

## ABERDEEN CITY COUNCIL

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<b>COMMITTEE</b>	Communities, Housing and Public Protection Committee
<b>DATE</b>	05 September 2024
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	Annual Assurance Statement
<b>REPORT NUMBER</b>	F&C/24/243
<b>DIRECTOR</b>	Eleanor Sheppard
<b>CHIEF OFFICER</b>	Jacqui McKenzie
<b>REPORT AUTHOR</b>	Martin Smith
<b>TERMS OF REFERENCE</b>	1.1.1

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### 1. PURPOSE OF REPORT

- 1.1 To seek approval for the Council's Annual Assurance Statement for the year 2024/25, which must be submitted to the Scottish Housing Regulator by 31 October 2024.

### 2. RECOMMENDATION

That the Committee: -

- 2.1 Note the work undertaken to address areas listed in the Housing Regulator Engagement Plan (April 2023) to date;
- 2.2 Note the self-assessment against Regulatory standards contained in Appendix B; and
- 2.3 Approve the Annual Assurance Statement (Appendix A) report for submission to the Scottish Housing Regulator by 31 October 2024.

### 3. BACKGROUND

- 3.1 The Scottish Housing Regulator (SHR) has an established Regulatory Framework relating to housing services' performance. The Regulatory Framework includes the need for social landlords to:
- Submit an Annual Return against the Charter (ARC) in May of each year
  - Publish an Annual Assurance Statement (AAS) by the end of October of each year and make it available to tenants and other service users
  - Undertake a Customer Satisfaction Survey at least every three years
  - Notify the Regulator in year of any material changes to the assurance in its Annual Assurance Statement.

- 3.2 The SHR wrote to all Registered Social Landlords on 26 March 2024 to request that landlords confirm whether they meet all duties in relation to tenant and resident safety. In particular, that they have obtained appropriate assurance on their compliance with all relevant safety requirements within the AAS for 2024.
- 3.3 In addition, the Regulator has also asked that any landlords who have identified Reinforced Autoclave Aerated Concrete (RAAC) in their homes highlight if they do not have a plan in place to manage this in the yearly return.

### **HOW THE REGULATOR GAINS ASSURANCE**

- 3.4 Under the Housing (Scotland) Act 2010 the Scottish Housing Regulator is responsible for monitoring, assessing, and reporting on how well social landlords, individually and collectively, achieve the Charter's outcomes. In May of each year, Scottish social landlords are required to report on a suite of performance measures through the Annual Return on the Charter (ARC). The ARC provides information across standard core housing service performance indicators, contextual information and data gathered from tenant surveys. Completion of the ARC supports the Housing Service to self-evaluate its own effectiveness and compliance, and therefore identify areas for improvement.
- 3.5 The Regulator requires all social landlords to prepare and publish an Annual Assurance Statement (AAS) to confirm to tenants and the Regulator that they are meeting their statutory requirements and how well they are delivering against the Scottish Social Housing Charter (which essentially sets the standards and outcomes that all social landlords should aim to achieve when performing their housing activities) by October of each year. The AAS provides assurance that a robust system of governance is in place and helps the Regulator determine if there is a culture of continuous assurance and improvement.
- 3.6 Material changes reported by social landlords to the Regulator out with the established framework, such as Aberdeen City Council reporting of the identification of RAAC in properties, are assessed by the Regulator on a case-by-case basis.
- 3.7 Any areas of non-compliance reported are subject to on-going engagement between the Housing Regulator and Social Landlord until the risk is reduced or removed. For example, the last Aberdeen City Council Assurance Statement (2023) indicated that Aberdeen City Council was not compliant with the regulatory requirements around minimum site standards and fire obligations for our Gypsy/Traveller site at Clinterty. In February 2024, the Gypsy/Traveller site was re-opened following closure for extensive development and is now fully compliant with regulations. As a result, this area is no longer subject to engagement with the Regulator.
- 3.8 Having reviewed all information available to them, the Regulator proportionately engages with different landlords depending on their risk and performance profile. The Regulator publishes individual Engagement Plans by April of each year to share the areas they wish to engage with social landlords on. This year, based on returns submitted over 2023, the Regulator's Engagement Plan for Aberdeen City Council has identified the following areas for engagement with the [Regulator](#).
- Homelessness (and use of temporary accommodation);

- Tenant satisfaction, void management, rent arrears and tenancy sustainment;
- Electrical safety requirements; and
- RAAC.

