

**Pineview Housing Association  
Customer Forum  
Assurance Statements  
and Self-assessment.**

**Sept 2024**

# Aims and Objectives

In this session we are aiming to

- Increase awareness of the Annual Assurance Statement (AAS) and how it is used by the SHR
- Increase awareness of the key risks the SHR is focusing on
- Involve the Customer Forum in the Pineview self-assessment process
- Explain how Pineview and the Committee develop the evidence base and the AAS.

# Purpose of AAS

The SHR believes that the AAS will help governing bodies to ask questions, consider whether they have seen enough evidence of compliance and support self-assessment.

# SHR Requirement

“Social landlords must submit to us an Annual Assurance Statement providing assurance that their organisation complies with the relevant requirements of section 3 of the Regulatory Framework. This includes regulatory requirements that apply to all social landlords and the Standards of Governance and Financial Management that apply to Registered Social Landlords (RSLs).”

## Importance of Involving Customers

“You should consider feedback from tenants and other service users as part of your assurance framework. This feedback is an important, objective view of how your organisation is performing and in particular, whether you are achieving the Charter outcomes. Each governing body and local authority committee should take account of tenant and service user feedback when assuring itself against the requirements.”

# How SHR use the AAS

SHR say they use Annual Assurance Statements to help them come to their overall regulatory view of each RSL. It is an important part of the information they use when assessing risk and deciding how they should engage with each RSL. They publish each landlord's submitted AAS on their website.

# Regulatory Status

<b>Status</b>	<b>What this means</b>
Compliant	The RSL meets regulatory requirements, including the Standards of Governance and Financial Management.
Non-compliant - Working towards compliance	The RSL does not meet regulatory requirements, including the Standards of Governance and Financial Management, and it is working to achieve compliance.
Non-compliant - Statutory action	The RSL does not meet regulatory requirements, including the Standards of Governance and Financial Management, and we are using statutory powers to address the non-compliance.

# AAS Risk Assessment Sector Outcomes – position at April 2024

	04/2024	Previous Year
Compliant	129	131
Working towards compliance	7	5
Statutory action	0	0



# SHR Engagement at April 2024

SHR engaging with:

- 5 RSLs about tenant and resident safety (9 last year);
- 18 RSLs about governance (19 last year);
- 32 RSLs about finance (19 last year);
- 8 RSLs about planned organisational changes (5 last year);
- 5 RSLs about service quality (7 last year);
- 10 RSLs about the quality of homes (5 last year);
- 31 RSLs about development (23 last year); and
- 24 RSLs because they are systemically important (unchanged).

Engagement in a specific area doesn't mean there is a problem

# SHR Risk Focus

- Homelessness
- Investment v's rent affordability
- Development of new affordable homes
- Financial management
- Quality of homes, and tenant and resident safety
- Data accuracy
- Governance
- Cyber security

# SHR Risk Focus

The economic uncertainty and volatility over recent years has resulted in a complex and difficult operating context for social landlords, and hardship for many tenants and service users. This includes:

- a cost of living crisis with significant pressures on households, particularly from increased food and energy prices. The impacts have been especially acute for households with low income;
- the demand for homelessness services in some local authorities exceeding, or getting close to exceeding, their capacity to respond.
- social landlords facing pressures across much of their cost base such as in maintenance, staff costs, debt costs and energy;
- social landlords experiencing high and persistent inflation in the cost of building new homes; and
- increasing obligations for social landlords including those relating to tenant and resident safety, design standards for new build homes and net zero.

While inflation is now reducing, the cost of living crisis remains for many households, and social landlords continue to face significantly higher costs in maintaining existing homes, building new homes and in other areas of expenditure.

# Focus for Self- Assessment

Rent affordability

Tenant and  
Resident Safety

Homelessness

Good Governance

Contingency  
Planning

Asset Management

Finance

Significant  
Performance  
Failures

# What should the AAS cover? (1)

Statement should be short and succinct. It should confirm compliance, or otherwise, with relevant regulatory requirements at the date of signing (but there is an ongoing requirement to notify SHR of changes in-year).

The Statement should be completed and agreed by management committee, who should confirm that they have appropriate assurance that Pineview comply with:

# What should the AAS cover? (2)

- all relevant regulatory requirements set out in Chapter 3 of the Regulatory Framework
- all relevant standards and outcomes in the Social Housing Charter
- all relevant legislative duties
- the Standards of Governance and Financial Management
- any specific assurance requirements SHR have asked landlords to cover in their Statement

# What should the AAS cover? (3)

Statement should:

- Set out any areas of material non-compliance, and describe briefly how these will be addressed
- The timeframe for improvement
- Confirm that appropriate evidence to support the level of assurance has been seen and considered

# How do we get assurance?

Get enough information on each of the regulatory requirements and standards to reach an objective and **evidence-based** judgment on whether Pineview complies or needs to improve.



# Sources of Assurance

- Tenants and service users
- Reports and updates from staff team
- Feedback from tenants and other customers
- Benchmarking with other landlords
- Assurance from internal audit function
- Assurance, reports and analysis from others including external auditors and other specialists brought in

# Material or significant issues

- RSLs needs to weigh up the evidence and seriousness of such issues and reach a judgement on whether they are material and should be disclosed.

