

# Report

17

Report to:	<b>Housing and Technical Resources Committee</b>
Date of Meeting:	<b>12 October 2011</b>
Report by:	<b>Executive Director (Housing and Technical Resources)</b>

Subject:	<b>Scottish Social Housing Charter and the Future of Regulation</b>
----------	---

## 1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ provide an update on progress with the development and implementation of the Scottish Social Housing Charter and the future regulation of housing.

## 2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the progress with the development of the Scottish Social Housing Charter and the future regulation of housing be noted.
- (2) that the Executive Director (Housing and Technical Resources) be authorised to respond to the consultation by 25 November 2011 based on the content contained in section 4 and 5 of this report.

## 3. Background

3.1. The Housing (Scotland) Act 2010 detailed the legislative provisions relating to the establishment of the:-

- ◆ Scottish Social Housing Charter
- ◆ Scottish Housing Regulator (SHR) as an independent body to monitor, assess and report on the performance of social landlords

3.2. While these two developments are being progressed separately they are inherently linked. The key purpose of the Charter is to set the outcomes which social landlords require to achieve for their tenants, homeless people and other service users which will then provide the fundamental basis for the SHR to monitor, assess and report on the performance of social landlords.

3.3. Currently there are two major national consultations underway, the first of these being undertaken by the Scottish Government seeking views on the draft Charter and the second being undertaken by the SHR on the future regulatory framework.

3.4. While separate responses will be submitted in relation to each consultation, it will be important to emphasise the need for the Charter to be developed in a way which is consistent with the overarching objective of the new regulatory framework, to be risk based and proportionate.

- 3.5. Section 4 of this report sets out the proposals in relation to the Charter and highlights the key issues to be included in the response to the consultation. The deadline for response is 1 November 2011.
- 3.6. Section 5 of this report summarises the proposed framework for the SHR to monitor, assess and report on the performance of social landlords and the views of the Council to be included in the response to the consultation. The deadline for response is 25 November 2011.

#### 4. **Draft Scottish Social Housing Charter**

- 4.1 In Autumn 2010, the Scottish Government held a series of consultation events to encourage an open and inclusive process to develop the Charter. During these events the Scottish Government confirmed their intention to undertake a more detailed consultation in the period up to Autumn 2011, with the Charter scheduled to be introduced in April 2012.
- 4.2 A discussion paper 'The Scottish Social Housing Charter' was launched by the Scottish Government in February 2011. This paper summarised the discussions and views received during the initial consultation and set out some possible outcomes for the Charter.
- 4.3 The Council provided a response to the discussion paper in May 2011. In summary the key points set out in the response were:-
- ◆ the Charter has the potential to give rise to disproportionate and onerous reporting requirements
  - ◆ the outcomes and standards articulated in the draft Charter lack the detail, scope and breadth of the activity and guidance standards which previously provided the basis for regulatory inspection
  - ◆ the suggested outcomes are high level and therefore extremely broad and do not in themselves provide a clear basis for the SHR and tenants to hold their landlord to account
  - ◆ it is unlikely that the Charter will facilitate greater transparency and accountability to tenants and service users
  - ◆ full comment on the Charter could not be provided until the SHR clarified their proposals on how the Charter will fit into the wider regulatory framework
- 4.4 On 1 August 2011, the Scottish Government published 'The Scottish Social Housing Charter – A Consultation'. This paper sets out the outcomes and standards that all social landlords should be achieving for their tenants and other customers through their housing activities.
- 4.5 The consultation paper indicates the Charter will:-
- ◆ give tenants, homeless people and other customers a clear understanding of what they should expect from a social landlord
  - ◆ give landlords a clear understanding of what they should be delivering through their housing activities
- 4.6 The outcomes and standards are set out under the following 5 headings:-
- ◆ customer/landlord relationship
  - ◆ quality of housing and the environment
  - ◆ access to housing and support

- ◆ getting good value from rents and service charges
- ◆ gypsies/travellers and other customers

Views are sought in relation to the specific outcomes set out in relation to each aspect of service.

- 4.7 In relation to the earlier consultation on the Charter an initial review of the draft Charter highlights that the points at Section 4.3 above remain relevant and accordingly it is proposed that the Council's response will once again highlight these issues. The Charter also in its current form details a number of specific measures which the SHR will require to gauge progress on. This has the potential to be both bureaucratic and onerous.
- 4.8 It is clear that other organisations such as the Chartered Institute of Housing have raised similar concerns with the Charter.
- 4.9 It is also worth noting that the consultation on the future regulatory framework (Section 5) notes that the SHR will not be able to establish the reporting requirements until the Charter completes the parliamentary process.
- 4.10. In addition to the overarching points noted above, it is proposed that the Council's response to the draft Charter will provide comments in relation to the appropriateness and practicality of the outcomes and standards specified in the document.