3.9 The Housing Service has completed a self-assessment of compliance to inform the Annual Assurance Statement for 2024/25 (Appendix B) and the draft Annual Assurance Statement is available in Appendix A. Undertaking this process has helped validate the need to continue to focus on the areas contained in the Regulator Engagement Plan and captured in the Agile Housing Board Plan. An update on progress towards the areas for improvement published in the Regulator Engagement Plan is provided in paragraphs 3.10 to 3.29.

### 3.10 **REGULATOR ENGAGEMENT - HOMELESSNESS**

Despite delivery against the Rapid Rehousing Transition Plan, over the last year Aberdeen City Council has experienced the highest number of homeless applications since 2010/11. This is thought to be due to post pandemic movements, increasing rents in the private sector and economic uncertainty in the city. 1,778 homeless applications were received in 2023/34, which is 8 more than the previous year (an increase of 0.5% and the second consecutive annual rise recorded). Work is now being driven through engagement with the Royal Foundation's Homewards programme. The fifty-five partners, who bring a wealth of expertise and insight, act as members of the Homewards Aberdeen Coalition. The coalition has identified three drivers to guide work to combat homelessness:

- **Focusing on reframing perceptions of homelessness** – recognising that there are many diverse types of homelessness, beyond street homelessness, including hidden homelessness, progressing towards developing a shared language and understanding.
- **Universal prevention of homelessness and addressing root causes** – reaching people at an earlier stage, prior to a crisis, increasing learning and understanding about the causal factors and touch points for intervention.
- **Ensuring adequate supply of housing across all tenures and homes are the right size, type, and in the right location** – recognising the importance of a safe settled home and the value of choice.

3.11 The increase in homelessness during 2023/24 has again resulted in the Council using hotels to supplement its temporary accommodation provision. In summary, the Homeless Persons (Unsuitable Accommodation) (Scotland) Order 2014 states that Local Authorities may provide as unsuitable accommodation (as defined by Article 5 of the Order), such hotels, to people experiencing homelessness, but for no longer than 7 days. Aberdeen City Council breached that Order on 529 occasions during 2023/24. New procedures have been put in place around the management of hotel places alongside the establishment of the reducing hotel use action plan and weekly monitoring meetings.

3.12 There has been a slight decline in the number of applicants assessed as homeless that have failed to sustain their tenancy for less than a year (reducing from 116 in 22/23 to 99 in 23/24). Of the people who had previously experienced homelessness and did not sustain their tenancy, data indicates that in a number of cases, it was due to support being provided to move to alternative housing. A variety of support options are offered at the point of presentation for people

experiencing homelessness and the council is committed to this support being available from day one to ensure a person has access to the required support and includes access to furnishing options to try and enable a good start in their new home. The Housing First programme continues in the city, for those that have been in cyclical homelessness and often have multiple and complex needs.

- 3.13 Most homelessness in Aberdeen occurs from people being asked to leave unsuitable living arrangements with family and friends, and therefore harm is potentially already occurring prior to presenting as homeless. People who present as homeless have complex lives, and there should be no presumption of simple solutions. This learning exemplifies the need to consider homelessness as part of the Model of Family Support and take a test and learn approach.
- 3.14 The Homewards Aberdeen Coalition is now overseeing the development of a number of Improvement Project Charters to test different approaches to addressing this complex problem. Progress will be overseen by the Community Planning Aberdeen Board, and reported to the Communities, Housing and Public Protection Committee through the Housing Board Bi-Annual progress reports. Performance data will continue to be reported through the routine Performance Reports. The service continues to keep the Regulator informed of progress.
- 3.15 **REGULATOR ENGAGEMENT - TENANT SATISFACTION, VOID MANAGEMENT, RENT ARREARS & TENANCY SUSTAINMENT**  
A Chief Officer Housing role was established in April 2024 within the Families and Communities Function to focus exclusively on improvements across Housing. The re-organisation also brought Facilities Management and Building Services into the Corporate Landlord Cluster helping realise a reduction in the number of Clusters directly supporting Aberdeen City Council's tenants. In real terms, this has reduced the number of decision makers across Aberdeen City Council's housing stock and created clearer accountability.
- 3.16 Work undertaken to understand voids has illustrated a need for better data to support decision making and a data system, linked to the established Housing Data Management System, has been commissioned to help better track work on voids across the Corporate Landlord and Housing Clusters and alert tenants to appointment dates and times. This will ensure that both Clusters (Housing and Corporate Landlord) work to a shared data set and provide opportunities for greater efficiency and effectiveness.
- 3.17 Some of the systems put in place to improve tenant satisfaction, such as introduction of the Minimum Letting Standard (MLS), have inadvertently led to an increase in the length of time a property remains void. Work is underway to evaluate the impact of the MLS as part of the evaluation of Choice Based Letting.
- 3.18 Challenges recruiting to trades continues to impact work on voids. The Corporate Landlord continues to engage with colleagues in People and Organisation to address this vulnerability. Tenants report only 45.66% satisfaction with housing repairs, despite repairs performance being above the national average.

