
NORTH AYRSHIRE COUNCIL

14 September 2021

Audit & Scrutiny Committee

Title: Annual Assurance Statement to the Scottish Housing Regulator 2020/21

Purpose: To advise the Committee of the Council's Annual Return on the Charter 2020/21 submission, and request endorsement of the Annual Assurance Statement to be submitted to the Scottish Housing Regulator.

Recommendation: That the Committee: (i) notes the Annual Return on the Charter submission 2020/21; (ii) notes the supporting evidence provided to demonstrate compliance with the regulatory framework; (iii) notes the Council's non-compliance with our legal gas safety responsibilities due to the COVID-19 pandemic, but also notes that all outstanding gas safety checks for 2020/21 have now been carried out; and (iv) authorises the Chair to sign the Annual Assurance Statement at Appendix 1.

1. Executive Summary

- 1.1 The Scottish Housing Regulator's framework for the regulation of social housing in Scotland includes the requirement for an Annual Assurance Statement to be submitted alongside the Annual Return on the Charter (ARC). The statement must be approved by the appropriate Committee within the organisation prior to submission.
- 1.2 This report provides information on performance reported in the ARC, highlighting areas of high or improving performance, declining performance or requiring improvement, and one area of non-compliance directly attributable to the COVID-19 pandemic. The report also provides information on how the Council gains assurance that it is compliant with the Regulatory Framework.
- 1.3 Endorsement of the Annual Assurance Statement will ensure that the Council complies with regulatory requirements set out in the Housing (Scotland) Act 2010.

2. Background

- 2.1 The Housing (Scotland) Act 2010 sets out the statutory objectives, functions, duties and powers of the Scottish Housing Regulator (SHR), a non-ministerial department responsible for regulating social housing in Scotland.

- 2.2 In 2012, the Scottish Government's Social Housing Charter was established. It sets out the standards and outcomes that tenants, homeless people, homeowners and gypsy/travellers can expect from social landlords. This is monitored via landlords' ARC submissions to the SHR.
- 2.3 In February 2019, the Scottish Housing Regulator issued a revised framework for the regulation of social housing in Scotland. The new framework includes the requirement for landlords to submit an Annual Assurance Statement which has been agreed by a Board or Committee within the organisation. The Council must provide assurance that it complies with the relevant requirements of Chapter 3 of the Regulatory Framework.
- 2.4 The Assurance Statement is confirmation that, as a landlord, the Council:
- meets all legal duties and responsibilities, and adheres to relevant guidance and the requirements of other regulators
 - meets its statutory duties to prevent and alleviate homelessness
 - adheres to statutory guidance from the Scottish Housing Regulator
 - takes account of regulatory advice from the Scottish Housing Regulator and from other regulators
 - Complies with all regulatory requirements.

The Council must also confirm plans to fix any instances where there is a material non-compliance and notify the SHR about any material changes in their level of assurance during the year.

- 2.5 In August 2020, the Scottish Housing Regulator published advisory guidance to assist landlords to adapt their approach to the submission of the AAS to reflect the impact of the pandemic. They requested that landlords include their position in relation to equalities and human rights in the 2021 Annual Assurance Statement. At that time it was anticipated that the guidance on equalities data collection would be available to landlords, however the impact of the COVID-19 pandemic has slowed the production of that guidance, and it is not yet available. The Regulator is also producing guidance on equalities data collection, and jointly developing a briefing on the right to housing.
- 2.6 In recognition of this position, the SHR has requested that landlords provide assurance in their Statement that they have appropriate plans to implement an effective approach to the collection of equalities information and that they have started to consider how they can adopt a human rights approach in their work.

