

REPORT TO: Housing Committee – 20 August 2001

REPORT ON: Single Regulatory Framework – Consultation Response

REPORT BY: Director of Housing

REPORT NO.: 512-2001

1. PURPOSE OF REPORT

- 1.1. This report contains Dundee City Council's response to Scottish Homes' proposals for the Single Regulatory Framework.

2. RECOMMENDATIONS

- 2.1. It is recommended that the comments set out in this report are forwarded to Scottish Homes as the City Council's formal response.

3. FINANCIAL IMPLICATIONS

- 3.1. There are no immediate financial implications from this report. However, when the new Regulatory Framework comes into place there are likely to be burdens on the department regarding the collection of performance information and liaison with auditors.

4. AGENDA 21 IMPLICATIONS

- 4.1. None.

5. EQUAL OPPORTUNITIES IMPLICATIONS

- 5.1. None.

6. BACKGROUND

- 6.1. In May 2001, Scottish Homes issued consultation papers on their proposals for the Single Regulatory Framework. The Housing (Scotland) Bill will allow Scottish Homes to be transformed into a New Executive Agency of the Scottish Executive. This new agency will be responsible for regulating and monitoring registered social landlords (i.e., Housing Associations and local authority landlord, homelessness and factoring functions).
- 6.2. The role of the new agency will provide wider powers of intervention towards social landlords that fail to meet required performance standards.
- 6.3. The Housing Department's response to the consultation on this framework can be seen at Appendix 1.

7. **CONSULTATIONS**

The Directors of Finance and Support Services have been consulted.

8. **BACKGROUND PAPERS**

8.1. Copies of the Consultation documents can be seen in the members' lounge.

ELAINE ZWIRLEIN
DIRECTOR OF HOUSING

Signed: _____

Date: _____

APPENDIX 1

DUNDEE CITY COUNCIL'S RESPONSE TO CONSULTATION ON THE SINGLE REGULATORY FRAMEWORK

Introduction

The City Council acknowledges the requirement for local Government to demonstrate accountability, transparency and continuous improvement of services. For these requirements to be seen to be acted upon by individual landlords, a fair, descriptive and efficient system of regulation is necessary.

The proposals under discussion go some way toward these aims, but we also feel that there are some areas of concern, which will be discussed in this response. This response is primarily concerned with the consultation on proposals for the Single Regulatory Framework. We have no significant comments on the Regulatory Code of Practice or Memorandum of Understanding.

Our comments will deal with the consultation paper chapter by chapter, addressing specific issues highlighted in the paper as they arise.

Chapter One – Setting The Context

1.4. & 1.5.

The aims and objectives are agreeable, but the aims of providing equality, being open and accountable, provide value for money and ensuring social justice and equal opportunity should apply equally to the regulator.

1.6.

The roles of the regulator look fine, but we would seek more clarity on how performance standards will be agreed and who with?

1.15.

The concept of charging landlords for their regulation does not deserve serious consideration.

1.20.(c)

The regulation board may ensure accountability, but its remit and scope will need to be identified as well as the processes of choosing who goes onto the board. The independence of the regulatory board must be ensured.

1.20.(d)

The methods of describing a strong consumer input to regulation may be effective. It will be dependent on the quality of implementation. We would like to see flexibility in the system of regulation to take cognisance of the local priorities and concerns of tenants over national targets.

Chapter Two

2.37.(e)

We have some significant concerns about the suggested performance standards. From Appendix 1:

AS1.2. Giving preference to need does not necessarily make best use of stock, maximise choice or help sustain communities, these aims can even be mutually exclusive. Different

housing markets have different pressures and it should be the role of local authorities in the new housing planning system to decide the best way of allocating houses.

AS1.6. "Affordability" of rents is highly subjective – if this is to be a standard then a definition needs to be set.

In addition, a number of the suggested measures set out in the information paper are poorly conceived and will take considerable resources to collect.

2.37.(f)

The approach to inspection is sensible. However, we do not understand why local authorities should be checked up on a year after inspection whereas Housing Associations with proven track records will not. Local authorities have proven track records in best value and other public accountability exercises. Complaints and appeals regarding the inspection process should be to an independent arbiter.

2.37.(g)

Proposals for a grading system are of dubious merit. Paragraph 2.21. suggests that grading will be a subjective process, as such there must be safeguards to the validity of judgements made. Will gradings have any bearing on capital borrowing consents or other financial awards? Given our concerns about the appropriateness of some of the performance measures proposed, the basis for a grading system has some worrying flaws.

Chapter Three – Annual Information Collection

3.8.(i)(j)

The paper asks whether the right indicators for tracking performance are set out in Appendix 2. The indicators are a marriage of existing Accounts Commission and Scottish Homes Registration and Monitoring indicators. As such an opportunity for proper review has not been taken. For local authorities, the burden of providing performance information will increase as the number of P.I.s will significantly increase under these proposals.

3.8.(k)

Performance indicator 3(d) % of stock in low demand is too subjective to be of any use. We can see the uses of other indicators, but the regulator must be mindful of collecting only information which is really needed.

3.8.(i)

The broad approach to data collection and publication is acceptable, however, it should be noted that the way that the Accounts Commission collects and presents performance results is not easily understood by tenants. As previously stated, definition of some of the information requires further work.

Chapter Four – Supporting Continuous Improvement and Good Practice

4.5.(m)

The framework seems to have all the right elements.

4.5.(n)

The methods of developing and spreading good practice are a continuation of existing initiatives and so should be effective.

Chapter Five – Intervention

5.10.(o)

The approach to intervention is in our view draconian. Where there is perceived failure or requirement for further intervention, local elected members and service users should be consulted.

Where Special Managers are appointed to local authorities, they too must be made accountable for any failures in seeing through service improvements. The details of this accountability system should be published.

General Comment

Our greatest general concern is that the proposed system of regulation could generate greater bureaucracy and burden service providers with more “non-productive” work. Though the consultation states that it will try to avoid landlords having to produce more paperwork, it is naïve (considering the number of P.I.’s and suggested measures stated) to believe this will be true.

We appreciate that this regulation does not extend to the private sector, but this Council considers it important that the private sector is regulated in some share or form.