

REPORT TO COMMUNITIES COMMITTEE – 06 JUNE 2019

Housing Annual Assurance Statements Briefing

1 Recommendations

The Committee is recommended to:

- 1.1 **Acknowledge the requirement for Aberdeenshire Council to provide a signed Annual Assurance Statement to the Scottish Housing Regulator by the end of October each year**
- 1.2 **Instruct the Director of Infrastructure Services to present a finalised Annual Assurance Statement to Communities Committee for approval at the meeting on the 5th of September 2019**

2 Background / Discussion

- 2.1 The Scottish Housing Regulator (SHR) was established by the Housing (Scotland) Act 2010 to “safeguard and promote the interests of current and future tenants of social landlords, people who are or may become homeless, and people who use housing services provided by registered social landlords (RSLs) and local authorities”
- 2.2 The Scottish Social Housing Charter (SSHC) was introduced in April 2012, and sets out the standards and outcomes that service users such as tenants, homeless people and Gypsy/Travellers can expect from social housing providers. As part of the regulation process, the Regulator requires social landlords to provide it with an annual performance return, focused on the outcomes of the Charter.
- 2.3 In February 2019, the Scottish Housing Regulator released an updated Regulatory Framework, setting out how it would regulate social housing providers and the reporting requirements for the next 5 years. This Framework introduced a new requirement for landlords to provide an annual Assurance Statement by the end of October each year, starting in October 2019.
- 2.4 For local authorities, the Assurance Statement has to consider whether the authority is meeting the 16 outcomes required by the SSHC (a list of the required outcomes can be found in Appendix 1, for reference), and whether it is meeting its legal and statutory obligations (for example, that it is meeting its obligations around statutory homelessness).
- 2.5 The format of the assurance statement requires that the landlord formally confirm that it considers itself to meet all of the charter outcomes and other obligations, based upon an evaluation of the evidence available. The Regulator requires that the assurance statement for local authorities is

approved by the appropriate committee (in this case, Communities Committee), and signed by the Committee Chair before submission.

- 2.6 Where the landlord decides it requires improvement to meet an outcome, the Committee must also consider the materiality of the issue. The factors to consider when determining materiality are:
- Whether the issue seriously affects the interests and safety of service users
 - Whether the issue threatens the stability, efficient running or viability of service delivery arrangements
 - Whether the issue could bring the landlord into disrepute, or raise public or stakeholder concern about your organisation or the social housing sector
- 2.7 Where the failure is minor and does not affect a significant number of service users, it can be considered to be not material, and therefore does not need to be acknowledged in the Assurance Statement.
- 2.7 However, where a failure is considered to be material, the landlord is required to acknowledge this specifically, listing the outcomes it is failing to achieve, and providing details of any remedial steps being taken to address the problem. Further information about the process can be found in Appendix 2, which contains the guidance released by the Regulator on completing Assurance Statements.
- 2.8 The Regulator will use the Assurance Statements in conjunction with the existing Annual Return on the Charter to guide its engagement with landlords and assist in the production of the annual intervention plans for each landlord.
- 2.9 The Head of Finance and Monitoring Officer within Business Services have been consulted in the preparation of this report and had no comments to make and are satisfied that the report complies with the Scheme of Governance and relevant legislation.

3 Scheme of Governance

- 3.1 The Committee is able to consider this item in terms of Section D 7.1 of the List of Committee Powers in Part 2A of the Scheme of Governance as it relates to the scrutiny of performance in relation to the Scottish Social Housing Charter.

4 Implications and Risk

- 4.1 An equality impact assessment is not required because the report is to inform committee about performance reporting requirements and does not have a differential impact on any of the protected characteristics.
- 4.2 There are no staffing and financial implications

- 4.3 This report is to inform the Committee on upcoming performance reporting requirements from the Scottish Housing Regulator and there will be no impact on levels of risk at either the Corporate or Strategic level.

Stephen Archer, Director of Infrastructure Services

Report prepared by Neil Watts, Senior Information Officer (Housing)
2nd of May 2019

2. Charter outcomes and standards

The customer/landlord relationship

1: Equalities

Social landlords perform all aspects of their housing services so that:

- *every tenant and other customer has their individual needs recognised, is treated fairly and with respect, and receives fair access to housing and housing services.*

This **outcome** describes what social landlords, by complying with equalities legislation, should achieve for all tenants and other customers regardless of age, disability, gender reassignment, marriage and civil partnership, race, religion or belief, sex, or sexual orientation. It includes landlords' responsibility for finding ways of understanding the rights and needs of different customers and delivering services that recognise and meet these.

