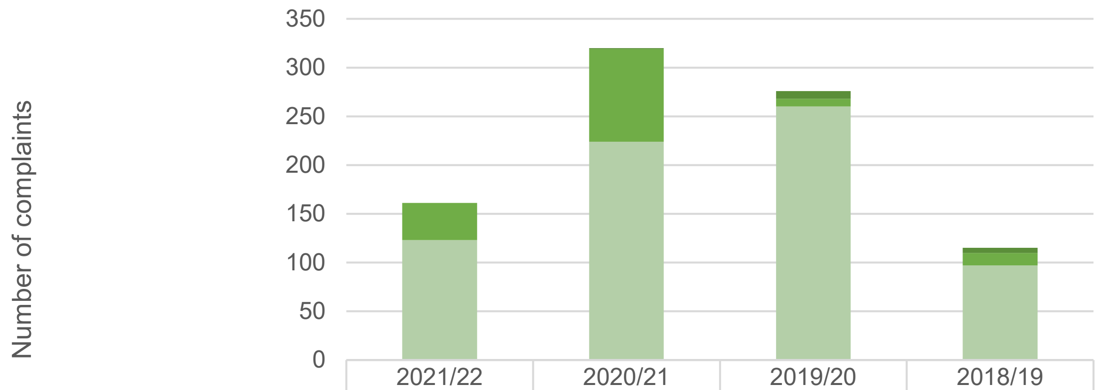
Complaints process: three-stage process

Stage 1: Member internal review	Member notified of an issue, to be addressed by their own complaints processes
Stage 2: Refer to the Code Complaints procedure	Where complaints/allegations remain unresolved after four weeks or are contested, they are referred to the Complaints Investigator. Further investigation is conducted.
Stage 3: Independent Tribunal	If unresolved at Stage 2, the complaint is passed to an independent tribunal. The Tribunal determines whether the Code has been breached and what sanctions will apply to the member.

Complaints activity 2021/22

In 2021/22, there were 161 complaints to the National Codes. All cases have now been closed. Most were resolved by the providers themselves through internal review (Stage 1); 123 were resolved by the provider; and 38 were escalated to the Code Investigator (Stage 2). As shown in Figure 6, the number of cases escalated beyond the provider peaked in 2020/21, reflecting the exceptional circumstances created by the pandemic. The activities of Code Investigators continue to be an important element of the self-regulation of the sector.

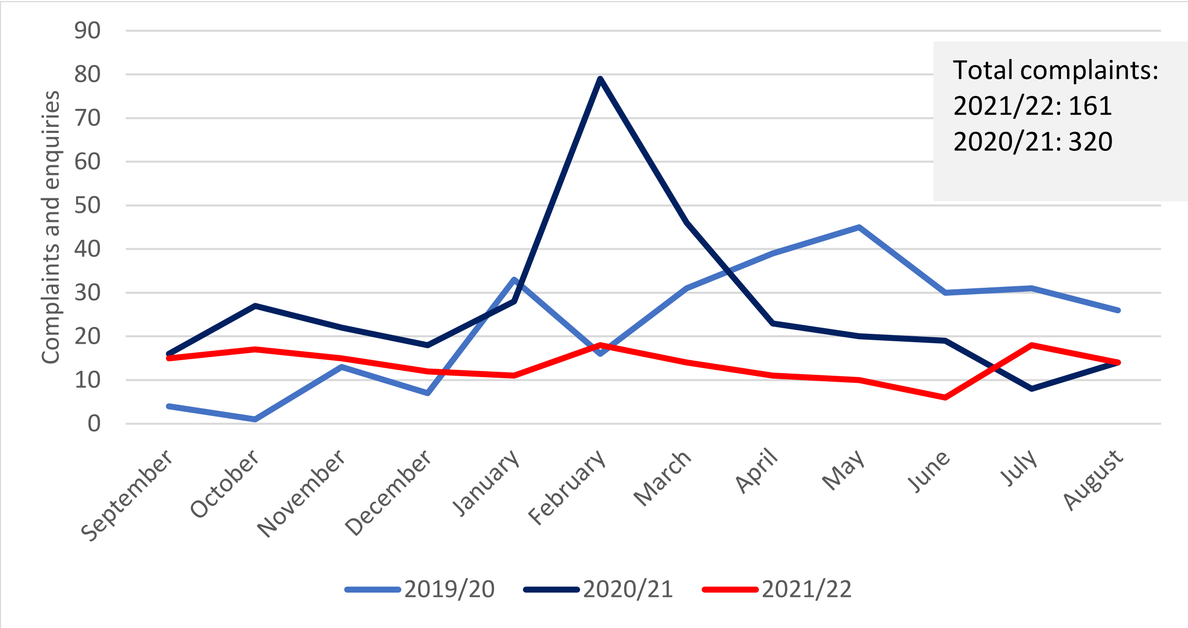
Figure 6: Complaints and investigations



	2021/22	2020/21	2019/20	2018/19
3. Complaints Resolved by Tribunal	0	1	8	5
2. Complaints Resolved by Code Investigator	38	95	8	13
1. Enquiries closed / resolved by Provider	123	224	260	97

The level of complaints and enquiries received in 2021/22 has returned to pre-pandemic levels, with a peak of complaints at 320 in 2020/21. Throughout the pandemic, all complaints were responded to consistently according to standard processes.