Performance

- 2.7 The revised performance framework issued in early 2019 resulted in the removal of some historical indicators, introduction of new performance measures and changes in some methods of calculation.
- 2.8 Whilst comparative information from other local authorities for the 2020/21 ARC is not yet available, the 2019/20 comparisons from the Scottish Social Housing Charter show that North Ayrshire Council remains a high performing local authority housing service. Of the 37 indicators reported in 2019/20 ranked against other Scottish local authorities, North Ayrshire is in:
- The top quartile for 21 indicators (56.76%)

- The second quartile for 5 indicators (13.51%)
- The third quartile for 7 indicators (18.92%)
- The bottom quartile for 4 indicators (10.81%)

- 2.9 It was reported in the 2019/20 Annual Assurance Statement report that levels of performance were unlikely to be maintained or improved in the 2020/21 ARC return, due to the impact of the COVID-19 pandemic. This position should, however, be reflected nationally. When the 2020/21 comparisons are published, indicators will be scrutinised to determine areas where this is not the case, and improvement plans developed.
- 2.10 The areas highlighted below key areas of high/improving performance and areas where there has been a decline or improvement is required.

Areas of high or improving performance

- 2.11 Tenant satisfaction is high in terms of overall services as a landlord, and opportunities for tenants to participate and keep informed about services and decisions. Performance in this area is based on our tri-annual tenant satisfaction survey, which is currently being undertaken to provide an updated position for the 2021/22 ARC submission.
- 2.12 The percentage of tenancy offers refused during the year has reduced from 49.61% to 32.99%. Whilst this is a positive change, it may be attributable to the fact that 58% of lets during 2020/21 were to homeless customers.
- 2.13 There has been some improvement in the adaptations process, with a reduction in the number of households waiting on an adaptation to their home from 84 in 2019/20 to 12 in 2020/21. The average number of days to complete an approved adaptation has also reduced from 62.96 to 54.79. A joint improvement group involving Housing, Building Services and Property Management and Investment Services, alongside the Health and Social Care Partnership, has been reviewing this process to consider ways to achieve the best outcome for tenants.
- 2.14 The Homeless Service continues to support services users to positive outcomes, with an 8.41% increase in tenancy sustainment for formerly homeless tenants from 2019/20 to 2020/21. Tenancy sustainment across all applicant types has also increased by 4.73%. Our cross-service response to service delivery has ensured we have been able to meet our statutory duty to provide temporary and permanent housing to people who are homeless.

Areas with a decline in performance or requiring improvement

- 2.15 The average length of time taken to complete emergency repairs increased from 2.96 hours in 2019/20 to 3.45 hours, and from 6.30 to 9.75 days for non-emergency repairs. This is directly attributed to the COVID-19 pandemic, with repairs taking longer due to safe systems of work and sanitising processes being put in place to ensure the safety of tenants and staff. Only emergency repairs were undertaken for the majority of 2020/21 due to the COVID-19 restrictions in place. When non-emergency repairs were reinstated, there was a substantial backlog which impacted response times, and satisfaction levels. Supply of materials also impacted some repairs. The 9.75 days for completion includes repair requests kept open during

periods of restriction, despite Building Services being unable to attend for health and safety reasons.

