

## Local Government and Communities Committee

### Housing (Amendment) (Scotland) Bill

#### Submission from the Chartered Institute of Housing (CIH) Scotland

#### About CIH

The Chartered Institute of Housing (CIH) is the independent voice for housing and the home of professional standards. Our goal is simple – to provide housing professionals with the advice, support and knowledge they need to be brilliant. CIH is a registered charity and not-for-profit organisation. This means that the money we make is put back into the organisation and funds the activities we carry out to support the housing sector. We have a diverse membership of people who work in both the public and private sectors, in 20 countries on five continents across the world including over 2,000 in Scotland.

Further information is available at: [www.cih.org](http://www.cih.org)

#### 1. General comments

- 1.1 CIH Scotland welcomes the opportunity to respond to the Local Government and Communities Committee's call for evidence on the Housing (Amendment) (Scotland) Bill (the Bill). We support the introduction of the Bill and the policy intention to *"...ensure that the influence of the Regulator and local authorities can exercise over RSLs is compatible with RSLs being classified by the Office for National Statistics (ONS) as private sector bodies in the United Kingdom national accounts."*<sup>1</sup>
- 1.2 Commenting in 2016 on the ONS decision to reclassify RSLs as public bodies and the Scottish Government's intention to introduce legislation to reverse this decision, CIH Scotland welcomed the approach on the condition that the regulatory system remained robust enough to ensure that RSLs are well managed, that the interests of tenants continue to be safeguarded and that investment in the sector is protected.<sup>2</sup>
- 1.3 It is our understanding that our position broadly reflects that of housing organisations across Scotland – that reclassification is necessary and that the introduction of legislation is the best way to achieve this but the Scottish Housing Regulator (SHR) must still play a key role in ensuring that RSLs are performing well and can still make interventions if and when required.

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<sup>1</sup> [www.parliament.scot/Housing%20\(Amendment\)%20\(Scotland\)%20Bill/SPBill20FMS052017.pdf](http://www.parliament.scot/Housing%20(Amendment)%20(Scotland)%20Bill/SPBill20FMS052017.pdf)

<sup>2</sup> [http://www.cih.org/news-article/display/vpathDCR/templatedata/cih/news-article/data/Scotland/CIH\\_Scotland\\_comments\\_on\\_housing\\_association\\_reclassification\\_announcement](http://www.cih.org/news-article/display/vpathDCR/templatedata/cih/news-article/data/Scotland/CIH_Scotland_comments_on_housing_association_reclassification_announcement)

## 2. Questions

**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, we agree that steps should be taken to ensure that RSLs are reclassified as private sector bodies. Failure to act could reduce investment in new affordable housing as all new borrowing by RSLs would count against the Scottish Government's borrowing limits. Creating barriers to investment from RSLs would risk future development of much needed affordable homes.

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

We believe that the measures included in the Bill are appropriate and proportionate. We understand that the Scottish Government has sought assurances, as far as possible, from the ONS that the measures will result in reclassification. The inclusion of powers to allow Ministers to make further changes if the ONS does not consider that regulation has been adequately amended will ensure that any further changes can be made quickly. We welcome the assurance that these powers will only be used in the event that the ONS indicates that further steps must be taken before RSLs can be classified as private bodies and that consultation would be undertaken before any additional changes were made.

We understand that some concerns have been raised, particularly in relation to tenants' rights and the confidence of the financial sector. We are content that the Bill will allow the SHR to retain enough powers to ensure that customers are protected. It is particularly important that tenants' right to be consulted on disposals and restructuring have been preserved. We do not think that the reduction in powers should pose a significant risk to potential investors. The changes still allow for intervention where this is warranted and the SHR will still have a key role to play in monitoring performance of social landlords.

We look forward to consultation on the future regulatory framework of the SHR assuming this Bill is passed.

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

We agree that the changes set out in the Bill are necessary to achieve the outcome of reclassification and that introducing this Bill represents the best way of achieving this.

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

No further comments.

Ashley Campbell,  
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