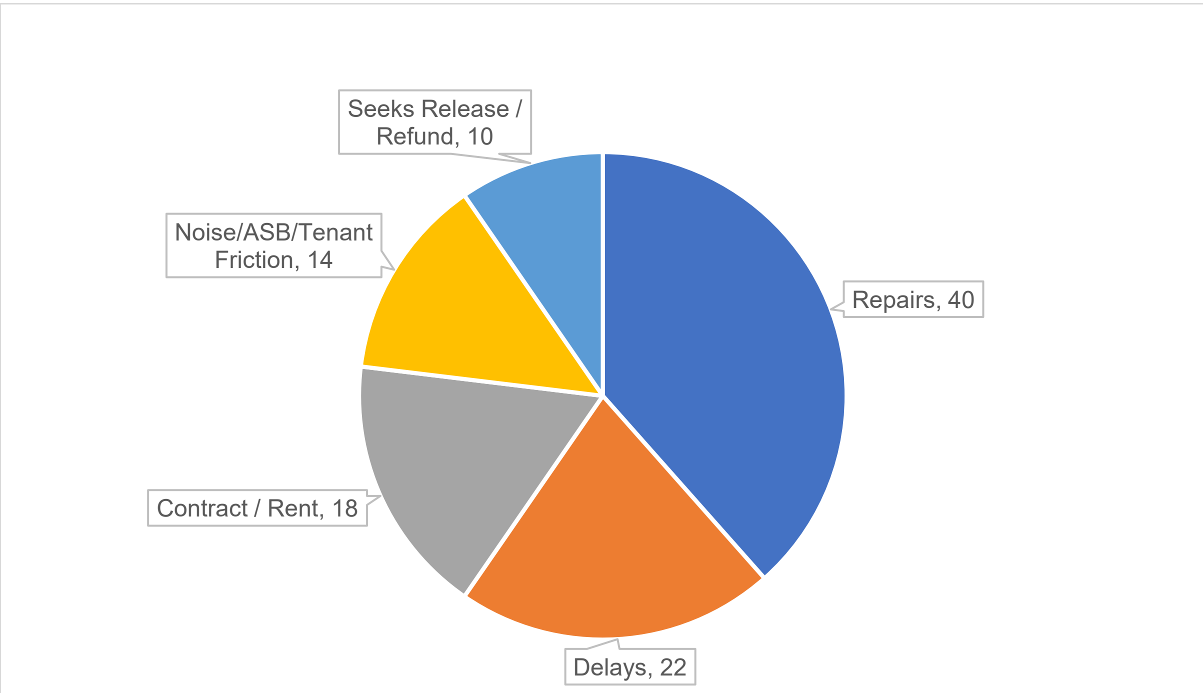
Figure 7: Complaints and enquiries by month 2019/20 to 2021/22



The lower number of complaints made in 2021/22 is attributable to the high level of contract release and rent refund activity in 2019/20 and 2020/21. Of the 320 complaints/requests recorded for 2020/21, 174 were requests for contract release. This contrasts with just 10 such requests made in 2021/22. The high level of variance is strongly linked to the pandemic.

The top reasons for complaints and enquiries made in 2021/22 are shown in Figure 8.

Figure 8: Top reasons for complaints/enquiries 2021/22 (by percentage)



Further information on the number and type of complaints received is available on the National Codes website.

The Complaints Tribunal: decisions and audit outcomes

The National Codes website contains details of the cases which have been upheld through the Tribunal and Audit Panel processes. Details of all upheld decisions are posted on the Tribunal and audit outcome web pages, and remain there for three years. The Tribunal upheld three complaints in the 2021/22 academic year.

Some key National Code highlights for 2021/22

The National Codes, influencing accommodation suppliers and government

Parliament approved a new National Code for private providers with effect from March 2022. Over the next three years, aims include developing a new self-assessment system for members; exploring with government a fuller redress system; and reviewing governance arrangements. The Scottish Government is in discussion with Unipol about a separate Code for Scotland.

ANUK

The Accreditation Network UK will be restructured and retained as an important national umbrella for UK-wide accreditation. Its website will be reviewed and a new ANUK Advisory Committee established

.

Regulation

Regulation and health and safety requirements for high-rise residential buildings have become significantly more rigorous in the wake of the Grenfell tragedy, particularly in the area of fire safety. Most PBSA falls within the categories of building affected. Further extending the regulatory regime, the *Building Safety Act 2022* will require each building to be certificated through a new system of checks carried out by a Building Safety Regulator every five years. Registration for existing buildings will open in April 2023. All new buildings after that date will need to comply on completion.

Student support and wellbeing

The requirement to improve staff training on mental health became operational in 2020. Although the private sector still lags behind universities in wellbeing provision, the gap has narrowed since 2018. MHFA training (or equivalent) is now at the same level as university provision (*Accommodation Costs Survey*, p.71)

A new student advisory system

By 2026, we aim to lay the foundations of a national student advice system, developed as part of the National Codes regulatory role.

The student advice service will give better information on students' housing options and costs

Looking forward: opportunities and challenges in 2022/23

Shifting terrain

The changing role of PBSA

The changing profile of the private PBSA sector is characterised by continuing, albeit slower, expansion and by concentration of around 50% of supply in the hands of six large operators.

Higher education institutions (HEIs) increasingly rely on private developers to house their first-year students. In the wake of Covid, the number of long- or medium-term formal arrangements between HEIs and private PBSA providers (often known as *underwrites*) has been in decline. One consequence of this is that direct lets of private PBSA to returning students are increasing and thereby squeezing the availability of accommodation available for newly arriving first-year students.

Aside from the rising cost of energy in all-inclusive rents, pressures in the market are likely to increase rents in rooms that lie outside underwrite agreements as operators factor in a greater risk of voids.

