

ANGUS COUNCIL

COMMUNITIES COMMITTEE – 28 MAY 2019

NEW REGULATORY FRAMEWORK FOR HOUSING SERVICES AND ANNUAL ASSURANCE STATEMENT

REPORT BY DIRECTOR OF COMMUNITIES

ABSTRACT:

This report makes members aware of the new Regulatory Framework for housing services, and requirement to provide an Annual Assurance Statement to the Scottish Housing Regulator.

1. RECOMMENDATIONS

1.1 It is recommended that the Committee:

- (i) notes the new Regulatory Framework for housing services, and the requirement to submit an Annual Assurance Statement by October of each year.
- (ii) approves that the information and evidence outlined in section 4 will be sufficient to allow Committee to sign off the Annual Assurance Statement.

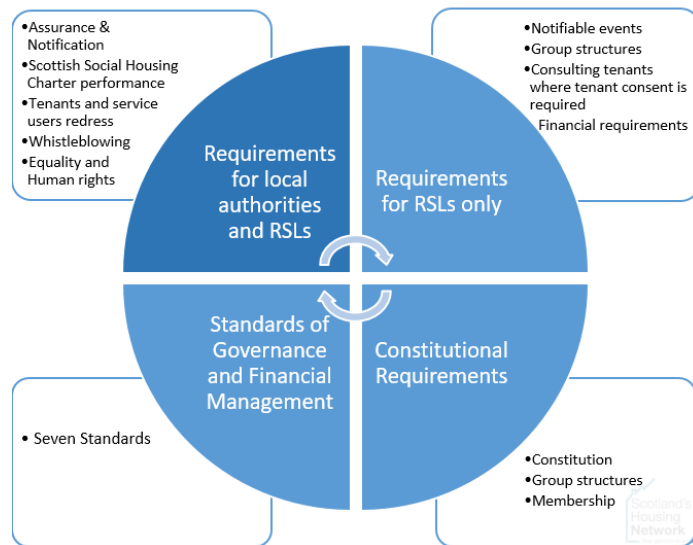
2. ALIGNMENT TO THE ANGUS LOCAL OUTCOME IMPROVEMENT PLAN / CORPORATE PLAN

2.1 This report contributes to the following outcomes contained within the Angus Local Outcomes Improvement Plan 2017 -2030 and Corporate Plan

- Safe, secure, vibrant and sustainable communities

3. BACKGROUND

3.1 After comprehensive consultation, the Scottish Housing Regulator published the new Regulatory Framework in February 2019. The diagram below shows the extent of the new Framework, and which parts apply to Local Authorities and RSLs and which to RSLs only.



Source: Scotland's Housing Network, March 2019

3.2 The new Regulatory Guidance now requires social landlords to focus on self-assurance and the Regulator itself is taking a more risk-based approach to regulation. The move to Annual Assurance Statements will mean that governing bodies will have a greater oversight of the performance of housing services than at present. Engagement Plans now make it clear to social landlords what is expected of them during the year, and this makes it more transparent for tenants and service users how their landlord is performing. In addition to the responsibility to deliver the Scottish Social Charter Outcomes, the Framework also notes requirements by other regulatory bodies, including:

- the Office of the Scottish Charities Regulator.
- the Equality and Human Rights Commission.
- the Care Inspectorate.
- Audit Scotland and
- the Scottish Public Sector Ombudsman.

3.3 The requirements on Local Authorities fall into 5 categories:

- Assurance and Notification (see also section 3.4 below).
- Scottish Social Charter Performance (see also section 3.7 below).
- Whistleblowing.
- Tenants and Service Users Redress.
- Equality and Human Rights (see also section 3.6 below).

3.4 ANNUAL ASSURANCE STATEMENTS

A major new feature of the new Regulatory Framework is the requirement for governing bodies to produce an annual assurance statement each year between April and October – the first is due by October 2019. The statement should either state that the Committee is assured the Council meets all requirements or outline where there are failures. The Regulator only requires landlords to report where there is “material non-compliance”.

What constitutes material non-compliance is a matter of judgement for governing bodies, and indeed for the Regulator while making regulatory judgements. Such judgements will take account of a range of factors, including:

- the significance of the non-compliance.
- the potential impact of the issue.
- the scale of the issue, and
- the context for the individual landlord.

Minor or temporary non-compliance will not need to be reported in the Statement.

Full guidance on Annual Assurance Statements has been made available by the Regulator and template versions of the Statement were provided by the regulator at an event in September 2018, and these are attached as Appendix 1. We will be required to make the completed Statement available to tenants and other service users, and, as such, we intend to post it on the Housing Blog.

For us, a combination of what we currently provide routinely should be sufficient for Committee to be assured - see Section 4 below for proposals.

