



We are housing Scotland

SFHA Response

**Scottish Housing Regulator Consultation:
Temporary changes to its Regulatory Framework in response to the COVID-19
pandemic**

1. Introduction

- 1.1 The SFHA welcomes the opportunity to respond to the Scottish Housing Regulator's consultation on proposed changes to the Regulatory Framework resulting from the Covid-19 situation.
- 1.2 We have gathered views from our membership (140 RSLs in Scotland) regarding the proposals – including at a webinar we hosted on behalf of the Scottish Housing Regulator (SHR) on Friday 7 August. Michael Cameron, CEO of the SHR attended the webinar to take questions and discuss the content of the consultation.
- 1.3 The SHR paper highlights proposals pertaining to the Annual Assurance Statement requirement; the Charter Report to Tenants; and Engagement Plans. Whilst we have commented on each of these within our response, please note that by far the most feedback we received related to the Annual Assurance Statement proposals.
- 1.4 Therefore, our key ask within our response is that the deadline for submission of Annual Assurance Statements (of 31 October) be extended by a minimum of one month. This is to allow RSLs to take account of new SHR guidance and for additional updates to the SFHA Self Assurance Toolkit to be produced to reflect this guidance.

2. Annual Assurance Statements (AAS)

- 2.1 In the consultation paper, the SHR outlines its intention to produce further guidance on the AAS - addressing specific issues relating to Covid-19. It is intended that this will allow the SHR to *"communicate key messages about how to address the requirement to provide an AAS in the time of Covid-19"*.
- 2.2 Furthermore, the guidance will outline a requirement for RSLs to identify (within their AAS) any non-compliance that is directly due to the Covid-19 situation. Whilst this is a sensible approach – as it is anticipated that most if not all RSLs will have some degree of non-compliance directly resulting from the Covid-19 pandemic that is completely beyond their control – it is difficult to comment further without knowing the content of this guidance. The SHR has noted that this will be published by the end of August – but it would have been helpful if a draft of this guidance had been a part of the consultation process.
- 2.3 Within the paper, it is proposed that the submission deadline for the AAS (31 October) be retained. Whilst the production of the AAS is not a once a year exercise but rather the culmination of the ongoing self-assurance processes all RSLs will have in place, clearly this year RSLs will have faced major practical challenges with conducting these processes in the same depth as last year. With the requirement also set to be slightly modified this year through the guidance being drafted by SHR – it would be appropriate

to allow at least a modest extension of one month for all RSLs to take account of this additional SHR guidance. As the content of the guidance will not become known until the end of August, without an extension RSLs would only be provided with two months to adapt processes accordingly ahead of the 31 October deadline.

- 2.4 The [SFHA Self-Assurance Toolkit](#) was developed in conjunction with the Scottish Housing Regulator, the Glasgow and West of Scotland Forum of Housing Associations (GWSF) and ALACHO. This provides all social landlords with guidance on the types of questions governing bodies/committees should be asking themselves in relation to regulatory requirements and standards, in order to gain the level of assurance required that compliance is being achieved. Equally, if not more importantly, it provides guidance on gathering evidence to demonstrate this compliance in order to feed into their existing self-assurance processes.
- 2.5 The SFHA is keen to update this guidance in the wake of the Covid-19 situation, along with its further guidance to SFHA members outlining [Suggested Clauses for Annual Assurance Statements](#). To do so we will require to take account of the SHR's forthcoming guidance on the AAS process for this year.
- 2.6 Taking this all into account, the SFHA asks that the deadline for the AAS be extended to (a minimum) of 31 November this year for all RSLs. Depending on the content of the SHR guidance, an even longer extension might be appropriate (should this modify the process more than anticipated).

3. Charter Report to Tenants

- 3.1 The SFHA welcomes the extension of the deadline for the Charter report to tenants (to the end of December 2020). This is in line with the ARC submission extension of two months.
- 3.2 More generally regarding the Charter, RSLs have raised concerns about how the Charter data will be analysed by the SHR this year – particularly given there are many aspects that will be deeply affected by the Covid-19 situation (e.g. repairs response times). The SFHA asks that the SHR provide further assurances to RSLs that this will be reflected in its consideration of the ARC returns. Providing an update on how the Covid-19 situation has impacted services will also be an important aspect of the charter report to tenants this year.

4. Engagement Plans

- 4.1 The SHR postponed the publication of updated Engagement Plans earlier this year (they had been due to be published in March 2020) due to the Covid-19 situation. It is proposed that these next be updated in March 2021.

- 4.2 Whilst broadly this is a sensible approach and welcomed, it does mean that there has yet to be an engagement plan produced for the majority of RSLs since the submission of the first AAS (by 31 October 2019). As a result, the SHR's risk assessment of each RSL (and view on whether the previous AAS was an accurate reflection of regulatory compliance) cannot be taken into consideration when producing this years' AAS.

5. Summary

- 5.1 The SFHA asks that the SHR extend the deadline for the AAS this year by at least one month to 31 November 2020 – allowing additional time for RSLs to digest and implement amendments to their processes to take account of the SHR's forthcoming advisory guidance on the AAS requirement for this year (to be published at the end of August).
- 5.2 This extension will also provide time for the SFHA to update its Self-Assurance Toolkit and Suggested Clauses for Annual Assurance Statements guidance to reflect the new SHR guidance, and issue these to the sector to aid the AAS process this year.
- 5.3 The SFHA asks that the SHR provide assurances to RSLs as to how it will take into account the Covid-19 situation in its analysis of ARC returns – particularly in regard to heavily impacted services such as repairs.