
ANNUAL ASSURANCE STATEMENT 2018/19 TO THE SCOTTISH HOUSING REGULATOR

Report by Service Director Customer and Communities

AUDIT AND SCRUTINY COMMITTEE

25 November 2019

1 PURPOSE AND SUMMARY

- 1.1 This report proposes that the Audit and Scrutiny Committee considers and approves an Annual Assurance Statement 2018/19 in respect of landlord services provided by the Council for submission to the Scottish Housing Regulator.**
- 1.2 In 2019, the Scottish Housing Regulator (“the Regulator”) revised its Regulatory Framework. This placed a new requirement on all social landlords to submit an Annual Assurance Statement to the Regulator by the end of October each year.
- 1.3 Part of the Audit and Scrutiny Committee’s remit (Audit function) is to assess the effectiveness of internal controls, risk management, and governance arrangements in place at the Council to achieve its objectives.
- 1.4 The Annual Assurance Statement 2018/19, at Appendix 1, is designed to meet this new requirement of the Regulator. The Annual Assurance Statement is informed by a Summary Statement of Self-Assessment of Compliance against Regulatory Framework, at Appendix 2.
- 1.5 It is the opinion of the Service Director Customer and Communities that, although there are a few areas of work to be completed for full compliance with the revised Regulatory Framework, the overall arrangements in respect of landlord services provided by the Council are operating satisfactorily.

2 RECOMMENDATIONS

- 2.1 I recommend that the Audit and Scrutiny Committee:**
 - a) Considers the details of the Annual Assurance Statement 2018/19 in respect of landlord services provided by the Council (Appendix 1), and acknowledges the actions identified by Management to improve arrangements; and**
 - b) Approves that it be submitted to the Scottish Housing Regulator.**

3 BACKGROUND

- 3.1 In 2019, the Scottish Housing Regulator (“the Regulator”) revised its Regulatory Framework. This placed a new requirement on all social landlords to submit an Annual Assurance Statement to the Regulator by the end of October each year. This statement must either confirm that the Governing Body or appropriate Committee is assured that the landlord is complying with all relevant regulatory requirements and standards, or highlight any material areas of non-compliance and how the landlord will address these.
- 3.2 There is no prescribed format, wording or length for the Statement, which allows some flexibility in its preparation, and materiality of any perceived non-compliance identified in this process should form the basis of an internal action plan for improvement.
- 3.3 The Scottish Borders Council Annual Governance Statement 2018/19 (previously scrutinised by the Audit and Scrutiny Committee prior to its inclusion in the Statement of Accounts 2018/19) was submitted to the Regulator for this purpose. The Regulator has provided feedback that the above does not meet its new requirements in the revised Regulatory Framework. A specific assurance statement in respect of landlord services provided by the Council is required.
- 3.4 As Scottish Borders Council is a housing stock transfer local authority, it is subject to submitting a Statement that is considerably less involved than an asset-owning authority. However, the Council is responsible for Homelessness Services provision in the Scottish Borders and must give assurance in this area.
- 3.5 Part of the Audit and Scrutiny Committee’s remit (Audit function) is to assess the effectiveness of internal controls, risk management, and governance arrangements in place. This includes to ‘Be satisfied that the authority’s assurance statements, including the Annual Governance Statement, properly reflect the risk environment and any actions required to improve it, and demonstrate how governance supports the achievements of the authority’s objectives’¹.

4 ANNUAL ASSURANCE STATEMENT 2018/19 IN RESPECT OF LANDLORD SERVICES PROVIDED BY THE COUNCIL

- 4.1 The format of the Annual Assurance Statement 2018/19, at Appendix 1, confirms the Council’s level of compliance with all of the relevant requirements set out at Chapter 3 of the Regulatory Framework, to include:
 - all relevant standards and outcomes in the Scottish Social Housing Charter in respect of any tenants, homeless persons, and other person who are in receipt of housing services; and
 - legal obligations associated with housing and homelessness services, equality and human rights, and tenant and resident safety.
- 4.2 The Annual Assurance Statement 2018/19 is informed by the self-assessment of compliance against the Regulatory Framework by the Homelessness and Financial Support Manager, and the work of Internal Audit, External Audit and Inspection agencies.
- 4.3 It is the opinion of the Service Director Customer and Communities that, although there are a few areas of work to be completed for full compliance with the revised Regulatory Framework, the overall arrangements in respect of landlord services provided by the Council are operating satisfactorily.

¹ CIPFA guidance note for local authorities ‘Audit Committees’ (2018)
Audit and Scrutiny Committee 25 November 2019

- 4.4 For 2019/20 onwards the intention is to integrate the assurance statement required by the Scottish Housing Regulator's revised Regulatory Framework within the annual assurance statement on internal controls and governance provided by the Service Director Customer and Communities to the Chief Executive to inform the Annual Governance Statement.

5 IMPLICATIONS

5.1 Financial

There are no direct financial implications arising from this report.

5.2 Risk and Mitigations

The Annual Assurance Statement 2018/19 in respect of landlord services provided by the Council details areas where additional work would further enhance the arrangements to meet the Regulatory Framework.

5.3 Equalities

The Regulator has stated that it is not going to assess compliance against Equality and Human Rights legislation until 2021 but it would be prudent to confirm compliance with relevant requirements now.

5.4 Acting Sustainably

There are no direct economic, social or environmental issues with this report.

5.5 Carbon Management

There are no direct carbon emissions impacts as a result of this report.

5.6 Rural Proofing

This report does not relate to a new or amended policy or strategy and as a result rural proofing is not an applicable consideration.

5.7 Changes to Scheme of Administration or Scheme of Delegation

No changes to the Scheme of Administration or Scheme of Delegation are required as a result of this report.

6 CONSULTATION

- 6.1 The Chief Financial Officer, Monitoring Officer, Chief Legal Officer, Service Director HR, Clerk to the Council and Communications team have been consulted on this report and any comments received will be incorporated.

Approved by

Service Director Customer and Communities, Jenni Craig

Signature

Author(s)

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Background Papers: Scottish Housing Regulator's Regulatory Framework

Previous Minute Reference: Audit and Scrutiny Committee 13 May 2019

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