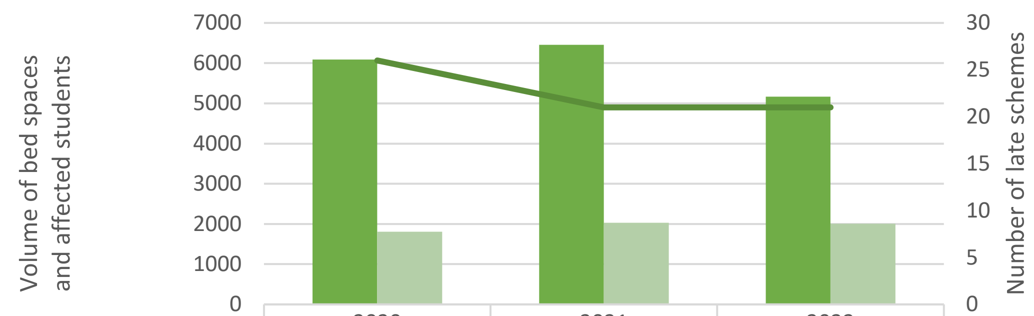
Construction and development of new bed spaces continue to be impeded by supply chain issues which began during the pandemic, but are now exacerbated by materials shortages and cost inflation.

Providing clear guidance to providers in the event of construction/refurbishment delays and late delivery are key areas of focus for the Codes.

Late buildings

In 2021/22, the Code team was informed of 21 new buildings that were delivered too late for students to occupy at the start of their contract. These buildings contained 6,454 bed spaces and late delivery affected 2,034 students. Although the number of schemes had reduced from 26 in the previous year, the aggregate volume of bed spaces in the schemes has increased, as shown in Figure 9. For the current academic year (2022/23), at 21, the number of schemes affected is the same as for 2021/22.

Figure 9: Late buildings and implications



	2020	2021	2022
Number of Late Bed Spaces	6090	6454	5163
Number of Affected Students	1810	2034	2007
Number of Late Buildings	26	21	21

As noted earlier, the new Code from September 1st 2022 provides for affected students to receive higher levels of compensation.

Operating and utility costs

Some providers will feel the impact of utilities cost inflation sooner than others, because of variability in energy contract terms and fixed term deals. Rising energy costs have probably not been passed on to students in 2022/23, but are likely to be fully factored into rents for 2023/24. In time, when combined with other pressures in the system, major hikes in inclusive rents/utility bills may make living away from home prohibitive for poorer students and may threaten the ambitions of the higher education sector's widening participation agenda. Notable among these other pressures is the prevalent shortage of bed spaces, which could push rents higher.

Slowdown in the delivery of new bed spaces

In 2022, the delivery of new bed spaces is slowing. The market had anticipated a post-Covid bounce as developers caught up with their planned trajectory, but this has not materialised. The economic shock from the October mini-budget has constrained development further. As a result, the number of new student bed spaces entering the sector will be significantly down in 2022/23. In London, the slowdown is further complicated by the impact of the London Plan, Policy H15.

The London Plan – Planning Policy H15

The impact of the London Plan and the requirements for providers to link their accommodation schemes to university demand is yet fully to emerge. However, there is initial evidence that the plan to deliver affordable accommodation is being held back by the ability of universities to engage with the plan, and interpretation of the mechanisms of Policy H15 (where affordability is set on rents inclusive of energy and other services) means that the shortfall in supply in London may be compounded. The 'price cap' for affordable rooms also includes utilities and, as those costs have risen significantly, this may result in a rent that is no longer economically feasible.

The Greater London Authority (GLA) is currently considering representations made to it in respect of the impact of Policy H15 to regulate the development of PBSA in the capital. Currently, stalling supply is exerting additional upward pressure on rents for existing accommodation.

Cities where there are severe constraints on supply

At the start of the 2022/23 academic year, several major HEIs ran out of bed spaces in their host cities. These include the Universities of Glasgow, Edinburgh, Manchester, York and Bristol. Affected students have often been temporarily housed in towns/cities remote from their place of study. This is inevitably a highly disruptive experience for them domestically, academically, socially and emotionally.

More flexibility on contracts

ANUK/Unipol are working with the sector to urge greater flexibility in contract lengths to make the most efficient use of rooms for the entire year, particularly where there are accommodation shortages. Some HEIs are continuing to recruit postgraduates on a calendar-year basis. That these cohorts of new students need to enter the market in January may encourage HEIs to show more latitude in allowing students to leave their contracts as a result of a change in circumstances.

Review of the Code for Educational Establishments

Hard on the heels of reviewing the Code for private providers, the Code for Educational Establishments is now being reviewed. Work on this began in April 2022.

This review aims to import into the Educational Code many of the student benefits on disability, late construction and mental health and well-being provision that are now in the Code for Private Providers. Additional clauses will relate to encouraging co-operation on mental health and wellbeing between university and private providers in line with the DfE initiative led by Professor Edward Peck as its Student Support Champion.

