



Evidence submitted by Chartered Institute of Housing Scotland: 14 December 2018

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1. Is our overall approach, set out in Chapter 2 of the Framework, right? Do you have any other comments?

We welcome the focus on assurance and proportionate intervention, only where necessary. As far as possible, landlords should be supported to comply with regulatory requirements to prevent the need for intervention.

2. Do the proposed regulatory requirements cover the right things, and are they framed in the right way?

Whistleblowing

We welcome the emphasis on whistleblowing and the need for every landlord to have a clear policy in place to support staff, board members and elected members to raise issues. However, we also think that it is important to highlight the need for open and transparent communication within organisations. Staff, boards and elected members should be supported to attain the skills they need to ask questions, challenge performance and make suggestions through a variety of channels, not just the formal whistleblowing process.

Equalities and human rights

The draft Framework includes a requirement for wider collection of data on protected characteristics. We recognise that collecting this data will help to ensure that landlords are aware of the characteristics of their tenants, future tenants, staff and other customers and can help to inform the Regulator's thematic work. However, further guidance on this requirement would be useful. It is not clear whether landlords will be required to collect this information retrospectively or just going forward.

People also have the right to refuse to provide data of such a sensitive nature. This needs to be taken into account in the wording of the Regulatory Framework and any supporting materials. If data is to be collected retrospectively, responses from existing tenants may be quite low and this should be acknowledged.

3. Is there anything missing? Or any other comments?

No further comments



4. Should we add to, amend, or remove anything from the proposed Standards?

Standard 3

We agree that all social landlords need to be managing resources effectively, demonstrating how they are providing value for money and working with tenants to ensure rents are affordable. However, it is important to highlight that factors which can impact on finance and affordability are not always within the control of social landlords. For example, pressures arising from welfare reform and changing standards relating to energy efficiency and fire safety all impact on income and expenditure which can ultimately impact on rents.

The guidance refers to anticipating and managing financial risk but there is little mention of affordability or the factors that landlords should take into account. While we don't think the Regulator should have a role in rent setting, it may be helpful for this section to include more information about the types of activities landlords can undertake to gain an understanding of "affordability" for their tenants.

Standard 6

We welcome the emphasis on ensuring that members have the right skills and knowledge. We agree that RSLs should provide training where required. As we set out in our consultation response earlier this year, many RSL Boards benefit from the expertise of tenant representation and we need to strike the right balance between upskilling and ensuring that people are not put off applying to become members because it is too intimidating.

It would be useful to highlight in this section that Board members with the right skills and confidence to question and scrutinise performance play a vital role in regulation and assurance. As mentioned above, there should be a variety of routes for performance issues to be raised and discussed, not just through the formal whistleblowing process.

5. Is the new Standard 7 useful, and is it framed in the right way?

Yes, Standard 7 is generally useful and the wording does not seem to present any significant problems. However, some specific feedback suggests that some of the guidance is repetitive and could be streamlined. For example, guidance notes 7.4 and 7.5 reference the need for the new (or changed) organisation to be



financially viable, to provide good outcomes for tenants and to ensure robust monitoring systems are in place. While we agree with all of these statements, it does not seem necessary to specify what is already implied in the standard itself.

6. Would you like to make any other comments about the Standards?

No further comments

7. Is the approach we have set out in Chapter 4 right? Any other comments?

We agree that information on performance should be as open and accessible as possible. We welcome the commitment set out in the consultation document to explore a range of ways to make the data more user friendly including the use of infographics and making it compatible with mobile devices.

8. Are our proposals for the Annual Assurance Statement right?

During consultation earlier this year, we supported the proposal to introduce an Annual Assurance Statement. Feedback from our members suggested it would be helpful to have guidance on what information to include in the Statement but that landlords should have flexibility to prepare their Statements in a way that suits their organisation, tenants and customers. Importantly, it should not create an additional burden for landlords.

While we still think that the guidance should be flexible, further feedback from some of our members suggests that the current draft is not clear in some areas and would benefit from more examples to illustrate how compliance will be measured. For example, the distinction between 'compliance' and 'working towards compliance' should be made more explicit.

It would also be useful for the guidance to be more explicit about what would constitute a 'material change to the assurance' given in the Statement.

It is not clear whether landlords would be able to develop their own version of the Annual Assurance Statement and if so, how this would be assessed.