## **5. The Future Regulation of Housing in Scotland by the Scottish Housing Regulator**

- 5.1. The new independent Regulator is directly accountable to the Scottish Parliament. The key objective being to safeguard and promote the interests of tenants and others who use the housing and homelessness services provided by local authorities and registered social landlords.
- 5.2. A consultation document on the future of regulation was published by the Scottish Government on 1 September 2011. This document sets out the proposed framework to monitor, assess and report on the performance of social landlords from April 2012. While we have had a general indication of the approach the SHR intends to take the consultation document sets this out in detail.
- 5.3. The SHR propose to base their approach to monitoring social landlords achievement of the Charter on landlords self assessment of performance which involves tenants. Each year landlords will need to assess their progress towards the achievement of the Charter outcomes and any specific outcomes they have agreed with tenants locally. SHR will publish information to help tenants, homeless people, gypsy travellers and people who use the factoring service to compare different landlords and to hold their landlord to account.
- 5.4. The consultation document emphasises that the SHR will not be prescriptive about the approach that landlords should adopt to self assessment. In the consultation document SHR has defined the core requirements and some key measures to ensure a consistent analysis and comparison of performance between all landlords. These are that self assessment should be:-

- ◆ inclusive – involving tenants in an effective way
- ◆ comprehensive – covering all of the Charter’s outcomes that are relevant to the landlord and any local outcomes agreed with tenants
- ◆ objective and evidence-based
- ◆ about the landlord’s achievements, as well as areas for improvement

Landlords are required to:-

- ◆ agree the approach to self assessment with their tenants
- ◆ demonstrate it is effective and meaningful to tenants
- ◆ demonstrate clearly their approach to self assessment
- ◆ demonstrate that their agreed approach to self assessment is happening

5.5. As highlighted in Section 4.9 the consultation notes that SHR will not be in a position to specify and publish separate guidance on the measures they will use to gauge progress with the Charter until the Charter has been approved by the Scottish Parliament. Accordingly the SHR intend to carry out a further round of consultation in January 2012, once the Charter has completed the parliamentary process. They will use this along with local tenant scrutiny and landlords’ self assessment to assess compliance with the Charter. This guidance will set out the range of measures the SHR will use.

5.6. In addition it is also proposed that landlords will provide the SHR with a completed Annual Return on the Charter (ARC) by the end of May each year. Again, it is not possible for SHR to be definitive about the level and type of data they will need to collect until the Charter is finalised. The first ARC will require to be completed in May 2014 for 2013/2014. On an annual basis SHR will publish a report outlining the landlord’s performance.

5.7. The draft framework is extremely detailed and provides clarity in relation to the approach and process which the SHR will apply. There are a number of practical issues which it will be necessary to address in response to the consultation document (e.g. tenant involvement in service scrutiny) however the proposed framework is clearly articulated.

5.8. It is proposed that while the response will pick up some specific points in relation to the proposed regulatory framework, in broad terms would emphasise that the Council is supportive of the general approach. At the same time the response would highlight the issues noted in relation to the Charter.

5.9. In essence the consultation document emphasises the need for landlords to be self aware and have an effective and robust approach to self assessment. A key focus of attention therefore will be to ensure that service improvement systems within the Resource continue to develop to reflect the new regulatory requirements. In this regard many of the systems currently in place, for example quality assurance and performance management, will provide an effective basis to meet future requirements

## **6. Next Steps**

6.1. The consultation on the draft Charter ends on 1 November 2011. A formal response is currently being developed to be sent to the Scottish Government. In addition to providing feedback on the suggested outcomes and standards the draft response will reiterate the points set out at Section 4.3 above.

- 6.2. The consultation on the Regulation of Social Housing in Scotland ends on 25 November, 2011 and a response to the proposals set within the consultation will be sent to SHR.
- 6.3. In early 2012 following the formal approval of the Charter by the Scottish Parliament the SHR will carry out further consultation on the measures they will use to gauge progress with the Charter. The Council will provide a response to this consultation.
- 6.4. The timeline for implementation of the Charter and the regulatory framework is as follows:-
- |   |                  |
|---|------------------|
| ◆ Consultation closes on the Charter                  | 1 November 2011  |
| ◆ Consultation closes on Regulation of Social Housing | 25 November 2011 |
| ◆ Charter considered by Parliament                    | December 2011    |
| ◆ Consultation on measures to be used by SHR          | January 2012     |
| ◆ Charter comes into effect                           | April 2012       |
| ◆ Charter measures published                          | June 2012        |
| ◆ First year of Charter data collection               | 2013/2014        |
| ◆ First annual report                                 | August 2014      |

## **7. Employee Implications**

7.1. None.

## **8. Financial Implications**

8.1. None.

## **9. Other Implications**

9.1. There are no implications for sustainability in terms of the information contained in this report.

9.2. Failure to raise awareness and properly prepare for the introduction of the Charter and the new Regulatory Framework could negatively impact on future service delivery.

## **10. Equality Impact Assessment and Consultation Arrangements**

10.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and, therefore, no impact assessment is required.

10.2. A range of discussions are taking place with staff and tenants to support the response to the consultation documents.

**Lindsay Freeland**  
**Executive Director (Housing and Technical Resources)**

19 September 2011

### **Link(s) to Council Objectives/Improvement Themes/Values**

- ◆ Improve the quality, access and availability of housing

### **Previous References**

- ◆ None

### **List of Background Papers**

- ◆ None

### **Contact for Further Information**

If you would like to inspect the background papers or want further information, please contact:-

Aileen Muir, Policy Officer

Ext: 4121 (Tel: 01698 454121)

E-mail: [aileen.muir@southlanarkshire.gov.uk](mailto:aileen.muir@southlanarkshire.gov.uk)