- 3.19 Feedback from tenants suggests there is a clear link between the level of tenant satisfaction, and the age of home. The complexity of repairs required to properties, influenced by the age and profile of our stock, impacts on the time taken to complete repairs or that a building remains void. Whilst the number of repairs completed have reduced, the time and cost of repairs has increased. Work is currently progressing on the development of an Asset Management Plan. A comprehensive Asset Management Plan will enable evidence-based decision making around which properties should be prioritised for investment. Investment in homes continues, as evidenced by SHQS (Scottish Housing Quality Standard) compliance increasing from 77.16% in 2022/23 to 90.43% in 2023/24. This sits above the Scottish Local Authority average for SHQS (77.95%).
- 3.20 Despite the challenges faced, there has been an increase in lets this year compared to last, with lets now at a 5 year high (an increase of 11% from last year.) This can be partially attributed to the new build programme with 484 new build properties completed in 2023/24, this includes 100 properties purchased through the buy-back scheme.
- 3.21 The Council undertook a tenant satisfaction survey in April/May 2024. The three yearly statutory survey was administered digitally for the first time, and the Housing & Support Officers put in place a range of mechanisms to mitigate against a lack of digital access or capacity to respond. Despite these mitigations, there was a far lower response rate and less positive responses than previous three-year surveys administered.
- 3.22 A number of factors are thought to have contributed to both the low response and lower satisfaction levels reported. The need to divert resource from other areas to focus on the RAAC rehousing programme has led to delays in some areas of work being progressed, such as responding to an earlier survey of tenants in multi-storey homes. Since the last survey was undertaken in 2021, the Housing & Support Model was established. We are currently concluding an evaluation of the early implementation of the Model to inform next steps to improve overall tenant satisfaction.
- 3.23 Improvement activity will continue to be undertaken in collaboration with tenants to ensure it is having the desired effect, given recent successes in supporting tenant groups to co-design and co-deliver shared action plans. As part of the tenant satisfaction survey, 850 tenants expressed an interest in tenant participation. A review of tenant participation is currently underway to ensure that every opportunity is maximised to amplify tenant participation and voice.
- 3.24 Collaborative work with the Health and Social Care Partnership has realised improvements in arrangements to adapt properties resulting in 946 adaptations completed on properties in 2023/24, an increase on the 899 in the previous year.
- 3.25 Whilst there are more Stage 1 & Stage 2 complaints, there is a significant reduction in response times because of the concerted effort of the team.
- 3.26 The responsibility for rent arrears was transferred into a dedicated Corporate Debt team in 2022/23. Processes and procedures were reviewed to ensure they were fit for purpose, and this included reviewing how court actions were undertaken. In

2023/24, the new recovery processes were implemented, and court work recommenced. This resulted in an increase in the number of evictions for non-payment of rent. It should also be noted that court actions are still below pre-pandemic levels.

3.27 Gross rent arrears have increased by an average 3.1% each year to 17.41% in 2022/23. Although the gross arrears has risen to 18.25% in 2023/24 this has now stabilised, and the increase has reduced to 0.84%. Work continues across services to improve early intervention with the aim of preventing rent arrears occurring. The officer led Performance Board is reviewing the rent arrears performance to help realise improvement. Some changes made to date include:

- Commencement of case conferences for individual tenants with Housing & Support Officers and Financial Inclusion team to maximise tenants' income.
- A review of the Direct Debit process for tenancy signings. This has delivered an increase in Direct Debits as the payment of choice by over 10%, from 37.1% in 2022/23 to 41.2% in 2023/24.
- Ensuring that the availability of Discretionary Housing Payments is maximised.
- A program of cross service staff training on Universal Credit.
- 'Self-serve' rent arrears translation service introduced.
- Design and delivery of a Rent Assistance Fund.

3.28 Like the gross rent arrears, former tenancy arrears processes have been reviewed. Former Tenancy Arrears has increased from £4.7m 2022/23 to £6.1m in 2023/24. Rather than writing off a significant amount of this debt, outstanding monies are pursued. One of the initiatives that has been utilised is to use the Council's debt collection service (Sheriff Officers) to help collect outstanding monies. The success of this project will be reviewed and fed back into the decision-making process going forward.