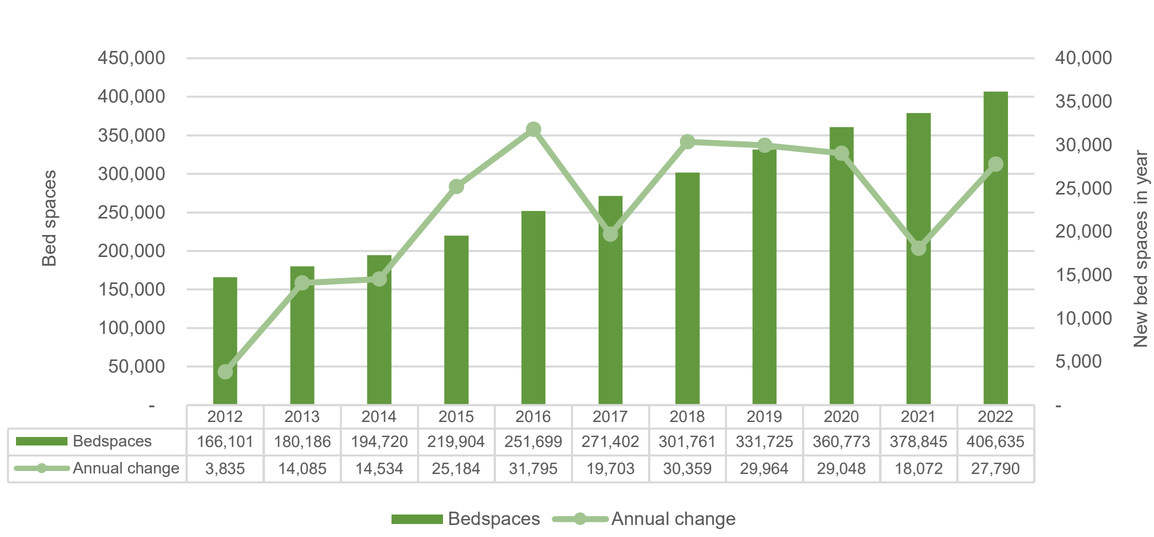
Consultation on proposed changes is anticipated during autumn 2022 with a view to submitting a final draft document to DLUHC for its consideration by the end of 2023.

Membership of the Codes

Volume of bed spaces covered by the National Codes

There are now 406,635 bed spaces covered by the Codes, and Code membership is rising steadily over time. The total size of the PBSA sector in 2022 is 697,734 according to Cushman & Wakefield in 2022.[1] This means that 58 per cent of the whole sector's bed spaces are members of the two Codes operated by ANUK/Unipol. Most of the remainder are members of the UUK Code. It is estimated that 97% of PBSA bed spaces are within one of the three Codes.

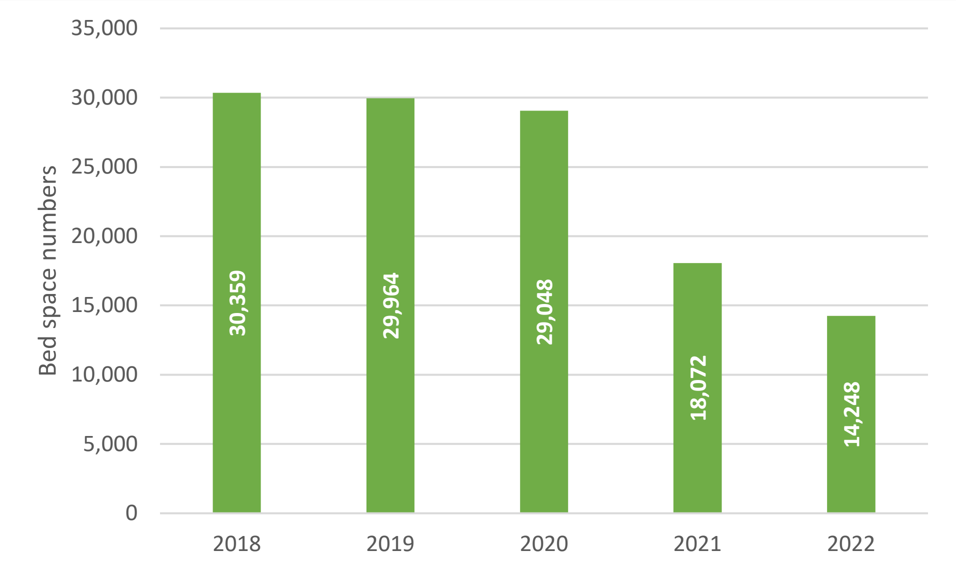
Figure 10: Volume of bed spaces covered by the Codes 20012-22



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Bedspaces	166,101	180,186	194,720	219,904	251,699	271,402	301,761	331,725	360,773	378,845	406,635
Annual change	3,835	14,085	14,534	25,184	31,795	19,703	30,359	29,964	29,048	18,072	27,790

From summer 2018 to summer 2020, around 30,000 new bed spaces were added each year. This figure dipped to 18,000 in 2021. The fall was initially attributed to delays caused by Covid operating difficulties, but the persistence of low figures of new-build PBSA into 2022 (14,248) gives the lie to that theory.

Figure 11: ANUK/Unipol National Codes: new bed spaces 2018-22



[1] Cushman & Wakefield Student Accommodation Annual report 2022.

At the same time that the supply of new PBSA provision is falling, more existing bed spaces are being withdrawn for upgrading or remedial works. For 2022/23, it is estimated that 10,000 beds left the sector for this reason.

