

# Our regulation of social housing in Scotland

## Discussion questions

We welcome your general feedback on our proposals as well as answers to the specific questions we have raised. You can read our discussion paper on our website at [www.housingregulator.gov.scot](http://www.housingregulator.gov.scot)  
Please do not feel you have to answer every question unless you wish to do so.

Send your completed questionnaire to us by 11 August 2023.

By email @: [regulatoryframeworkreview@shr.gov.scot](mailto:regulatoryframeworkreview@shr.gov.scot)

Or post to: Scottish Housing Regulator  
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36 North Hanover Street, G1 2AD

### Name/organisation name

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### Address

	Phone	Email

### How you would like your response to be handled

To help make this a transparent process we intend to publish on our website the responses we receive, as we receive them. Please let us know how you would like us to handle your response.

#### ***Content for response to be published in full.***

If you are responding as an individual, we will not publish your contact details.

### Are you happy for your response to be published on our website?

Yes

#### If you are responding as an individual ...

<b>Please tell us how you would like your response to be published.</b>	<b><i>Pick 1</i></b>
Publish my full response, including my name	<input type="checkbox"/>
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1. We believe that our regulatory priorities should be:

- listening and responding effectively to tenants and service users
- providing good quality and safe homes
- keeping homes as affordable as possible
- doing all they can to reduce the number of people who are experiencing homelessness

We are keen to hear your feedback on these priorities. Are they the right ones?

I find this section of the paper a little confusing. It talks of “regulatory priorities” but the list refers to things that you think landlords should prioritise rather than your own priorities. So I assume that you are proposing a regulatory approach that will prioritise the risk that landlords fail to prioritise these matters. I think it would be helpful to landlords to be more explicit about this.

It seems a reasonable list considering the operating environment that you and landlords are facing. I agree with the point made by Eildon HA that there are complex inter-relationships between these priorities and there is some inherent tension between them.

For example, any reduction in rents to keep homes affordable (your third priority) will result in less money for new development which will have an adverse impact on landlords’ ability to reduce homelessness (your fourth priority). So, I think it would be helpful for the framework to set out how these priorities will influence the way in which you regulate over the next five years.

I note that both Eildon HA and the Royal Bank of Scotland suggest something around decarbonisation as a priority. I would support this.

Also, given the continuing inflation in the UK economy and the 14 increases in interest rates over a relatively short period, I think monitoring financial health of RSLs should be a priority for RSLs. I would be concerned at the impact upon lenders if there was a perception that this was a lesser regulatory priority.

2. What are your views on amending the Statutory Guidance on Annual Assurance Statements to include provisions on specific assurance?

This is a proportionate and reasonable step. I am unclear though on one issue.

Is your proposal that the “specific assurance” should be sector wide on issues that affect all landlords?

Or is the proposal that you can require bespoke assurance from particular landlords on issues that are specific to that landlord?

I can see merit in introducing a provision for both.

3. Do you think that we need to change any of the indicators in the ARC or add to these?

I would support the introduction of indicators on sustainability and decarbonisation. It would be helpful to have input from the Scottish Government as to what these might be.

The suggestions made in the submission by Royal Bank of Scotland look to be worth exploring.

4. Are the proposed areas of focus for tenant and resident safety indicators the right ones, and what should those indicators be?

I would support the introduction of a broader range of measures to cover electrical, water, fire, asbestos and lift safety. Having said that, from a safety perspective, I have some reservations as to the effectiveness of a regulatory regime that relies on self-reporting of specific measures by landlords.

In that context I note that recent legislative changes in England (The Social Housing (Regulation) Act) gives the Regulator of Social Housing significantly increased powers in this area. It will be interesting to monitor the extent to which this new regulatory regime is successful in protecting tenants from harm. Clearly any expansion of the Regulator's role along similar lines could only be successful if it were accompanied by significant additional resource.

5. What do you think would be the most effective and appropriate way to monitor the effectiveness of landlords' approach to managing reports and instances of mould and dampness?

I note the suggestion in the submission from Eildon HA to set up a short life sector working group to make recommendations on these matters. That seems a sensible and collegiate way forward in this important area.

6. What are your views on strengthening the Framework further on landlords listening to tenants and service users?

I don't have any issue with this proposal, but I am a little sceptical as to its impact and effectiveness. In my experience most landlords are very good at listening to tenants and service users. But, in a small number of well publicised cases, landlords have fallen short of requirements.

My scepticism arises from concern as to whether that small number of landlords would have been impacted or influenced by a strengthened regulatory framework or increased regulatory requirements.

I support the amendment of the title of this part of the Framework to "*Listening and Responding to Tenants and Service Users*". This gives a clear steer on regulatory expectations and requirements.

7. How do you think we could streamline the requirements for landlords in the Notifiable Events statutory guidance?

I think the guidance and the processes work reasonably well at present.

My only suggestion would be to do as much as possible to encourage landlords to have an early conversation with their lead regulator where they have identified a **potential** notifiable event.

8. Do you think there is value in using more direct language in the working towards compliance status, or in introducing an intermediary regulatory status between compliant and working towards compliance?

Yes to both.

I think it would be clearer and more transparent to describe the current "Working Towards Compliance" as simply "Not Compliant". I also see merit in moving away from the present situation where there is a single broad compliant status.

A single broad compliant status fails to distinguish between those landlords who are comfortably meeting all requirements with no issues and those who are having to address one or more issues which represent a serious risk to their compliant status. An intermediary regulatory status would improve transparency for tenants and lenders.

I would suggest the following for consideration:

Grade 1 – Compliant.

Grade 2 – Compliant: addressing one or more issues which present a risk to Compliant status.

Grade 3 – Non-Compliant: plan agreed with SHR to return to compliance.

Grade 4 – Non-Compliant.

Also, given the serious financial challenges facing all Registered Social Landlords, it is worth considering having separate statuses for financial health and governance? Again, this would be more transparent for tenants and also for lenders.

9. Are there any changes we should make to the Significant Performance Failures approach, including how we define these?

Given the changes introduced in the regulatory framework in 2019 I wonder about the continuing value of the SPF approach within RSLs. As I read the factsheet it appears that any SPF would be a breach of regulatory standards. This would result in a change of status for an RSL. So, what is the value for RSLs and their tenants in the SPF reporting regime?

Rather than asking tenants to report SPFs (a term which doesn't appear to be well understood) might it be useful to ask tenants to report any concern that landlords are not meeting the standards that they are required to achieve?

I appreciate that the position is different for local authorities which do not have a regulatory status.

10. Are there any other changes to the Regulatory Framework and associated guidance that you would suggest?

I would commend SHR for the idea of a discussion paper prior to formal statutory consultation and I think the paper asks the right questions in the right way.

I agree with para 13 in the discussion paper which states that the 2019 framework has generally worked well, and it remains relevant and appropriate.

In particular the introduction of a regulatory status has promoted greater transparency and the requirement for an Annual Assurance Statement has brought about more and better discussion within governing bodies on governance matters.

I would suggest one small tweak with regards to the regulatory status. I have noted that on a few occasions an RSL has had an "under review" flag attached to its status for a lengthy period, perhaps up to a year. In my opinion that is too long for tenants and lenders and indeed for the RSL itself. I would therefore suggest that the new framework incorporates a provision for a maximum period for an "under review" flag, perhaps somewhere between three and six months.

Thank you for taking the time to give us your feedback!