### 3.29 **REGULATOR ENGAGEMENT - ELECTRICAL SAFETY**

Inspections have been demand led with all properties requiring an EPC (Energy Performance Certificate) being surveyed for SHQS at the same visit by Aberdeen City Council's in-house survey team, although there are a number of surveys from individual tenant request. The surveys are continual and are conducted by staff experienced in SHQS property survey and all are accredited Domestic Energy Assessors. This programme will be enhanced as the Asset Management Plan is updated in 2024/25. Corporate Landlord can face challenges gaining access to properties which hampers progress and steps are being taken to address this. The Electrical Installation Condition Report (EICR) showed there are 1,137 properties (4.90%) non-compliant at the time of the Charter return in April 2024. The most recent report (July) indicates that 1,124 properties (4.85%) remain non-compliant. Steps to address this will continue.

### 3.30 **REGULATOR ENGAGEMENT - RAAC**

Following the discovery of RAAC within 366 homes owned by Aberdeen City Council in late 2023, a rehoming programme is underway for Aberdeen City Council households occupying these. This unplanned need for stock has led to, in agreement with the Scottish Government, some flexibility around the use of 31 of the 500 properties that had initially been reserved for Ukrainian Displaced People,

supporting efforts to try and balance the housing need across the various demands. Managing this risk has been prioritised by the Service.

**3.31 SECURING CONTINUOUS IMPROVEMENT**

A Housing Board has been established to oversee progress of housing outcomes. The Board has agreed an agile High-Level Plan to guide focus on areas of vulnerability identified. Significant time is currently being invested in establishing the data architecture that is required to enable more effective real time monitoring, which will better enable Aberdeen City Council to take more timeous action based on emerging trends.

3.32 The needs of tenants continue to change, needs are far more complex now than pre-pandemic. Mental health needs are particularly prevalent. Given the changing landscape, it is of critical importance that an evaluation of the impact of current arrangements is carried out to ensure that the approaches best meet the needs of Aberdeen City Council’s tenants today. Several evaluations are currently being prepared to support decision making. As a result, the Housing Board Plan is subject to regular review and each completed evaluation will trigger a review of the Plan.

3.33 Progress against the Housing Board Plan will be reported in detailed bi-annual Housing Board reports to the Communities, Housing and Public Protection Committee.

**4. FINANCIAL IMPLICATIONS**

There are no direct financial implications arising from the recommendations of this report.

**5. LEGAL IMPLICATIONS**

The requirement for Annual Assurance Statements is set out in statutory guidance issued by the Scottish Housing Regulator under the Housing (Scotland) Act 2010. The recommendations of this report will enable the Council to comply with that requirement.

**6. ENVIROMENTAL IMPLICATIONS**

There are no direct environmental implications arising from the recommendations of this report.

**7. RISK**

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H)  *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
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<b>Strategic Risk</b>	There is a risk that we do not effectively discharge our duties as a social landlord	This risk is mitigated by undertaking regular self-evaluation/assessments to identify areas of the charter we should focus on to secure continuous improvement.	L	Yes
<b>Compliance</b>	If the Council does not submit the Annual Assurance Statement by 31st October 2024, the Council will not meet regulatory requirements, the Council must comply with the law.	This risk is mitigated by seeking approval for the Annual Assurance Statement and submitting it to the Regulator within stipulated timescales.  Regular self-assessment and monitoring against the regulatory requirements helps the service identify areas of vulnerability that can be prioritised for improvement. The establishment of stronger data architecture will support this area further.	L	Yes
<b>Operational</b>	There is a risk that the service does not work to the Scottish Social Housing Charter	This risk is mitigated by undertaking regular self-evaluation against the Charter to identify where further focus is required to help shape operational delivery.	L	Yes
<b>Financial</b>	There are risks that the Council cannot demonstrate 'best value'	This has been mitigated by identifying the need for an Asset Management Plan to help guide our decision making around long-term investment in our housing stock and by evaluating the impact of the Housing and Support Model to inform next steps.	L	Yes
<b>Reputational</b>	There is a risk that we do not perform well as a social landlord.	Regular self-evaluation is helping the service to identify areas for improvement based on a robust evidence base. In collaboration with tenants, this is helping the service identify the priorities for improvement.	L	Yes



<b>Environment / Climate</b>	There are no significant risks identified			Yes
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## 8. OUTCOMES

