

Our regulation of social housing in Scotland

Consultation questions

We welcome your general feedback on our proposals as well as answers to the specific questions we have raised. You can read our consultation paper on our website at 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 **15 December 2023**.

By email @: regulatoryframeworkreview@shr.gov.scot

Or post to: Scottish Housing Regulator
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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. 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 **No**

If you are responding as an individual ...

Please tell us how you would like your response to be published.

Pick 1

Publish my full response, including my name

Please publish my response, but not my name

1. Do you agree with our proposed approach on specific assurance in Annual Assurance Statements?

Yes, provisions on specific assurance would be helpful provided there is consistency from all RSLs on core critical governance and financial viability aspects. Specific assurances should be bespoke and tailored to critical issues of the day.

2. Do you agree with our proposal to initiate a comprehensive review of the Annual Return on the Charter which we will consult on next year?

Yes, the ARC process has been established for some time now, and a review would be timely. Indicators on tenant/ resident safety, and damp and mould would help in form landlord effectiveness in responding to these issues and further inform the picture of governance strength. As highlighted in our response to the earlier Discussion Paper, we continue to be of the view that it would be useful and timely to update ARC indicators particularly in relation to sustainability/ decarbonisation – for instance amount of stock at each EPC rating or average EPC ratings, how much is built into the business plan cover NZC and how it has been derived (forecast/ actual decarbonisation expenditure) as well as information on any sustainability reporting standards being adopted. In the circumstances, we believe it is right for the SHR to progress indicators on EESSH when the Government's review group has completed its work. We welcome the proposed approach of the SHR to establish as appropriate ARC indicators working group(s) and to consult formally on revised indicators in 2024.

3. Do you agree with our proposed amendments to strengthen the emphasis on landlords listening to tenants and service users to include a requirement that landlords:
- provide tenants, residents and service users with appropriate ways to provide feedback and raise concerns, and
 - ensure that they consider such information and provide quick and effective responses?

Yes.

4. Do you agree with our proposed approach to Notifiable Events?

Yes. Notifiable events should reflect a factor of materiality, and we welcome the approach to ensure there is clarity for landlords that they are required to notify the regulator of the most significant issues only.

5. Do you agree with our proposed approach to regulatory status?

No, not entirely. While we appreciate the rationale of the three regulatory statuses which the SHR intends to maintain, we remain of the view that this approach will perpetuate confusion, and a lack of clarity about the meaning of "working towards compliance" in particular. As we have highlighted previously, this is likely to be more of an issue for funders/ investors which are distant to the Scottish sector such as overseas/ international investors who might lack familiarity with the Scottish approach. Further consideration should be given to introducing a new intermediary compliant regulatory status (equivalent to G2/V2 in England), which would be useful to flag where an RSL does not have exemplary governance/viability but is still not considered non-compliant. This would help reduce the cliff edge between compliant and non-compliant. The regulator should maintain an "Under Review" list/ Watchlist to include all RSLs which are in the process of being reviewed following an incident, but where the regulatory status still has not been decided. Consistency of approach to regulatory statuses across Scotland and England will better support UK national and international funders/ investors in understanding the strength of a Scottish RSL. The SHR should seek to understand whether/ the extent to which the three-status approach could set the Scottish sector at a disadvantage in the UK national and international funding markets.

6. Do you agree with our proposed approach to Significant Performance failures?

Yes, although it would be helpful to quantify/ provide clearer examples of severity of failures and clarify if failure was systemic, isolated, inadvertent or careless.

7. Do you agree with our proposed changes to the guidance on *Annual Assurance Statements*?

Yes

8. Do you agree with our proposed changes to the guidance on *Consultation where the Regulator is directing a transfer of assets*?

Yes

9. Do you agree with our proposal to maintain *the Determination* at this time?

Yes, noting consultation to follow once the current SORP is revised.

10. Do you agree with our proposed changes to the guidance on *Determination of what is meant by a step to enforce a security over an RSL's land*?

Yes

11. Do you agree with our proposal to maintain the guidance on *Financial viability of RSLs*?

Yes

12. Do you agree with our proposed changes to the guidance on *Group structures*?

Yes, as the sector becomes more complex, we welcome that the SHR will amend the statutory guidance on group structures, reflecting its experience to date.

13. Do you agree with our proposed changes to the guidance on *How to request an appeal of a regulatory decision*?

14. Do you agree with our proposal to maintain the guidance on *How to request a review of a regulatory decision*?

15. Do you agree with our proposed changes to the guidance on *Notifiable events*?

16. Do you agree with our proposed changes to the guidance on *Preparation of financial statements*?

17. Do you agree with our proposal to maintain the guidance on *Section 72 reporting events of material significance*?

18. Do you agree with our proposed changes to the guidance on *Tenant consultation and approval*?

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

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