# Assessing Materiality (1)

In assessing whether an issue is material, need to look at whether it could:

- Seriously affect the interests and safety of customers
- Threaten the stability, efficient running or viability of service delivery arrangements
- Bring the organisation into disrepute, or raise public or stakeholder concern about the organisation or the RSL sector
- Put at risk the good governance and financial health of the organisation

# Assessing Materiality (2)

Other things to think about to help make this judgement might include:

- The scale of the issue
- The view of the internal or external auditor
- The context for the organisation

Also use **SFHA Self-assessment Toolkit** where there are examples of material non-compliance.

# Which of these is material?

- Landlord A with 800 homes completed 3 gas services late during the year.
- Landlord B with 800 homes has not completed 25% of due gas services.

# Which of these is material?

- Landlord A has two members who have not had an appraisal in the last 12 months because they were both on sick leave when the appraisals were done.
- Landlord B has not appraised the performance of more than half its Committee members for the last three years. It recognizes that it has a problem in its process and it plans to fix this.

# SFHA Toolkit

- Previous Guidance
- Annual Assurance Statements
- How to use the Toolkit
- Examples of Material Non-compliance
- Template process for developing the AAS
- How regulatory requirements link

# Toolkit Update

- The template process provided by SFHA includes a wide range of questions RSLs should consider when assessing compliance
- These help encourage the Committee to more closely **scrutinise** any evidence they have and **challenge** whether this is sufficient to demonstrate compliance



# Committee Sign Off

While it is the Chair of the Association who signs off the Annual Assurance Statement, they are doing so **on behalf of the whole Committee.**

In effect, **all members of the Committee** are setting out the extent to which **they are assured of the organisation's compliance.**

# SHR 2024 Thematic Review

- SHR 2024 thematic review [“Preparing Annual Assurance Statements: a thematic review – 2024”](#)
- SHR findings following their visits to 9 RSLs and 4 local authorities. The visits focused particularly on how landlords assured themselves about meeting tenant and resident safety, and how committees assured themselves on their approach to financial planning and the assumptions underpinning financial plans.
- Pineview has assessed itself against the recommendations of the thematic review.

# SHR 2024 Thematic Review

- ❖ “Landlords may wish to consider involving any tenants group(s) or organisation(s) in their assurance process.” Pineview do this through our customer forum.
- ❖ “Landlords should consider the frequency and level of information being providing to its governing body regarding tenant and resident safety, to provide it with sufficient assurance about compliance with requirements.” The HSM reports on tenant and resident safety matters to each CoM meeting.
- ❖ “The governing body/committee should ensure it leads and has ownership of the self-assurance process.” Pineview undertakes a review of compliance every year, with a more detailed process every 3 years.

# SHR 2024 Thematic Review

- ❖ “Whilst the majority of landlords submitted their Statements by the deadline, landlords should continue to ensure their governing body/committee meeting dates allow for the Statement to be considered and submitted on time.” Pineview have a robust schedule of meetings and a returns schedule to ensure committee are fully aware of deadlines and staff achieve these.
- ❖ “RSLs should consider how they present financial information to governing bodies, and whether it is clear, accessible, and timely. RSLs may also benefit from providing training, where necessary, for governing body members to ensure they are able to effectively consider and scrutinise financial reports.” Pineview use FMD financial services for financial management and have used other specialists for specific areas of work. There is a training budget for committee and joint training is utilised through Drumcog. Committee training needs is reviewed as part of the committee annual review process and allows members to highlight their requirement for training in any particular or general areas of business.

# SHR 2024 Thematic Review

- ❖ “To ensure financial forecasts are based on appropriate and reasonable assumptions and information RSLs should regularly review assumptions and consider whether specialist advice would be appropriate. RSLs should also ensure that appropriate modelling has been undertaken to test a realistic range of scenarios.” Pineview use FMD financial services for financial management and modelling, and they have vast experience of the RSL sector as well as auditing experience and skills. Long term forecasts are reviewed annually and base information considered from independent sources such as annual stock condition survey reviews; maintenance and non-maintenance contract reviews, and from sharing information with other sector bodies.

# PHA Draft 2024 AAS

- ❖ Declares compliance.
- ❖ Evidence highlighted as basis of support for position:
  - Reports about performance in key areas including finance, risk, governance, service delivery, asset management, and governance. Including advice and information from senior staff.
  - Internal and external audit reports.
  - Advice from external and specialist advisers.
  - Tenant and customer feedback through our customer forum and from specific consultations.

# PHA Draft 2024 AAS

## ❖ Position regarding tenant and resident safety

“We are satisfied that we meet our duties in relation to tenant and resident safety. In particular, we have gained the necessary evidence-based assurance of our compliance in respect of safety duties relating to gas, electrical, water, fire, asbestos and damp and mould (we do not have any lifts). Pineview has robust internal policies and procedures in place which are regularly reviewed to provide assurance that we are compliant with health and safety legislative and regulatory requirements. We have also sought specialist advice to monitor our compliance in these areas and to support our assurance. To this end we undertook a Duty of Care internal audit programme in late 2023 to have review this. We also have our Housing Services Manager keep our SHR Regulation team updated if there are any matters to bring to their attention, whether material or not, for example if an electrical inspection is late. This is then also reported to the Committee of Management. There have been no material matters to report”.

# Feedback / Comments /Q & A