3.5. ENGAGEMENT PLANS

All landlords now receive an annual Engagement Plan from the Regulator. The plans are posted on the Regulator’s website and include:

- the information the Regulator requires from that landlord.
- what the landlord needs to do.
- how the Regulator will engage with the landlord.
- why the Regulator is engaging, with reference to any material non-compliance with regulatory requirements.
- the Regulator’s member of staff who is the main contact for engaging with the landlord.

We are required to make Engagement Plans available to tenants and other service users, and we have used the Housing Blog for this purpose.

3.6 PROTECTED CHARACTERISTICS DATA

Another new requirement on landlords will be the need to collect data on protected characteristics for existing tenants, new tenants, people on waiting lists, homeless people, governing body members and staff. In addition, landlord who provide Gypsy/Travellers sites must also collect protected characteristics data for these service users.

While most landlords collect some of this data, there will undoubtedly be significant gaps. Landlords will not be expected to report the data to the Regulator. However, the Regulator expects governing bodies to report whether or not the landlord is meeting this duty in the Annual Assurance Statement. We do not currently collect data on all protected characteristics for all service users, and the Regulator will be providing further guidance over 2019/20 to enable landlords to meet this duty from 2020/21 onwards.

3.7 ANNUAL REPORT TO THE CHARTER (ARC) INDICATORS

The regulator has removed a number of indicators, changed some, and moved some out of the ARC into the Landlord Portal. The new and changed indicators will not be required until 2019/20 ARC since landlords will need time to develop their IT systems accordingly. New Technical Guidance and a summary of existing Frequently Asked Questions have also been developed which include the new and changed indicators.

4. PROPOSALS

4.1 To meet the Regulator's requirement for an Annual Assurance Statement, the Committee will have to satisfy itself that it is assured the Council is meeting all its statutory requirements or outline any material non-compliance. We recommend the following information sources be used to enable the Committee to sign off the Annual Assurance Statement:

- Annually: Charter information report – this report has already been provided to Committee each year the Charter has been in operation and it summarises how the Council is performing in relation to each of the areas covered by the Charter and what we are doing to deal with any areas of poor or declining performance.
- Housing capital and revenue budget performance – this report, which is already provided to Committee annually, sets out the actual Capital and Revenue spend to 31 December each year together with projected outturns for the full financial year and any required updated capital funding proposals
- HRA Rent setting and budget strategy - this report, which is already provided to Committee annually, sets out the Housing Revenue Account (HRA) budget strategy for the following five year period and seeks approval of rent levels and other associated charges for the forthcoming year. It also sets out estimated income and expenditure for the following year, capital investment proposals, affordability assessment and recommends a continued programme of investment in new and existing stock.

4.2 In addition we propose providing two, six-monthly information reports containing the following:

- Six-monthly Scrutiny Panel report – Managers from the Housing Service and Assets meet with the Tenant Steering Group in June and November of each year to look at the performance against the Charter indicators, provide explanations where requested, and to allow the tenant group to set targets for future performance. A presentation is prepared for the tenant group and issued in advance. This presentation could also be provided to the Committee and, if members felt it was appropriate, we could discuss member attendance at the Panel itself with the Tenant Steering Group.
- Housing Improvement Team reports – As part of our performance management activities, the Charter outcomes are split into five broad areas – Housing Options, Homes and Communities, Income Management, Maintaining and Improving Homes and Tenant Participation. Senior managers chair Housing Improvement Teams covering each area, and each team reports to Housing Management Team once a quarter, outlining what has been happening, how the service area has been performing and what actions are being taken to improve performance. A summary of these reports could be provided to the Committee.

- Performance management framework report and analysis – Each month, the Performance and Access team provides a spreadsheet of performance information to the Housing Management Team. This is accompanied by a summary document of charts and analysis to draw managers' attention to problematic areas. A summary of performance could be provided to Committee.

4.3 We will work with the Corporate Improvement team to develop the Pentana Performance system to provide a more integrated data source for Committee in future years.

4.4 We are aware that CoSLA and the Scottish Housing Regulator are currently discussing pulling together a Toolkit to help landlords prepare for Annual Assurance Statements. Once this is available, if it is significantly different from the information we are proposing here, we will refer it to Committee for consideration. Committee may ask for changes to the proposed list of data sources if needed to inform members' assurance.

4.5 More work is required to be able to meet the Regulator's requirements on protected characteristics data, and we await further guidance during 2019/20. The Division is currently working to deliver the new and amended Charter indicators to be collected during 2019/20 and reported to the Regulator by the end of May 2020.

5. FINANCIAL IMPLICATIONS

5.1 There are no financial implications arising from this report.

6. OTHER IMPLICATIONS

Risks

6.1 By not submitting an Annual Assurance Statement, the Council would be failing one of its statutory duties

REPORT AUTHOR: Stewart Ball, Director of Communities

EMAIL DETAILS: Communities@angus.gov.uk

NOTE: No background papers as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing this report.

List of Appendices:

Appendix 1 – Suggested Template Annual Assurance Statements