

Scottish Housing Regulator (SHR)

'The risks we will focus on - November 2024'

This information has been extracted, to focus on tenant and resident safety, from the SHR publication entitled 'The risks we will focus on - November 2024' which can be downloaded, in full, [here](#).

It is clear that landlords have a range of statutory obligations in this area, so the SHR will (rightly so) continue with their focus on tenant and resident safety.



Scottish Housing Regulator

Each year, the SHR assesses risk in social landlords to determine what assurance they need from them and what they may need to improve. In their 'The risks we will focus on – November 2024' publication the SHR describes which risks they will focus on.

The statutory objective of the SHR is to safeguard and promote the interests of tenants and others who use the services of social landlords. They do this by monitoring, assessing and reporting on all landlords' performance of housing activities and the financial well-being and standards of governance of Registered Social Landlords (RSLs).

Tenants, other service users and social landlords continue to face a difficult economic context with continued volatility and uncertainty. The short- and longer-term path of economic growth, inflation and interest rates are all uncertain and in May 2024, the Scottish Government declared a national housing emergency.

While we are seeing lower levels of inflation more recently, social landlords and their tenants are now facing permanently higher costs since the cost-of-living crisis especially for food and drink prices, and energy costs; therefore, pressure remains on lower income households in particular.

The SHR comments that 'we are also continuing to see systemic issues in the homelessness system with homelessness numbers continuing to rise and in some areas demands on local homelessness services exceed the capacity in the system to respond. For some councils, the increase in capacity that is needed goes beyond what they can deliver alone and, as things stand, there is a real risk of councils failing to meet their statutory duties and that becoming endemic in some council areas'.

At the same time there has also been a continued slowdown in the number of new homes being built and the SHR knows that social landlords are having to consider how best to manage the increasing and often competing demands on their resources to ensure that they continue to deliver warm, safe, dry homes for their tenants and which their tenants can afford.

All of these factors are reflected in the Regulator's assessment of risk and amongst the main risk areas being focused on in the coming year; the following is key:

- **Performance in delivering services** – How councils and RSLs deliver services for their tenants and other service users and meet the standards and outcomes from the Scottish Government's Social Housing Charter.
- **Quality of homes** – How councils and RSLs ensure that the homes they provide to tenants meet the Scottish Housing Quality Standard (SHQS), and whether they have a good understanding of the condition of those homes.
- **Tenant and resident safety** – How councils and RSLs meet their statutory obligations on tenant and resident safety.
- **Good governance of RSLs** – How well RSLs are run with a focus on compliance with Regulatory Standards.

SHR's approach and priorities within these areas will be informed by the current challenges and risk landscape with, for example, particular attention paid to councils' compliance with the statutory obligation to provide temporary accommodation, increasing risk in the building of new homes, and compliance with tenant and resident safety obligations.

Why and how SHR focus on these areas

Stock quality and tenant and resident safety

The Regulator's main source of intelligence for this strand of the risk assessment is the Scottish Housing Quality Standard (SHQS); the criteria for which cover a range of stock quality and tenant and resident safety standards.

Stock quality and tenant and resident safety are intrinsically interlinked.

SHQS is the main way SHR measures the quality of social landlords' housing stock.

Compliance by landlords with SHQS first dropped in 2021/22, which was primarily because of the requirement for interlinked smoke and heat detectors (LD2s) to be installed in every home and for Electrical Installation Condition Reports (EICRs) to be carried out every five years. Compliance with these was due by February and March 2022, respectively.

As landlords have continued to work through a backlog of outstanding EICRs and fire safety installations, compliance with SHQS has gradually increased and by 31 March 2024, 84% of homes were compliant with SHQS.

Last year, SHR reviewed the ARC and AAS to identify the scale of outstanding EICRs and LD2s for each landlord, seeking further information from the landlord if required. The Regulator then engaged with landlords based on the volume of checks outstanding and if they had concerns about the landlord's capacity or willingness to complete the checks as quickly as possible.

SHR will take a similar approach this year to ensure they identify those landlords who have a significant backlog of outstanding checks.