The number of new beds coming into commission in 2023 is likely to be similar to 2022. Beyond that, two strong headwinds will come into play:

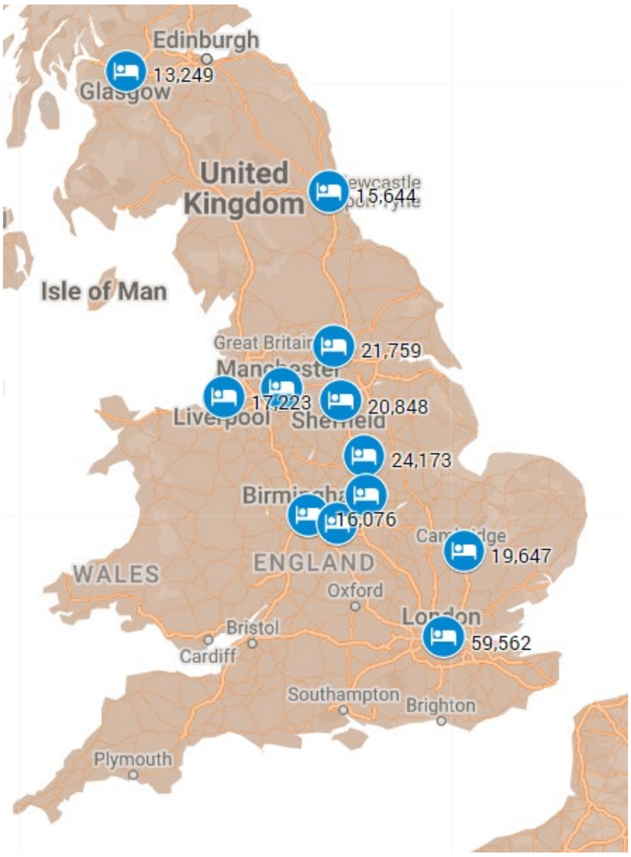
1. increases in construction costs; and
2. rising gilt rates amid major recent uncertainties in the financial markets – the level of gilt rates affects the funding that underpins the development of new PBSA beds.

Taken together, these factors will further slow development until at least 2025.

Largest cities

The city with the largest number of bed spaces in the Code is London with 59,592 beds. The total bed spaces in the top ten cities amount to 225,562, equating to 55 per cent of the bed spaces in the Code.

Figure 12: Top ten locations for Code bed spaces



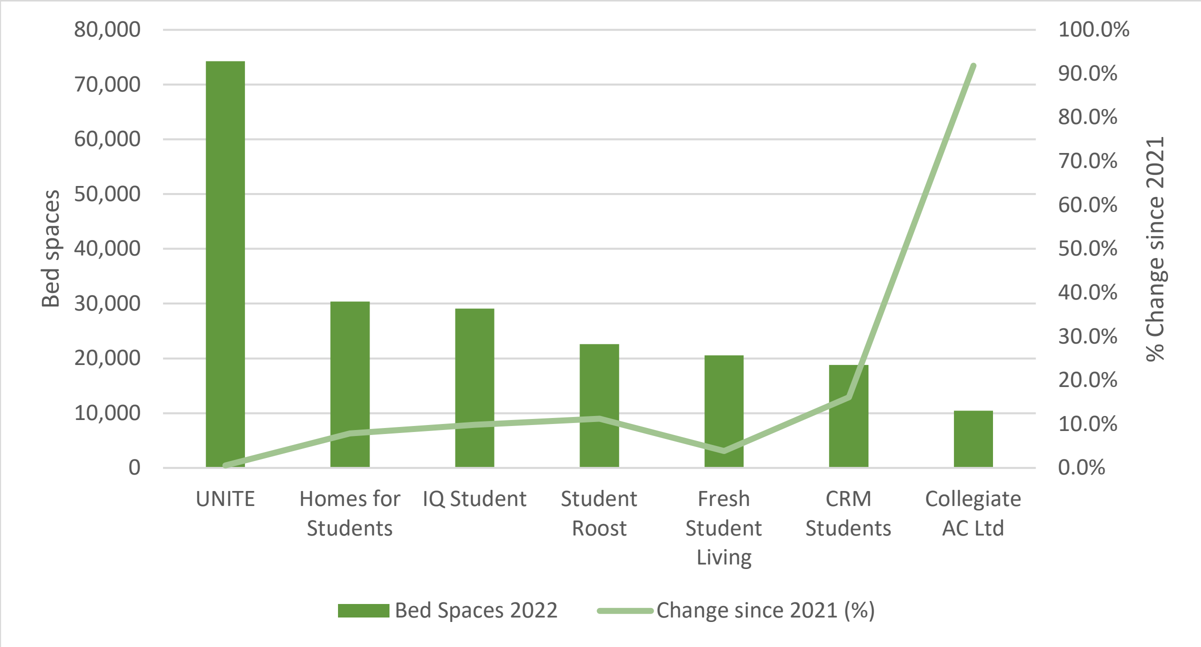
City	Bedspaces
London	59,562
Nottingham	24,173
Leeds	21,759
Sheffield	20,848
Cambridge	19,647
Liverpool	17,223
Birmingham	16,076
Manchester	16,004
Newcastle	15,644
Coventry	14,626

Largest members

The top seven largest members by number of bed spaces are shown in the following chart. They represent 51 per cent of the total bed spaces registered under the Code. UNITE Student plc is by far the largest at 74,273 bed spaces. The fastest growing of these large operators is Collegiate AC which almost doubled in size in 2021.

Members work to a variety of operating models. UNITE, iQ and Student Roost own and operate their own rooms, while Homes for Students, Fresh, CRM and Collegiate operate portfolios on behalf of other independent investors ('third-party operators'). This mixed model and the rise of third-party operators are indicative of the strength of the investment market and the appetite of many UK and international investors to get involved in the provision of student accommodation.

