

Local Government and Communities Committee

Housing (Amendment) (Scotland) Bill

Submission from South Lanarkshire Council

Question 1 - **Do you agree that measures should be taken to influence the ONS to reclassify RSLs as private sector bodies; and if not, please explain why?**

Yes.

Question 2 - **Do you have any views on the appropriateness of the measures proposed in this Bill to bring about this reclassification?**

It is understandable how the ONS came to its conclusion that RSL's could be construed as public sector bodies and, we agree that the measures proposed in the Bill to reduce or remove the powers conferred on the Scottish Housing Regulator through the Housing (Scotland) Act 2010 below are required:-

Regulatory Power considered Public Sector Control	Proposed Change
1. Appoint a manager to a RSL;	These powers have been reduced. Section 2 of the bill narrows the circumstances in which these powers can be exercised, and the purpose and period of time for which appointments can be made.
2. Suspend, remove and appoint officers of a RSL;	
3. Exercise control over the disposal of land and housing assets by a RSL (by requiring the RSL to obtain the SHR's consent to a disposal);	Powers of consent have been removed entirely and replaced with a requirement for RSL to provide the Regulator with notification of such activity within 28 days of the action having taken place.
4. Exercise consent over any changes to the constitution of a RSL;	
5. Exercise control over voluntary winding up, dissolution and restructuring of a RSL (mainly by requiring the RSL to obtain the SHR's consent to these actions).	

Comparisons can be drawn between the RSL sector and the Private Rented Sector. While there is legislation in place to influence and control the operations of private landlords, the sanctions for poor performance or infringement are different. A private

sector landlord would be prevented from operating at all, whereas the RSL would have their management replaced, and the running of the business taken over by a Government body which, by definition, would make it a public sector body.

Similarly, limitations over the disposal of land and housing assets is not compatible with private sector status, and is a public sector control the SHR has over local authorities. We welcome the provisions in the Bill to ensure that RSL tenants existing rights to be consulted will not be eroded by the removal of the SHR's powers to consent.

With regard to the reduction of local authority influence over RSL's, we envisage that the measures proposed will have a minimal impact as these circumstances may only exist in a small number of situations where local authorities may have retained representation or voting rights on a RSL Board through stock transfer or co-operative arrangements.

In conclusion, having considered the content of the Bill and the and Policy Objectives set out in the accompanying Policy Memorandum we agree that the measures proposed by the Bill are necessary actions to bring about reclassification and do not significantly diminish oversight by the SHR.

Question 3 - Do you have views on whether the aims of the Bill could be achieved by other means?

Having considered the explanation for the classification by the ONS we would agree with the Scottish Governments conclusion that reclassification of RSL's to private sector could not be achieved by any other means.

Question 4 – Are there any other issues relating to the Bill which you wish to bring to the attention of the Committee?

Given the general view of UK finance, SFHA and other stakeholders that removing the SHR's powers of consent would place an increased onus on individual RSL's to govern themselves soundly, it may be appropriate to alter SHR Guidance to encourage RSL's to become more involved in Board Room training for RSL's to ensure that management replacements and removals are done timeously by Boards rather than SHR. The SHR could remain an advisory body for Boards to assist in oversight of financial competence, Performance and Customer Satisfaction matters could continue to be assessed through the ARC.

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