2: Communication

Social landlords manage their businesses so that:

- *tenants and other customers find it easy to communicate with their landlord and get the information they need about their landlord, how and why it makes decisions and the services it provides.*

This **outcome** covers all aspects of landlords' communication with tenants and other customers. This could include making use of new technologies such as web-based tenancy management systems and smart-phone applications. It is not just about how clearly and effectively a landlord gives information to those who want it. It also covers making it easy for tenants and other customers to make complaints and provide feedback on services, using that information to improve services and performance, and letting people know what they have done in response to complaints and feedback. It does not require landlords to provide legally protected, personal or commercial information.

3: Participation

Social landlords manage their businesses so that:

- *tenants and other customers find it easy to participate in and influence their landlord's decisions at a level they feel comfortable with.*

This **outcome** describes what landlords should achieve by meeting their statutory duties on tenant participation. It covers how social landlords gather and take account of the views and priorities of their tenants, other customers, and bodies representing them such as registered tenant organisations; how they shape their services to reflect these views; and how they help tenants, other customers and bodies representing them such as registered tenant organisations to become more capable of involvement – this could include supporting them to scrutinise landlord services.

Housing quality and maintenance

4: Quality of housing

Social landlords manage their businesses so that:

- *tenants' homes, as a minimum, meet the Scottish Housing Quality Standard (SHQS) when they are allocated; are always clean, tidy and in a good state of repair; and also meet the Energy Efficiency Standard for Social Housing (EESH) by December 2020.*

This **standard** describes what landlords should be achieving in all their properties. It covers all properties that social landlords let, unless a particular property does not have to meet part of the standard.

If, for social or technical reasons, landlords cannot meet any part of these standards, they should regularly review the situation and ensure they make improvements as soon as possible.

5: Repairs, maintenance and improvements

Social landlords manage their businesses so that:

- *tenants' homes are well maintained, with repairs and improvements carried out when required, and tenants are given reasonable choices about when work is done.*

This **outcome** describes how landlords should meet their statutory duties on repairs and provide repairs, maintenance and improvement services that safeguard the value of their assets and take account of the wishes and preferences of their tenants. This could include setting repair priorities and timescales; setting repair standards such as getting repairs done right, on time, first time; and assessing tenant satisfaction with the quality of the services they receive.

Neighbourhood and community

6: Estate management, anti-social behaviour, neighbour nuisance and tenancy disputes

Social landlords, working in partnership with other agencies, help to ensure as far as reasonably possible that:

- *tenants and other customers live in well-maintained neighbourhoods where they feel safe.*

This **outcome** covers a range of actions that social landlords can take on their own and in partnership with others. It covers action to enforce tenancy conditions on estate management and neighbour nuisance, to resolve neighbour disputes, and to arrange or provide tenancy support where this is needed. It also covers the role of landlords in working with others to tackle anti-social behaviour.

Access to housing and support

7, 8 and 9: Housing options

Social landlords work together to ensure that:

- *people looking for housing get information that helps them make informed choices and decisions about the range of housing options available to them*
- *tenants and people on housing lists can review their housing options.*

Social landlords ensure that:

- *people at risk of losing their homes get advice on preventing homelessness.*

These **outcomes** cover landlords' duties to provide information to people looking for housing and advice for those at risk of becoming homeless. This could include providing housing 'health checks' for tenants and people on housing lists to help them review their options to move within the social housing sector or to another sector.

10: Access to social housing

Social landlords ensure that:

- *people looking for housing find it easy to apply for the widest choice of social housing available and get the information they need on how the landlord allocates homes and on their prospects of being housed.*

This **outcome** covers what social landlords can do to make it easy for people to apply for the widest choice of social housing that is available and suitable and that meets their needs. It includes actions that social landlords can take on their own and in partnership with others, for example through Common Housing Registers or mutual exchange schemes, or through local information and advice schemes.

11: Tenancy sustainment

Social landlords ensure that:

- *tenants get the information they need on how to obtain support to remain in their home; and ensure suitable support is available, including services provided directly by the landlord and by other organisations.*

This **outcome** covers how landlords on their own, or in partnership with others, can help tenants who may need support to maintain their tenancy. This includes tenants who may be at risk of falling into arrears with their rent, and tenants who may need their home adapted to cope with age, disability, or caring responsibilities.

12: Homeless people

Local councils perform their duties on homelessness so that:

- *homeless people get prompt and easy access to help and advice; are provided with suitable, good-quality temporary or emergency accommodation when this is needed; and are offered continuing support to help them get and keep the home they are entitled to.*

This **outcome** describes what councils should achieve by meeting their statutory duties to homeless people.

Getting good value from rents and service charges

13: Value for money

Social landlords manage all aspects of their businesses so that:

- *tenants, owners and other customers receive services that provide continually improving value for the rent and other charges they pay.*

This **standard** covers the efficient and effective management of services. It includes minimising the time houses are empty; managing arrears and all resources effectively; controlling costs; getting value out of contracts; giving better value for money by increasing the quality of services with minimum extra cost to tenants, owners and other customers; and involving tenants and other customers in monitoring and reviewing how landlords give value for money.