We recognise that the SHR plans to develop a toolkit to support the implementation of the revised framework and new requirements. This may help to



address some of the issues above and ideally should include a range of practical examples.

9. Is our approach to risk assessment right?

Yes. We think the approach set out is proportionate.

10. Should we publish a regulatory status for each RSL as we propose?

Publishing a regulatory status for each landlord can help to reassure investors. The explanation that sits alongside each status is helpful.

11. Is it right that we publish an Engagement Plan for every landlord?

The proposal for publishing Engagement Plans supports the aims of open and transparent communication. However, we are not clear why an Engagement Plan would be published for every landlord, including those organisations that are fully compliant with all regulatory requirements. The plans should make it clear where a landlord is deemed to be compliant and where no further actions are being taken by the Regulator.

12. Would you like to make any other comments or suggestions about our approach to getting assurance?

No further comments

13. Is the approach set out in Chapter 6 right? Any other comments?

No further comments

14. Is the approach set out in Chapter 7 right? Any other comments?

As we set out in our previous response, we support the continued use of thematic work as a way to share best practice and would be happy to support this work if we can.

15. Is the approach set out in Chapter 8 right? Any other comments?

No further comments



16. Are these registration and de-registration criteria the right ones? Any other comments?

No further comments

17. Do you have any feedback on the draft Assurance Statement guidance?

See question 8 above.

18. Do you have any feedback on the draft notifiable events guidance?

No further comments

19. Should we add to, delete or amend anything in the list of proposed indicators? Any other comments?

Repairs

Indicator 10, *percentage of reactive repairs carried out in the last year completed right first time*, can be difficult for some landlords to calculate and feedback has suggested that the use of exclusions can be interpreted differently potentially resulting in inconsistencies in reporting. If this indicator is retained, it would be useful for clarification on the use of exclusions.

Adaptations

While the addition of indicator 19, *total cost of adaptations completed in the year*, will provide useful data, this does not provide insight into the type of work being carried out. For example, whether the organisation has carried out a large number of minor adaptations or fewer significant adaptations. It would be useful to collect data on the number of adaptations as well so that the average cost could be determined.

Homelessness

Indicator 22, *the percentage of referrals under Section 5 that result in an offer and the percentage of those offers that result in a let*, could reflect badly on RSLs. If a referral is not suitable it should not be included in the calculation.



Rent arrears

Indicator 25 (amended), *the total amount of rent collected over the whole of the reporting year as a proportion of the total amount of rent due that financial year (current tenants only)*, may be difficult for some landlords to calculate. Feedback from our members suggests that some RSLs may be unable to easily separate income received from current and former tenants.

20: Do you have any feedback on the draft group structures guidance?

No further comments

21: Do you have any feedback on this guidance?

No further comments

22. Would you like to give feedback on any other aspect of the proposals set out in the draft Framework and guidance?

Reporting on Performance

The draft framework quite rightly continues to focus on tenant and customer engagement and open and information sharing and we fully support this approach. However, while tenants and customer engagement has undoubtedly been improving in recent years, we know that some people remain difficult to reach for a number of different reasons and that there is still more work to be done in the sector. We need to ensure that people are able to engage in a range of ways and in a way that suits their needs, not just through traditional, formal routes. There is a growing body of evidence in this area but the sector might benefit further from sharing good practice.

Similarly, we think that the process for reporting performance to tenants would benefit from some further consideration.

As stated above, we welcome the Regulator's commitment to making the Charter data more accessible through improving online access and developing info graphics. We also agree that landlords should continue to provide information on performance directly to their own customers and tenants. However, an assessment of the effectiveness of different reporting approaches taken by different landlords would be helpful in promoting best practice and delivering



value for money. It is important to ensure that in reporting on their performance, landlords are presenting information that is relevant and useful, not just reporting to meet a regulatory requirement.

Requirement to publish minutes of Governing Body meetings

The benefits of publishing detailed minutes of Governing Body meetings are not clear and, in some cases, may be detrimental to the RSL if sensitive or commercially significant issues are being discussed. It would be useful to know whether the Regulator has received feedback from tenants suggesting that they would like to receive this information and what level of detail it is anticipated should be included in published minutes.

23. Would you like to give feedback on any aspect of these impact assessments? Are there other potential impacts that we should consider?

No further comments