



THE SCOTTISH
HOUSING
REGULATOR

GUIDANCE NOTE

To: All Registered Social Landlords (RSLs) excluding Abbeyfields

Subject: Annual Performance & Statistical Return (APSR) 2007/2008

Issued by: The Scottish Housing Regulator

Ref no: SHR 21

Date: April 2008 (First issued March 2007)

Summary

This guidance note describes the format and arrangements for submission of the Annual Performance & Statistical Return (APSR) 2007/08 to the Scottish Housing Regulator. It supersedes CSGN 2007/02.

This guidance note is intended for all social landlords registered with the Scottish Housing Regulator (RSLs) **excluding** Abbeyfield Societies.

There are three versions of the APSR return:

- A comprehensive online version for all Mainstream and Small RSLs;
- A tailored online version for organisations who manage stock on behalf of Glasgow Housing Association; and
- A tailored (hardcopy) version for Abbeyfield Societies.

RSLs who deal primarily or only with shared ownership properties should answer as many questions in the APSR as possible.

RSLs registered with the Scottish Housing Regulator for less than one year should answer all of the Contextual Statistical Information (CSI) section and as many questions in the other sections as possible.

The APSR should be submitted to the Scottish Housing Regulator, Highlander House, by

1 June 2008.

A sample of the APSR return and the Notes on Completion can be downloaded from the Scottish Housing Regulator website.

For any references to Communities Scotland (or Scottish Homes) please read the Scottish Housing Regulator.

If you have any questions about this guidance, you should direct them to:

The Scottish Housing Regulator
Highlander House
58 Waterloo Street
GLASGOW
G2 7DA
Tel: 0141 271 3810
Email: shr@scottishhousingregulator.gsi.gov.uk

1.0 INTRODUCTION

This guidance relates to Communities Scotland Annual Performance and Statistical Return (APSR) for 2007/08. The following documents are available from our website <http://www.communitiesscotland.gov.uk>:

- ◆ The Annual Performance & Statistical Return (APSR); and
- ◆ Notes on Completion of APSR

1.1 The Annual Performance & Statistical Return

The APSR is to be completed by all social landlords registered with Communities Scotland (RSLs) and those organisations who manage stock on behalf of Glasgow Housing Association (GHA).

RSLs who deal primarily or only with shared ownership properties should answer as many questions in the APSR as possible. Tailored versions of this return have been developed for use by RSLs who manage stock on behalf of GHA and Abbeyfield Societies.

RSLs that have been registered with Communities Scotland for less than a year should complete all of the CSI section and as many of the other sections as possible.

2.0 USE OF THE APSR DATA

Information from APSRs will be used in the following ways:

- ◆ Specific information from the APSR will be used when forming our view of the regulatory risk presented by an RSL and setting out the kind of regulatory engagement needed.
- ◆ Information contained in the APSR will be used to inform the inspection process. Specific information contained in various parts of the return will be used when completing an inspection submission. In viewing a RSLs performance, comparisons will be made at Peer Group level as well as national. It is important therefore to select the correct Peer Group choice at Question 4 in the Classification Table. See also paragraph 2. 5 on selecting Peer Groups.
- ◆ Information contained in the APSR return may also be used to form the basis for thematic inspections.
- ◆ Communities Scotland's Regulation & Inspection Division will publish an annual

statistical report that will incorporate information from APSRs. The report will be available on our web site along with excel spreadsheets containing key performance indicator information and detailed tables outlining statistical and contextual data relating to individual RSLs. This information will enable RSLs and other stakeholders to carryout analysis of performance against comparable organisations. The Statistical Report (2007/08) will be published by the end of 2008.

3.0 SELECTION AND DEVELOPMENT OF PERFORMANCE INDICATORS

- 3.1** RSLs should rigorously monitor their own performance in all areas of their business; set targets for performance which are realistic; and benchmark their performance with other similar housing organisations with the aim of continuous improvement.