14 and 15: Rents and service charges

Social landlords set rents and service charges in consultation with their tenants and other customers so that:

- *a balance is struck between the level of services provided, the cost of the services, and how far current and prospective tenants and service users can afford them*
- *tenants get clear information on how rent and other money is spent, including details of any individual items of expenditure above thresholds agreed between landlords and tenants.*

These **outcomes** reflect a landlord's legal duty to consult tenants about rent setting; the importance of taking account of what current and prospective tenants and other customers are likely to be able to afford; and the importance that many tenants place on being able to find out how their money is spent. For local councils, this includes meeting the Scottish Government's guidance on housing revenue accounts. Each landlord must decide, in discussion with tenants and other customers, whether to publish information about expenditure above a particular level, and in what form and detail. What matters is that discussions take place and the decisions made reflect the views of tenants and other customers.

Other customers

16: Gypsy/Travellers

Local councils and social landlords with responsibility for managing sites for Gypsy/Travellers should manage the sites so that:

- *sites are well maintained and managed, and meet the minimum site standards set in Scottish Government guidance.*

This **outcome** includes actions landlords take to ensure that: their sites meet the Scottish Government guidance on minimum standards for Gypsy/Traveller sites, and those living on such sites have occupancy agreements that reflect the rights and responsibilities set out in guidance.

All the standards and outcomes in the Charter apply to Gypsy/Travellers.



**Scottish Housing
Regulator**

Annual Assurance Statement

Statutory Guidance
February 2019

About us

We are the independent regulator of social landlords in Scotland.

We safeguard and promote the interests of:

Around:

600,000

Tenants who live in homes provided by social landlords

Over:

123,000

Home owners who receive services of social landlords

Over:

45,000

People and their families who may be homeless and seek help from local authorities

Around:

2,000

Gypsy/Travellers who can use official sites provided by social landlords

We regulate:

Around:

200

Social landlords

Around:

160
32

Registered social landlords

Local authorities

Our equalities commitment

Promoting equalities and human rights is integral to all of our work. We set out how we will meet our equalities duties in our Equalities Statement.

Our role:

To monitor, assess and report on social landlords' performance of housing activities and RSLs' financial wellbeing and standards of governance. We intervene, where we need to, to protect the interests of tenants and service users.

Our Regulatory Framework explains how we regulate social landlords. It is available from: www.scottishhousingregulator.gov.uk



HAPPY TO TRANSLATE

1. Introduction and purpose

- 1.1 Social landlords must submit to us an Annual Assurance Statement providing assurance that their organisation complies with the relevant requirements of chapter 3 of the [Regulatory Framework](#). This includes regulatory requirements that apply to all social landlords and the Standards of Governance and Financial Management that apply to Registered Social Landlords (RSLs).
- 1.2 The Statement should be made and submitted by the RSL's governing body, or the relevant local authority committee which has been delegated authority to complete the Statement by the local authority. This guidance is for members of governing bodies and local authority committees.
- 1.3 This guidance sets out how landlords should prepare their Statement and submit it to us. In complying with this guidance landlords will meet the requirements on Annual Assurance Statements in chapter 3 of the [Regulatory Framework](#).
- 1.4 Each landlord should confirm in its Statement its compliance with all of the relevant requirements at chapter 3 of the Framework. Where a landlord does not fully comply, it should set out in the Statement how and when it will make the necessary improvements to ensure compliance.

2. How should you assure?

- 2.1 It is for you to determine the most appropriate and effective way to get the necessary assurance on your organisation's compliance with regulatory requirements. Your approach should enable you to reach an objective and evidence-based judgement on compliance, ensuring sufficient evidence and information, and where necessary independent assurance.
- 2.2 In determining your approach for each requirement at Chapter 3 in the Regulatory Framework, you should consider:
- what level of assurance is proportionate, considering your organisation's business and context;
 - the sources of assurance and evidence you have and whether they are sufficient and reliable; and
 - whether you need independent assurance, and what that should be.
- 2.3 It is for each governing body and local authority committee to consider the timeframe and process for getting assurance.
- 2.4 You should keep a record of the evidence you have used, and how you got the assurance you needed. We do not require landlords to send this evidence to us, as it is your evidence for you to reach a judgement on compliance. But we may ask to see it, or elements of it, if we are engaging with your organisation.

Internal Audit

- 2.5 Landlords should consider how to best use internal audit as a source of independent assurance when making their Annual Assurance Statements on whether they are meeting regulatory requirements, including the Standards of Governance and Financial Management for RSLs.

Tenants and other service users

You should consider feedback from tenants and other service users as part of your assurance framework. This feedback is an important, objective view of how your organisation is performing and in particular, whether you are achieving the Charter outcomes. Each governing body and local authority committee should take account of tenant and service user feedback when assuring itself against the requirements.