<b><u>COUNCIL DELIVERY PLAN</u></b>	
	<b>Impact of Report</b>
<b>Aberdeen City Council Policy Statement</b>	<p><i>A number of areas within 'Homes for the Future' will be positively impacted by this report. Of particular impact on the policy statement are:</i></p> <ul style="list-style-type: none"> <li>• <i>The development of an Asset Management Plan</i></li> <li>• <i>The number of adaptations made to homes</i></li> <li>• <i>Work to realise net zero targets</i></li> <li>• <i>Increasing choice for tenants</i></li> </ul>
<b>Aberdeen City Local Outcome Improvement Plan</b>	<p>Stretch Outcome 12 aims to '<i>Reduce homelessness by 10% and youth homelessness by 6% by 2026, ensuring it is rare, brief and non-recurring with a longer-term ambition to end homelessness in Aberdeen City.</i></p>
<b>Regional and City Strategies</b>	<p>Data gathered as part of self-evaluation has helped inform the development of our Local Housing Strategy.</p>
<b>UK and Scottish Legislative and Policy Programmes</b>	<p>This report ensures that we are compliant with the regulatory requirements set out by the Scottish Housing Regulator.</p>

## 9. IMPACT ASSESSMENTS

<b>Assessment</b>	<b>Outcome</b>
<b>Impact Assessment</b>	No assessment required at this stage. I confirm this has been discussed and agreed with Jacqui McKenzie, Chief Officer Housing on 02 August 2024.
<b>Data Protection Impact Assessment</b>	Not required
<b>Other</b>	None

## **10. BACKGROUND PAPERS**

Scottish Housing Regulator – Regulation of Social Housing in Scotland  
Scottish Housing Regulator – Statutory Guidance  
Scottish Housing Regulator – Annual Assurance Statement

## **11. APPENDICES**

A - Draft Annual Assurance Statement  
B - Self-Assessment of Compliance against Regulatory Framework  
C – Housing Board Action Plan

## **12. REPORT AUTHOR CONTACT DETAILS**

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## Appendix A



Aberdeen City Council complies with the regulatory requirements set out in Chapter 3 of the Regulatory Framework, and have obtained appropriate assurance on compliance with all relevant safety requirements with the following exceptions:

- Services for people who are homeless/the provision of unsuitable accommodation - (as defined by Article 5 of the Homeless Persons (Unsuitable Accommodation) (Scotland) Order 2014) has been breached on 529 occasions during financial year 2023/24. We will continue to support the implementation of the improvement charters aligned to the Homewards programme and implement an established Reducing Housing Use Action Plan to reduce the use of temporary accommodation.
- Tenant & Resident Safety (partially compliant) - We did not hold a valid Electrical Installation Condition Report (EICR) certificate for 1124 properties, due largely to tenants refusing entry. Although performance has improved from April 2024 (4.90%) to present day (4.85%), we will continue with the actions that are in place to address all overdue cases and continue to engage with the Regulator on progress.

Following a robust assessment against the Scottish Social Housing Charter for tenants, people who are homeless and others who use our services, we have identified areas for continuous improvement and have appropriate plans in place:

### **The customer/landlord relationship:**

- We plan to review current arrangements to determine if our current approach meets the changed needs of tenants by undertaking an evaluation of the Housing and Support Model.
- We plan to work with tenant groups to better understand how to maximise returns to the statutory tenant satisfaction survey.
- We plan to continue to work with tenants to amplify their voices and opportunities for participation.

### **Housing quality and maintenance:**

- We plan to continue developing, and then publish an Asset Management Plan to determine how best to ensure adequate provision of appropriate housing stock that meets all building quality standards.
- We will be continuing our work to increase the number of completed EICR and properties meeting SHQS.
- Having streamlined accountability for voids, we will now work to reduce them. This will include consideration of any unintended consequences of the Minimum Letting Standard.

### **Neighbourhood and community:**

- We will commission and implement a digital system, linked with the current housing system, to help improve communication with tenants on when repairs will be completed.

- We will collaborate with colleagues in social work and Violence against Women and Girls Partnership to ensure that those who have been the victims of domestic violence are well supported.

**Access to housing and support:**

- We will complete our evaluation of Choice Based Letting to identify next steps.
- We will continue to work with the Royal Foundation Homewards programme to help prevent homelessness and improve services for the homeless.
- We will continue to keep the criteria for our Rent Assistance fund under review.

**Getting good value from rent and service charges:**

- We will take decisions on our housing stock following publication of an Asset Management Plan.
- We will continue to implement our planned Improvement Project to help address rent arrears and reverse the trend.
- There is evidence from the complaints system that tenants feel a two-tier system has developed because of new housing developments. There is a need to consider this more fully as we review our Rent Policy.

We will continue to engage with the Regulator as we implement our planning rehoming programme for those impacted by RAAC.

I confirm Aberdeen City Council has seen and considered appropriate evidence in approving this Annual Assurance Statement at our Communities, Housing and Public Protection Committee on 05 September 2024.

Councillor Miranda Radley  
Convener – Communities, Housing and Public Protection Committee  
Aberdeen City Council