However, it is important that the assessment of SHQS is not solely focused on EICRs and LD2s and that consideration is given to other reasons why landlords' homes do not meet SHQS. SHR will ensure they understand the reasons why a landlord's properties do not meet SHQS and how landlords are dealing with it.

Gas safety

Each year, once the ARC returns have been submitted, the Regulator reviews any missed gas safety checks which are reported by landlords (indicator 11 of the ARC). SHR will review any trends in gas safety failures to consider any further assurance that may be required about landlords' compliance with these important duties.

RAAC

Last year, the Regulator asked all landlords to tell them if they had found RAAC in their homes or if they were still investigating the presence of RAAC. At the conclusion of the risk assessment in 2023, a total of 13 landlords had identified RAAC; all advised that they had appropriate management plans in place.

As at November 2024, 16 landlords have identified RAAC in their housing stock and 4 landlords are still investigating whether RAAC is present in some of their homes. The Regulator will continue to engage with those landlords to get assurance about the plans they have in place to assess RAAC and the timescales for completion of these investigations.

Annual Assurance Statements

In March 2024, SHR wrote to social landlords to ask them to again include a specific statement on their compliance with all tenant and resident safety duties in this year's AAS. The Regulator stated that this should include gas, electric, water, fire and lift safety, asbestos and damp and mould; SHR also asked landlords who had identified RAAC and do not have a plan to manage the risks associated with it to highlight this in their AAS.

SHR will assess areas of non-compliance declared in the AAS which relate to outstanding EICRs and/or LD2s as part of the stock quality strand of the risk assessment and will also consider other reported areas of tenant and resident safety non-compliance from the AAS.

Appendix A - Strategic context and landscape

<https://www.housingregulator.gov.scot/landlord-performance/the-risks-we-will-focus-on/the-risks-we-will-focus-on-november-2024/#section-4>

Tenant and resident safety

The number and proportion of homes that meet SHQS in 2023/24 is still lower than in 2020/21. The reduction in homes meeting SHQS since 2020/21 has largely been because of failures to meet the requirement to install interlinked smoke and heat detectors and to complete electrical safety inspections.

This has meant there has been a backlog of outstanding inspections and installations which some landlords are continuing to address; SHR are engaging with these landlords about this. By the end of 2023/24, there were more homes failing because of outstanding electrical safety inspections rather than smoke and heat detector installations.

Landlords told SHR about difficulties gaining access to some tenants' homes to meet these requirements.

Although many landlords now have up to date EICRs in all of their tenants' homes, some landlords have advised that some EICRs were carried out more than five years after the last one. **It is essential that landlords have effective and robust policies, procedures and systems in place to ensure that they meet their tenant and resident safety duties – including electrical safety – on time.**

This is particularly the case for many councils where there are high levels of non-compliance.

It remains important that landlords are communicating directly with their tenants to reassure them that if RAAC is found, there is no immediate risk, or that the required action is taken where there is. All landlords with RAAC must have an action plan in place to manage it.

It remains important that landlords take timely and effective action on damp and mould when found in tenants' homes. Landlords should have systems in place to ensure their tenants' homes are not affected by damp and mould and that they have appropriate, proactive systems to identify and deal with any reported cases timeously and effectively.

Following the Grenfell Tower Fire in 2017, legislation to ban combustible cladding on high-risk buildings, and the highest risk metal composite cladding material from all buildings, was passed by the Scottish Parliament on 22 April 2022. It remains important that landlords have a full understanding of their stock including whether any homes or buildings have combustible cladding. If and where identified the landlord should take immediate action to ensure the safety of tenants and residents.

Data accuracy

Landlords must have complete and accurate information about the homes they provide to tenants including stock condition, their performance and their finances to comply with regulatory standards and the Scottish Social Housing Charter.

Landlords should seek to assure themselves that their decisions are based on good quality data and that they are providing complete and accurate information to the Regulator. This is particularly the case for issues relating to tenant and resident safety where some landlords have reported not having a full understanding of whether and the extent to which they comply or otherwise with their statutory obligations.