3. What should you do if you find you don't comply?

- 3.1 Where you identify areas for improvement, your governing body or committee should agree appropriate actions. But they do not all necessarily need to be recorded in the Assurance Statement. The key question is whether these issues are of such materiality and significance that they mean you cannot say confidently that your organisation is complying with a particular requirement. Any areas of material non-compliance should be disclosed in the Statement.
- 3.2 It is for each governing body and committee to weigh up the evidence and seriousness of the issue and reach a judgement on whether it is material and should be disclosed.
- 3.3 When you consider materiality, you should look at whether the issue could:
- seriously affect the interests and safety of tenants, people who are homeless or other service users;
 - threaten the stability, efficient running or viability of service delivery arrangements;
 - bring the landlord into disrepute, or raise public or stakeholder concern about your organisation or the social housing sector; and
 - in the case of RSLs, put at risk the good governance and financial health of the organisation.
- 3.4 If we are engaging with your organisation at a later date, it is possible that we might reach a different view about whether an issue is material. This is a matter of judgement. In these circumstances, the most important considerations for us when deciding whether to engage further would be:
- whether your governing body or committee is fully aware of the issue and has taken a view on materiality and disclosure; and
 - whether you are taking effective action to resolve the issue within an appropriate timeframe.

4. What should the Statement cover?

- 4.1 Your Statement should be short and succinct. It should confirm compliance, or otherwise, with relevant regulatory requirements at the date of signing (but note that section 5 explains that there is an ongoing requirement to notify us of changes in-year).
- 4.2 The Statement should be completed and agreed by your governing body or local authority committee. Your governing body or committee should:
- Confirm that you have appropriate assurance that you comply with:
 - all relevant regulatory requirements set out in Chapter 3 of the Regulatory Framework
 - all relevant standards and outcomes in the Scottish Social Housing Charter
 - all relevant legislative duties
 - the Standards of Governance and Financial Management (RSLs only)

Example wording:

We comply with the regulatory requirements set out in Chapter 3 of the Regulatory Framework.

- Set out any areas where you do not materially comply, and describe briefly how you are planning to improve in those areas and the timeframe for improvement.

Example wording:

We achieve all but the following standards and outcomes in the Scottish Social Housing Charter for tenants, people who are homeless and others who use our services:

- <AREA WHERE YOU DO NOT MATERIALLY COMPLY>:<HOW WE PLAN TO IMPROVE>
- <AREA WHERE YOU DO NOT MATERIALLY COMPLY>:<HOW WE PLAN TO IMPROVE>

- Confirm that you have seen and considered appropriate evidence to support the level of assurance you have.
 - Confirm the date of the meeting of your governing body or committee at which you considered and agreed the Statement.
 - Sign the Statement. This should be by your Chairperson or Chair of the committee.
- 4.3 If your RSL is part of a group structure, and the parent is a Scottish RSL, the parent should submit one Statement on behalf of the whole group. The Statement must clearly explain which RSLs it relates to, and disclose any material non-compliance in subsidiary RSLs.
- 4.4 You may wish to produce a more detailed version of the Statement for your tenants and other stakeholders, with additional information about how you obtained assurance and your work during the year. It is up to each governing body and committee to decide whether you wish to do so, in the context of the other performance information that you publish and taking account of any feedback from your tenants. You do not need to send us any additional Statement you produce.

5. What happens next?

- 5.1 You must submit your Statement to us between April and October each year through the landlord portal. Instructions on how to do this can be found on the [portal](#). You should also make the Statement easily available to your tenants.
- 5.2 We will publish each landlord's Statement.
- 5.3 Your Statement will form part of the overall regulatory view that we have of your organisation.
- 5.4 Where you have told us about an area of non-compliance, and we are assured that you have effective plans and the capacity and willingness to improve or resolve the issue, it will be for you to take forward the improvement. We may ask you to keep us updated.
- 5.5 In these circumstances we will not engage with you unless the issue presents such a significant risk to the interests of tenants and service users that we need to monitor it closely, or take action, to ensure it is resolved successfully. We will contact you if we require any further information or assurance.
- 5.6 You must notify us during the year if anything happens which materially changes the level of assurance in your Statement. This could be a positive development, such as completion of planned improvement work. Or it could be that you have found a new area of material non-compliance. If so, you must tell us about the issue and what you are doing to resolve it. For RSLs, you should do this in accordance with our [notifiable events guidance](#). Local authorities should write to the SHR contact person named in your Engagement Plan.

This guidance has been issued under section 35 of the Act and is intended to ensure that all social landlords understand the purpose of the Annual Assurance Statement as it relates to housing activities.

This guidance has also been issued under section 36 of the Act and is intended to ensure that RSLs understand the purpose of the Annual Assurance Statement as it relates to governance and financial management.



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