Figure 13: Top seven providers by bed spaces in 2022

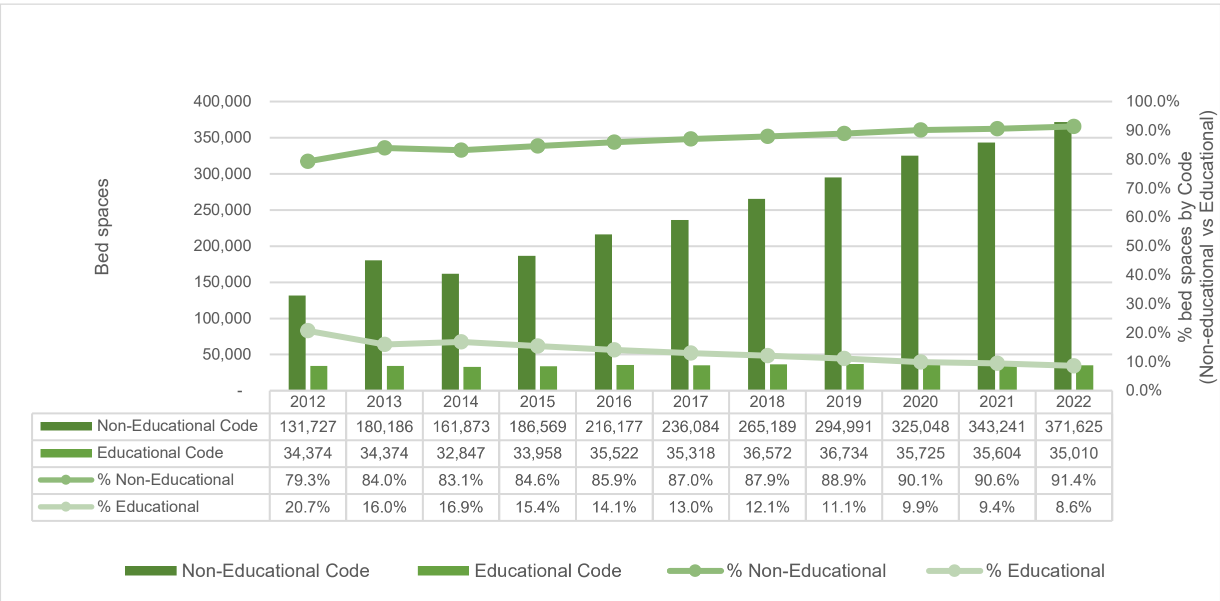


Membership profile

Of the 406,635 bed spaces covered by both National Codes, 91 per cent (371,625) fall within the Code for Private Providers. Private sector provision of bed spaces is growing quickly over time and gaining market share. Figure 14 illustrates just how vigorous expansion is in the private sector: an increase of 65 per cent (or 239,898 additional bed spaces) since 2012/13.

The number of bed spaces in the Code for Educational Providers has changed very little in the ten-year period of the data (636 bed spaces or 1.8 per cent change).

Figure 14: Bed spaces by Code (Educational and Non-Educational)

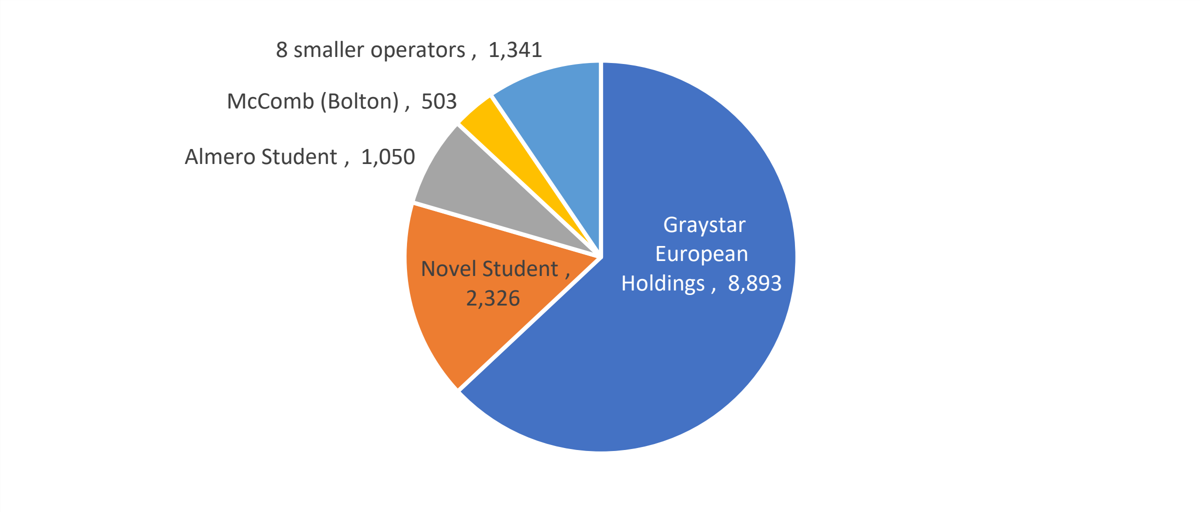


	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Non-Educational Code	131,727	180,186	161,873	186,569	216,177	236,084	265,189	294,991	325,048	343,241	371,625
Educational Code	34,374	34,374	32,847	33,958	35,522	35,318	36,572	36,734	35,725	35,604	35,010
% Non-Educational	79.3%	84.0%	83.1%	84.6%	85.9%	87.0%	87.9%	88.9%	90.1%	90.6%	91.4%
% Educational	20.7%	16.0%	16.9%	15.4%	14.1%	13.0%	12.1%	11.1%	9.9%	9.4%	8.6%

New members

In the year ending 30 June 2022, the Codes welcomed 12 new members, who together added 14,113 bed spaces to the total. The largest new member is Greystar (8,893 bed spaces).

