

# 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](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 **15 December 2023**.

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

### 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 no

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

Broadly yes however there is the danger that the AAS will grow and grow becoming a document which is too large and be less likely to be read by the few tenants that read them at present.

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. There are some indicators in the current ARC which although well intentioned are not the most useful for tenants. The indicators relating to repairs right first time and anti social complaints resolved on time spring to mind for different reasons.

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:

- a. provide tenants, residents and service users with appropriate ways to provide feedback and raise concerns, and
- b. ensure that they consider such information and provide quick and effective responses?

No. This is unnecessary over regulation. We currently do this relatively well as a sector and there are other priorities that should be looked at.

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

Yes although RSLs with a good, mature working relationship with their SHR contact will most likely update that contact on anything remotely close to a notifiable event already and will continue to do so regardless of any changes.

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

Yes the status quo works.

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

Yes clarity would be good for tenants and RSLs.

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, however the level of due diligence undertaken must be robust prior to any direct transfer of assets occur. Potentially, more could be done to find alternate solution with the existing RSL to resolve the apparent breaches in service delivery or financial viability, thus safeguarding the existence of community based housing.

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

Yes

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.

If possible, the Regulator should provide leverage to ensure that commercial lenders provide uniformity on loan covenants to improve financial flexibility and increased headroom.

For example, by removing the impact of major repairs investment from interest cover calculation basis and also the move towards pre-FRS102 accounting requirements.

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

Yes.

However, there requires to be greater consistency how RSLs apply the group structure and subsidiary model. For example, RSLs differ how there factoring services are incorporated – some are embedded with the Association whilst others are embedded within the subsidiary.

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

yes

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

yes

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

yes

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

Yes.

However, there is inconsistency on how we audit specific areas of financial statements and which accounting treatment is adopted by the RSLs. This inconsistency weakens the transparency of financial statements, especially when comparing activity amongst RSLs.

For example, the accounting treatment applied when recognising a pension asset differs greatly and is determined by the view of the appointed external auditor and not by an industry standard. Several RSLs are instructed to recognise the full value of the pension asset as per the actuarial valuation whilst others are advised to limit the pension asset as a nil value. As you can appreciate the differences in financial value can be significant and misleading when comparisons are made.

The regulator should propose a preferred option to strengthen transparency across the social housing sector.

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

Yes.

However, please refer to potential impact mentioned in Question 16 as the impact relates to material significance.

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

Yes although on this issue the requirement to collect additional equalities information has come in with not much about the benefits or how RSLs might use it

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

No

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