



Glasgow and West of Scotland
Forum of Housing Associations

GWSF response to SHR consultation on proposed changes to the regulatory framework

August 2020

GWSF welcomes the opportunity to respond to SHR's consultation. Our response is made on behalf of our 65 member associations, though we have also encouraged members to make their own responses where they wish to describe any particular circumstances that are shaping their reaction to the proposals.

1 Annual Assurance Statements

Immediately after publication of the consultation, GWSF sensed a degree of disappointment among members that SHR was sticking with the usual requirement to submit an AAS. Some months ago there were some hints from SHR that different approaches were being considered, including some kind of 'exceptions statement' highlighting particular Covid-related areas on which the governing body would be likely to want particular assurance. This could have been a good complement to last year's full AAS's.

Left to the sector, we think most associations would have adopted this approach of exceptions reporting. SHR's proposal to insist on a full AAS seems to be at odds with the notion that the main beneficiaries of the AAS are associations themselves, not SHR. The proposal to seek the usual AAS *and* not extend the deadline has fed a perception that the AAS is a regulatory tool after all.

On the detail of the proposal, the balance of feedback provided by GWSF members was in favour of SHR allowing a longer timescale for submission. A minority of members, however, indicated they were happy with a 31/10 deadline and intended to submit by that date anyway.

Among associations indicating they would welcome more time was a commonly expressed view that an extension would have been more consistent with actions taken on other aspects of the regulatory framework, such as on the deadline for ARC returns.

SHR may argue that these other extensions were a response to what was happening at the height of lockdown. But as SHR must be aware, we are now at a time when the main focus for associations is on resuming services to tenants and assessing how and when offices can reopen. Additionally, the process behind the production of the AAS may present a particular challenge to smaller associations, for example because the senior officer has greater hands-on involvement in operational matters around resumption of services.

On top of the myriad challenges associated with the resumption of services is the additional challenge of holding an AGM, which for most associations will take place between now and the end of September. For obvious reasons this is not a straightforward process this year as associations consider the best way of holding a virtual AGM, where this is the main option open to them within the current restrictions on public gatherings.

Associations keen to see more time allowed say they would otherwise be likely to have to compress the assessment process unduly. If SHR's guidance is not published until the end of August, this may not allow sufficient time for internal consideration of how the guidance impacts on this year's AAS process and the, crucially, time to work through things with the committee/board at, say, two or more meetings. Add to this the particular challenges of committees/boards working through substantial amounts of information within a digitally held meeting.

SHR believes it is being helpful by offering associations the option of approaching SHR where they would like to be given more time to submit their AAS. The reality, though, is that unless such a request were to relate to something exceptional such as a local lockdown, many associations will feel reluctant to do this lest it be perceived as some kind of shortcoming.

It is significant that SHR is saying it has heard from many associations which have indicated they are happy about a 31/10 deadline. This would suggest that SHR could extend the deadline until the middle or end of December and *still* have a good number of AAS's to review. An extension of this nature is what GWSF would like to see.

2 Extended deadline for ARC reporting

GWSF welcomes the proposal on ARC reporting to tenants, which is a logical consequence of the extended deadline for submitting the data and the resulting revision of the timescale for SHR publishing it.

3 Publication of engagement plans

Some members have expressed a concern that whilst delaying publication of engagement plans at the end of March 2020 was entirely understandable, their assumption is that most of the work must have been done by SHR by the time lockdown happened. This has meant a sense among some members that this work will have been lost by the time the next plans are published, and so some feel that an earlier publication date, such as end of the calendar year, would be justified – especially if the deadline for AAS submission remains unchanged.

Associations expressing this view included some who said (notwithstanding SHR's statements to the contrary) that they did not receive feedback on their first (2019) AAS.

Overall GWSF recognises the reasons for SHR opting for a 'start over again' approach on engagement plans, especially bearing in mind that where engagement over particular concerns was deemed to be needed, this will have been happening anyway.

4 Next steps

As always GWSF would be very happy to discuss with SHR the outcome of the consultation in the next couple of weeks, ahead of decisions on how things will be taken forward.