Figure 15: New members by bed space numbers



Other changes in membership

Two private sector members were removed in 2021 as part of the Code compliance processes:

- **Clever Student Lets** was removed following failures to comply with Code requirements that were identified at a visit to their Armada House development in July 2021. In particular, they failed to provide:
  - evidence to show what actions had been completed following a fire risk assessment for the building
  - test/inspection certification for the building's fire alarm and emergency lighting systems.

  (Armada House itself consists of 24 bed spaces, but Clever Students as a whole were operating a total of 157 beds.)

- **MARA Inc** was suspended as a consequence of serious failings with fire doors at their single development, Beaumont House (92 bed spaces). These were identified during a visit to the property. The member accepted that repairs were necessary, but could not commit to undertaking the work until the owners of the building had given the go-ahead.

These suspensions demonstrate the robustness and effectiveness of the National Codes management and governance machinery in identifying and dealing with material risks posed to student occupants by members' non-compliance with specified standards.

Where non-compliance is found, the relevant local authority is informed for any regulatory action as are local educational institutions whose students might be affected.

Over the year a number of members withdrew from the Codes. These withdrawals represent natural changes to membership as providers exit the market, mainly as a result of the sale of accommodation to other members and an expected churn of bed spaces in the market.

Figure 16: Withdrawal of members 2021

Members	Bed spaces
INTO UEA	431
BOHO Management Ltd	399
Hamstead Campus Ltd	355
Condor Properties	281
Omnia Estates	279
Severns Ltd	254
OpenArch Properties Ltd	111
Bay View Breeze	60
Stoney Street LLP	30
Kelham Property Management	20

A full list of members is attached as Appendix 1.

Governance

The Codes Consortium

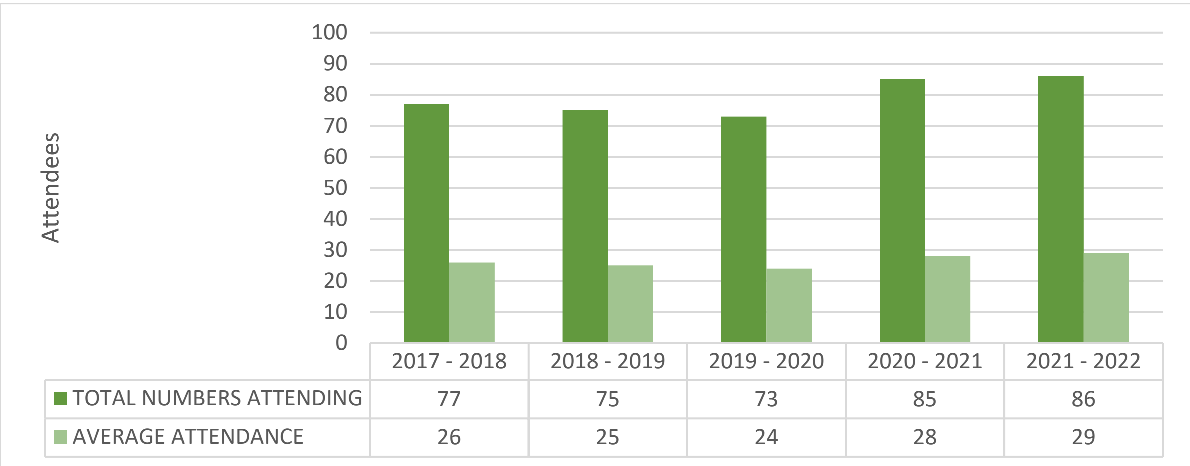
The Codes Consortium has joint ownership of the Codes and includes Unipol, the Accreditation Network UK and the NUS. The Consortium is responsible for the overall governance and operations of the Codes, and appoints the Chairs of the Tribunal and Audit Panel.

In 2021, the Consortium approved changes to the non-educational Code and appointed the barrister, Mr John Martin as the Chair of the Tribunal for a further three years.

Committee of Management

The Committee of Management has overall operational responsibility for the functioning of the Codes. Three meetings are held each year. Attendance is good and improving. In 2021/22, there were a record 86 attendances, an increase of 12 per cent on 2017/18. This represents an average attendance of 29 members at each meeting, compared to 26 in 2017/18.

Figure 17: Attendance at Committee of Management meetings



Audit Panel

The National Codes Audit Panel includes the 12 members of the verification team, each of whom either has direct experience of managing student accommodation or is a former environmental health officer. The Audit Panel has two independent co-chairs who oversee proceedings. The Audit Panel met on six occasions between the start of July 2021 and the end of June 2022.

Figure 18: Audit Panel: current membership

Panel Member
Ms Claire Baxter – Co-Chair
Mr Richard Kington – Co-Chair
Mr Scott Blakeway - verifier
Ms Elizabeth Beattie – verifier
Ms Mary Bright – verifier
Ms Wendy Evans & Mr Darren Smith – Cambridge Colleges
Mr Derek Goss – verifier
Mr Richard Lord – verifier
Mr Philip Moxon – verifier
Mr Jakub Pietruszewski – verifier
Mr David Robertson – verifier
Mr Nick Stanton – verifier
Ms Victoria Tolmie-Loverseed – Unipol
Mr William Wilson – verifier
Vacancy – NUS

Credentials

- two former Environmental Health Officers (Richard Lord and Philip Moxon)
- three have previously been regional managers or directors involved in the management of privately-operated PBSA developments (David Robertson, Scott Blakeway, Nick Stanton)
- four have been heads of service of university-owned and-operated accommodation (Elizabeth Beattie, Mary Bright, Derek Goss and William Wilson)
- one currently manages PBSA developments for Unipol (Jakub Pietruszewski)

It is likely that a further four verifiers will be added to the team during 2022/23.