To aid the measurement of comparative performance, Communities Scotland has developed a series of Performance Indicators (PIs) that measure an RSL's performance in key areas of their business.

Selecting PIs is a difficult process, as they need to serve a variety of purposes. PIs need to be specific and measurable and they should measure an outcome; identify what really matters to tenants; reflect key policy priorities and be suitable for target setting. Table 1 sets out the PIs for 2007/08.

We will continue to work in conjunction with the Accounts Commission, the SFHA, the Scottish Executive, COSLA and individual RSLs on the development of performance indicators.

Table 1 cnt'd Community Scotland PIs 2007/08

<p>3 Rent Arrears</p> <ul style="list-style-type: none"> • Current tenant arrears as a % of net rent due • The % of current tenants owing more than 13 weeks rent at year end, excluding those owing less than £250 • The proportion of those tenants giving up their tenancy during the year that were in rent arrears • The average debt owed by tenants leaving in arrears, as a proportion of the average weekly rent • The proportion of arrears owed by former tenants that was either written off or collected during the year • Non-technical arrears as a proportion of rental income • Gross rent arrears as a proportion of rental income 	<p>Measures the efficiency with which the RSL collects rent due to it, caused by:</p> <ul style="list-style-type: none"> • Tenants' non payment of rent (not attributable to housing benefit) • Non payment of rent due to housing benefit delays/overpayments plus tenants' non payment of rent <p>The efficiency with which the RSL undertakes the rent arrears management process is an important determinant of performance.</p>
<p>4 Void Rent Loss</p> <ul style="list-style-type: none"> • % of annual income lost during the year through voids 	<p>Measures the level of rent loss due to properties remaining empty between lets. The efficiency with which the RSL undertakes the processes of repairing and reletting a property is an important determinant of performance.</p>
<p>5 Response to Repairs</p> <ul style="list-style-type: none"> • The target response time for each priority category • The % of repairs completed within the target time for each priority category 	<p>Measures the efficiency with which the RSL responds to reactive repairs to occupied properties. The response targets set and the efficiency with which the RSL manages the reactive repairs service is an important determinant of performance.</p>

3.2 Use of PIs

We recognise that PIs, while being a useful tool in an overall assessment process, should not be used in isolation. Results on PIs are discussed as part of an inspection, which gives RSLs the opportunity to explain why their results may differ from those of their peers. We recognise that an RSL's performance on PIs will be affected by a wide range of factors (e.g. client group, area of operation, turnover rates, and efficiency) and that variations from year to year can arise due to changes in the efficiency with which

processes are managed. To aid our interpretation of PI results we also collect contextual information about the RSL. In addition, as we have collected data on some of these PIs for several years now, we can make year-on-year comparisons. This allows Inspectors to take account of any year-on-year improvements.

As a starting point for comparison Communities Scotland will use the PI results of all RSLs to produce national averages (means) and medians. The Annual Statistical Report also provides every RSL's result for each PI. This enables an RSL to compare itself with those it considers its peers.

RSLs should seek to understand where they are in relation to:

- ◆ their performance in previous years;
- ◆ other comparable RSLs;
- ◆ the strongest performers in their sector;
- ◆ the sector as a whole;
- ◆ other housing providers.

Where an RSL appears to perform badly on a PI and there is no clear explanation or remedy, it should undertake process benchmarking with other RSLs to understand in a more detailed way why performance varies. Through discussion with others the RSL should seek to identify aspects of processes and practices that are contributing to failure and to identify better processes and practices that may influence performance. RSLs may also find it useful to benchmark their performance against council landlords. RSLs who wish to share results of benchmarking with their tenants should ensure that relative performance is clearly explained.

