

**REPORT TO: BOARD OF MANAGEMENT OF SANCTUARY
SCOTLAND HOUSING ASSOCIATION LIMITED**

REPORT FROM: DIRECTOR - SANCTUARY SCOTLAND

DATE OF MEETING: 9 JUNE 2020

SUBJECT: ANNUAL RETURN ON THE CHARTER 2019/2020

1. Introduction

- 1.1 The purpose of this report is to submit the Annual Return on the Charter (ARC) for 2019/2020 for consideration by the Board of Management and to seek the Board's approval to the submission of the ARC to the Scottish Housing Regulator (SHR).
- 1.2 Following the review of the Regulatory Framework in 2018, some indicators changed for this year's submission. This includes gas servicing (where the number of failures are now requested), antisocial behaviour (with the removal of the 'within locally agreed timescales' wording) and an average day calculation for responding to Stage 1 and Stage 2 complaints.
- 1.3 The SHR has emphasised the need for data submitted in the ARC to be calculated in accordance with its published guidance.

2. Annual Return on the Charter

- 2.1 The ARC for 2019/2020 is attached at **Appendix 1**. Where appropriate, comments have been provided to clarify or expand on items in accordance with the guidance issued by the SHR. **Appendix 2** contains all indicators compared to 2018/2019 outcomes
- 2.2 Much of the information in the ARC will be familiar to Board of Management members from the regular performance reports submitted during the year. A comparison of selected indicators with the ARC from 2017/2018 and 2018/2019 indicates the following trends in key statistical or performance areas:

Indicator	ARC 2017/2018	ARC 2018/2019	ARC 2019/2020
Number of lets	562	792	602
Average days to re-let	22	25.4	21.9
Annual Rent Debit (£)	27.9 m	30.6 m	33.3 m
Void rent loss (%) (residential only)	0.42	0.43	0.46
Current tenant arrears (%)	6.69	5.75	6.28
Current tenant arrears (£)	1.8 m	1.7 m	2.1 m
Cash collected (%)	101.2	101.5	101.23
Rent increase (%)	2.7	3.7	2.7
Evictions	12	27	28
Abandonments	24	40	41
Emergency repairs completed	7132	6653	6551
Average time to complete emergency repairs (hours)	6.8	5.3	5.16
Average time to complete non emergency repairs (days)	8.3	7.8	6.55
Reactive repairs completed right first time (%)	77.6	90.7	92.58

2.3 Some of the key issues evident from this summary are:

- The number of lets has fallen during 2019/2020 due mainly to a reduction in the number of new build properties handed over during the year.
- In accordance with ARC guidance, current tenant arrears have increased as rental payments and housing benefit payments due for 2019/2020 but received after 1 April 2020 have not been included in the return.
- Cash collected again exceeded 100 per cent as an element of arrears

from last year has been collected this year.

- A more indicative current tenant arrears performance of 4.9% was provided by the BI team which included all payments made for the year. Early intervention by our Central Income Team and housing teams on arrears cases and excellent welfare rights advice and support to tenants in arrears has contributed to what should have shown as an improved performance.
- There were 28 evictions during 2019/2020, in many cases delays with Universal Credit payments and tenants not paying the housing cost element of the benefit resulted in eviction action.
- The majority of abandoned properties were again in Cumbernauld with 17 per cent being low demand flats in the Carbrain area of the town.
- There has been continued strong performance in completion of both emergency and non emergency repairs, and year on year improvements on reactive repairs completed right first time.

2.4 The ARC also contains a number of indicators of tenant satisfaction levels. A tenant satisfaction survey, consistent with the SHR's guidance, was been carried out during 2019 and in terms of ARC guidelines is valid for three years:

Satisfaction indicator	% of tenants satisfied 2017/2018	Current % of tenants satisfied
Overall service provided by landlord	82.4	76
Landlord is good at keeping tenants informed	88.8	89.4
Opportunities given to participate in landlord's decision making processes	80.5	89.9
Standard of home when moving in	84.7	97.9
Quality of home	82.1	81.7
Repairs and maintenance service	78.9	86.5
Management of neighbourhood	84.8	80.2
Rent is value for money	80.2	68.1

- 2.5 The online system for recording and submitting the ARC automatically cross-checks and validates data in different parts of the return.

3. Submission of the ARC

- 3.1 Guidance issued by the SHR indicates that the ARC must be approved by the governing body (or a committee with delegated authority) prior to being submitted. This year, the ARC requires to be submitted by 31 July 2020, more time has been allocated due to Covid-19 restrictions.

4. Appraisal

4.1 Risk management

- 4.1.1 RM 1 Welfare Reform; RM 3 Cost and income pressures; RM 9 Legislative / Regulatory: The ARC report on performance achieved, and submission to the SHR remains a regulatory requirement. The levels of performance are important to the organisation in terms of financial performance, quality of service to tenants and satisfying regulatory expectations. This contributes to the mitigation of a number of risks, including those associated with welfare reform, cost inflation and compliance. It is not anticipated that any of the performance levels reported will attract adverse comment from the SHR although this will, to an extent, be dependent on levels of performance reported by other landlords.

4.2 Impact on diversity

- 4.2.1 Diversity information is provided in the format, and level of detail, required by the SHR.

4.3 Value for Money

- 4.3.1 This report has no direct value for money implications.

5. Recommendation

- 5.1 Subject to clarification of any queries which Members may have, and any subsequent adjustments, the Board of Management is recommended to approve the terms of the Annual Return on the Charter for 2019/2020 and to authorise the Director to submit it to the Scottish Housing Regulator.