Tribunal membership

The Tribunal membership is made up of a Chair, two Vice-Chairs, and representatives of the Codes Consortium and Committee of Management. Referrals are made initially to the Chair of the Tribunal, who has the power to determine whether to involve the Vice-Chairs and/or request a hearing of the full Tribunal. Hearing proceedings formally provide for the participation of representatives from the relevant students' unions, educational establishments and local authorities.

The current Tribunal Chair, Mr John Martin (a barrister and acknowledged expert in the field of housing law) has occupied the office since the Tribunal first came into operation.

The Chair is supported by two Vice-Chairs, who are reappointed on a regular basis. Usually, one of these posts is nominated by the NUS, whilst the other is nominated from the provider members on the Committee of Management.

The Tribunal provides for a further six members, nominated by provider members of the Committee of Management and by the Codes Consortium. Current members serving in this category are:

Ms Jane Crouch (Fresh Student Living)
Mr Alan Hilton (Cass and Claredale Halls of Residence Association Ltd)
Ms Nikki Verity (Unipol)

Further consideration is being given to the most appropriate and effective means of recruitment to help fill the vacant posts.

Looking further ahead

Across the next three years, the organisation's aim is to lay the foundations of a national student advice system, developed as part of the National Codes regulatory role. This student advice service will give better information on students' housing options and costs.

In the light of growing accommodation shortages across the UK, over the next year, it is hoped that a 'traffic light' system can be developed to tell students where there are shortages and how it might affect them across a letting year.

Appendix 1: List of members

The Code for Educational Establishments

Backstage Academy
Blackpool and Fylde College
Chichester College
Christ's College, Cambridge
Churchill College, Cambridge
Clare College, Cambridge
Clare Hall College, Cambridge
Corpus Christi College, Cambridge
Darwin College, Cambridge
Downing College, Cambridge
Emmanuel College, Cambridge
Fitzwilliam College Cambridge
Foundation for International Education
Girton College, Cambridge
Gonville & Caius, Cambridge
Homerton College, Cambridge
Hughes Hall, Cambridge
Jesus College, Cambridge
King's College, Cambridge
Leeds Beckett University
Loughborough College
Lucy Cavendish College, Cambridge
Magdalene College, Cambridge
Murray Edwards College, Cambridge
Newnham College, Cambridge
Nottingham Trent University
Pembroke College, Cambridge
Peterhouse, Cambridge
Queens' College, Cambridge
Robinson College, Cambridge
The Royal Veterinary College
SCIO
Selwyn College, Cambridge
Sidney Sussex College, Cambridge
Stranmillis University College
St Catharine's College, Cambridge
St Edmund's College, Cambridge
St John's College, Cambridge
Trinity College, Cambridge
Trinity Hall, Cambridge
University of the Arts, London
University of Chichester
University of Greenwich
University of Hertfordshire
University of Leeds
Warwickshire College
West Dean College
Westminster College, Cambridge
Wolfson College, Cambridge

The Code for Non-Educational Providers

A2 Dominion Group Ltd
Abodus
Affordable Accommodation for Students
Almero Student
Amro Property Management
Aparto
APS Properties
Ashwell House
ASN Capital Lettings Ltd
Axo Student Living
Baaz Properties
Beyond the Box Student Limited
Boudicca One Ltd
BPS Developments
Campbell Property
Campus Living Villages
Cataylst
City Block Ltd
Cityheart Living (Scotland) Limited
Cloud Homes
Code Student Accommodation
Collegiate AC Ltd
Congregational Federation
Cotton House Management Company
CRM Students
Derwent Students
Digs Student
Downing Students
Dwell Student Living
Fawleybridge Student Accommodation
FHP Student Living
FD Asset Management Ltd
Flare
Fresh Student Living
Gather Students Ltd
Glenfern Student Lets
GLSP
Goodenough College
Guy Chester Centre
S Harrison Group Ltd
Hello Student Management
Herbal Hill Ltd
Homelets Bath
Homes for Students
Host Student
Iconinc
Infrastructure Investments Ltd
INTO Newcastle University
IQ Student Accommodation Services Ltd
Kaplan NT Ltd
Kexgill
Lee Abbey London
LIV Student
Loc8me
Manor Villages
Mansion Property Management
McComb (Bolton) and McComb Students
Mears Student Life
Megaclose Ltd
Mezzino
Nido Student
Njoy Student Accommodation
Northend Management Ltd
Novel Student
Nurtur Student Living
Optivo
Osborne Developments
Parklane Properties
Portergate Property Management
Prime Student Living
Primo Property Management
Realstar Management (UK) Limited
Reed Residential Ltd
Sanctuary Students
Scape Student Living Ltd
The Stay Club Limited
Student Beehive
Student Castle Ltd
Student Cribs
Student Facility Management Limited
Student Living by Sodexo
Student Roost
Study Inn
SuperUni Housing
TJ Thomas
Torsion Students Ltd
True Student Limited
U Student Group Ltd
Unilife
Uni2rent Ltd
Uninn Student Accommodation
Union House Management Co
Unipol Student Homes
UNITE
Universal Student Living
UPP Broadgate Park Ltd
UPP Nottingham Ltd
Urbanest UK Ltd
Vita Student Management Ltd
West One Student Accommodation
Yara Capital Limited
Yugo
Zebra Housing Association
Zone Management