4.0 PEER GROUPS

We have revised the peer groups we use to analyse the performance of RSLs. You can read about how and why we did this on our website (<http://www.communitiesscotland.gov.uk>). Unlike the previous system, RSLs may identify only one peer group. We encourage RSLs to use the peer groupings to analyse their own performance and to inform their discussions as part of a benchmarking club

5.0 APSR COMPLETIONS AND SUBMISSION

5.1 Guidance on APSR Completion

Where possible the APSR should be completed with relevant information for the year ending 31 March 2008. However, information may be based on your own financial year-end where this does not coincide with an end of March date. If you are using

information that relates to a year-end other than 31 March, please let us know in the appropriate comments box. It is acceptable that RSLs complete the APSR using financial information from unaudited annual accounts. However, please notify us if any significant changes arise when the accounts are finally audited.

Guidance on completing the APSR for 2007/08 is contained in the document "Annual Performance & Statistical Return: Notes on Completion". This provides more information on completing the return and these instructions should be followed exactly. This document can be found on our website <http://www.communitiesscotland.gov.uk>

5.2 Certification by the Governing Body

A member of the Governing Body is required to authorise the online submission of the APSR, to confirm that its contents have been discussed at a meeting of the full Governing Body or delegated sub-committee. If your APSR is approved by a sub-committee (prior to its submission to Communities Scotland) you should provide the completed APSR to the full Governing Body for information at its next meeting. It is the responsibility of the Governing Body to ensure that their agents or staff provide accurate information and submit the APSR to Communities Scotland on time.

5.3 Completion Date and Submission Arrangements

RSLs are requested to submit a completed APSR covering the period 1 April 2007 to 31 March 2008 to Communities Scotland by **1 June 2008**.

In submitting an on-line return you must follow instructions given in the On-line Data Submission Guidance (issued separately) regarding certification and return.

ANNEX 1

**ACCOUNTS COMMISSION PIs COMPARED WITH
COMMUNITIES SCOTLAND PIs 2006/07**

BUSINESS AREA	ACCOUNTS COMMISSION PI	COMMUNITIES SCOTLAND PI
Response Repairs	<ul style="list-style-type: none"> • The target response time for each priority category • The number of repairs in each priority category • The percentage of repairs completed within the target time for each priority category • The percentage of all repairs due to be completed within 24 hours that were completed within target. 	<p>Directly comparable to Accounts Commission PI on first three indicators.</p> <ul style="list-style-type: none"> • This indicator has not been introduced for RSLs
Void Rent Loss	The total annual rent loss due to voids expressed as a percentage of the total amount of rent due in the year (for properties that are available for let).	<ul style="list-style-type: none"> • Directly comparable to Accounts Commission PI.
Relet Times	<ul style="list-style-type: none"> • time taken by the councils to re-let not low demand and low demand properties, analysed by the following bands: <ul style="list-style-type: none"> - less than 2 weeks - 2 - 4 weeks - 5 – 8 weeks - 9 – 16 weeks - 17 – 32 weeks - 22 – 52 weeks - more than 52 weeks • The average re-let time in calendar days split by not low demand and low demand properties. 	<ul style="list-style-type: none"> • Directly comparable to Accounts Commission PI.

BUSINESS AREA	ACCOUNTS COMMISSION PI	COMMUNITIES SCOTLAND PI
Rent Arrears	<ul style="list-style-type: none"> • Current tenant arrears as a percentage of the net amount of rent due in the year • The percentage of current tenants owing more than 13 weeks rent at year-end, excluding those owing less than £250. • The proportion of those tenants giving up their tenancy during the year that were in rent arrears • The average debt owed by tenants leaving in arrears, as a proportion of the average weekly rent • The proportion of arrears owed by former tenants that was either written off or collected during the year 	<ul style="list-style-type: none"> • Directly comparable to Accounts Commission PI. • Directly comparable to Accounts Commission PI • Directly comparable to Accounts Commission PI. <p>We also collect the following PIs:</p> <ul style="list-style-type: none"> • Non technical arrears as a percentage of total rental income • Gross rent arrears as a percentage of total rental income <p>Not comparable with Accounts Commission PI.</p>
Council house sales	<ul style="list-style-type: none"> • The percentage of house sales completed within 26 weeks • The average time for council house sales 	Not a PI – information is collected however on a comparable basis.