- 2.16 Satisfaction levels of tenants who had repairs or maintenance carried out in the last 12 months has decreased from 95.50% to 86.73% during the same period. This is based on responses from 98 tenants in 2020/21, compared to 1,534 the previous year due to the survey process being impacted during the pandemic. The wait times for non-emergency repairs during restriction periods is likely to have reduced satisfaction levels.
- 2.17 Whilst it appears that the number of court actions resulting in eviction has significantly increased from 6.77% in 2019/20 to 33.33% in 2020/21, this is because only a small number of court actions were initiated in line with COVID-19 guidance, for antisocial behaviour or other reasons.
- 2.18 The average time taken to re-let properties has increased from 26.26 days in 2019/20 to 27.13 days in 2020/21. This is in part due to the additional time required during the initial lockdown before operatives could safely enter a property prior to the introduction of electrostatic cleaning. Void performance has increased over recent years, partly attributed to the additional void works carried out for new tenants being rehoused through regeneration initiatives, where decoration, floor coverings and blinds are provided. A review of the void process is ongoing to identify improvements.
- 2.19 The percentage of antisocial behaviour cases reported during 2020/21 which were resolved was 82.97%, similar to the previous years' performance of 83.55%, when North Ayrshire were positioned in the third quartile. The method of calculation for the ARC was revised for the 2019/20 submission but does not consider that cases may open close to the end of the reporting year, or may be complex, and are therefore not closed in the same reporting year. Our internal performance reporting confirms that 98.3% of cases were resolved within target during 2020/21. There has been a 3% increase in reported antisocial behaviour since 2019/20, in the main due to reported breaches of COVID-19 restrictions.
- 2.20 Gross rent arrears as a percentage of rent due has increased from 3.65% in 2019/20 to 5.46% in 2020/21 despite ongoing communication with, and support to, tenants in arrears throughout the pandemic. Although we can see a slightly improved position in recent months, rent arrears accrued within the first 12 months of the pandemic are at a level where it will be extremely difficult for many households in North Ayrshire to recover from, given the impact COVID-19 has had on the economy and employment prospects.
- 2.21 During 2020/21 there was a 27% increase in tenants claiming Universal Credit. Whilst this increase is broadly similar to that of the previous financial year, the arrears attributed to these tenants (with technical arrears removed) has risen by 108%, in comparison to 35% the previous year. A review of our welfare rights and debt advice cases indicates that tenants in employment prior to the pandemic are experiencing significant financial difficulty due to the sudden unexpected reduction in income, which may explain the drastic rise in arrears for tenants claiming Universal Credit.

Area of non-compliance

- 2.22 1,228 properties did not receive their annual gas safety check within the statutory timescales in 2020/21. Our contractor initially ceased works due to concerns around the safety of their employees and their interpretation of the Scottish Government guidance. Following negotiation, safe working practices were put in place to minimise risk to tenants and employees. Notwithstanding this, there was an ongoing reluctance by some tenants to grant access to their property due to their concerns about risk of COVID-19 transmission.
- 2.23 Under normal circumstances, this level of non-compliance would be deemed material and merit a notification to the Regulator. We informed the SHR of the difficulties we were experiencing in April 2020. It was also recognised by the Scottish Housing Regulator that it may not be appropriate to proceed with forced entries and gas supplies, but that 'best endeavours' should be used to ensure compliance. As this non-compliance was a direct result of the COVID-19 pandemic and all efforts were made to ensure compliance at the earliest opportunity, it is not considered material. All outstanding gas safety checks from 2020/21 have now been carried out.

Assurance

- 2.24 The overall performance of the Housing Service is continuously reviewed by the Head of Service and Housing Senior Management Team, with key performance information and action plans presented to the North Ayrshire Network, Business Plan Implementation Group and Council's Cabinet regularly during each year.
- 2.25 Some ARC indicators also form part of the corporate performance monitoring framework, scrutinised by Chief Officers and elected members.
- 2.26 The Scottish Federation of Housing Associations (SFHA) Self Assurance Toolkit has also been utilised as a further method of self-assessment. The toolkit provides guidance to social landlords on gathering evidence to demonstrate compliance with regulatory requirements and standard and focuses on questions that governing bodies should ask to gain assurance that this is being achieved.
- 2.27 The ARC 2020/21, which can be accessed at [Annual Return on the Charter \(north-ayrshire.gov.uk\)](https://www.north-ayrshire.gov.uk/annual-return-on-the-charter), demonstrates the Council's performance against the outcomes in the Scottish Social Housing Charter.
- 2.28 Supporting evidence to demonstrate compliance with the regulatory framework and relevant legislation can be accessed at [AAS Supporting Evidence \(north-ayrshire.gov.uk\)](https://www.north-ayrshire.gov.uk/aas-supporting-evidence).
- 2.29 The Annual Assurance Statement, which is attached at Appendix 1, confirms that the Council has complied with the regulatory framework, all standards and outcomes. It highlights North Ayrshire's non-compliance with our legal responsibilities around gas safety. It also confirms the equalities data currently captured, and that North Ayrshire is considering how to adopt a more human rights approach into our work. This Statement will be made available to tenants as part of the Council's performance reporting process.

3. Proposals

- 3.1 It is proposed that the Committee (i) notes the Annual Return on the Charter submission 2020/21; (ii) notes the supporting evidence provided to demonstrate compliance with the regulatory framework and relevant legislation; (iii) notes the Council's non-compliance with our legal gas safety responsibilities due to the COVID-19 pandemic, but also notes that all outstanding gas safety checks for 2020/21 have now been carried out ; and (iv) authorises the Chair to sign the Annual Assurance Statement at Appendix 1.

4. Implications/Socio-economic Duty

Financial

- 4.1 None

Human Resources

- 4.2 None

Legal

- 4.3 Approval of the Annual Return on the Charter submission 2020-21 and supporting evidence, and signature of the Annual Assurance Statement, will ensure that the Council complies with regulatory requirements set out in the Housing (Scotland) Act 2010.

Equality/Socio-economic

- 4.4 None

Environmental and Sustainability

- 4.5 None

Key Priorities

- 4.6 None

Community Wealth Building

- 4.7 None

5. Consultation

- 5.1 Consultation has taken place with Services within Physical Environment, Directorate Performance, the Health and Social Care Partnership and the Scottish Housing Regulator during the preparation of the Annual Return on the Charter and Annual Assurance Statement.

RUSSELL McCUTCHEON
Executive Director (Place)

For further information please contact **Jacqueline Cameron, Senior Manager (Housing Strategy & Development)**, on **01294 485652**.

Background Papers

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North Ayrshire Council Annual Assurance Statement 2020/21



North Ayrshire Council complies with the requirements set out in Chapter 3 of the Regulatory Framework. North Ayrshire Council is assured that we:

- ✓ Adhere to relevant guidance and the requirements of other regulators;
- ✓ Meet our statutory duties to prevent and alleviate homelessness;
- ✓ Adhere to statutory guidance from the Scottish Housing Regulator;
- ✓ Take account of regulatory advice from the Scottish Housing Regulator and from other regulators; and
- ✓ Comply with all regulatory requirements, encompassing:
 - Assurance and notification
 - Tenant and service user redress
 - Whistleblowing
 - Equalities and human rights
 - Scottish Social Housing Charter Performance.

We did not meet our legal obligations around tenant and resident safety as we did not comply with gas safety legislation for 1,228 properties during 2020/21. Our contractor initially ceased works due to concerns around the safety of their employees and their interpretation of the Scottish Government guidance. Following negotiation, safe working practices were put in place to minimise risk to tenants and employees. Notwithstanding this, there was an ongoing reluctance by some tenants to grant access to their property due to their concerns about risk of COVID-19 transmission. As this was fully attributable to the COVID-19 pandemic and all efforts were made to ensure compliance at the earliest opportunity and appropriate records were kept, we have not considered this a material non-compliance. We did, however, notify the Scottish Housing Regulator of the difficulties we were experiencing in carrying out these checks in April 2020.

As a landlord, we collect data relating to protected characteristics for existing tenants, new tenants, people on waiting lists, governing body members, staff, people who apply to us as homeless and service users on our Gypsy/Traveller site. We are currently undergoing a system review and have incorporated equalities data into the brief to further develop our approach. We have also begun to consider how we can adopt a human rights approach in our work. We await guidance from the Scottish Housing Regulator to inform this further.

North Ayrshire Council's Audit and Scrutiny Committee has considered sufficient evidence to give this assurance. The Annual Assurance Statement was approved by Audit and Scrutiny Committee on 14 September 2021.

Authorised by: _____
Chairperson of the Committee

Printed name: _____

Date: _____