

REIDVALE HOUSING ASSOCIATION ANNUAL ASSURANCE STATEMENT OCTOBER 2023

The Management Committee of Reidvale Housing Association confirms that we have reviewed and assessed a comprehensive bank of evidence to support this statement covering each of the following areas —

- Regulatory Standards of Governance and Financial Management
- Assurance & Notification
- Scottish Social Housing Charter Performance
- Tenant and service users redress
- Whistleblowing
- Equalities
- Statutory Guidance
- Organisational details and constitution.

The Association commissioned an independent Governance and Financial Compliance Review which reported in September 2019 and an independent Compliance Review in September/October 2020 and has been working on a governance improvement plan over the last two years to address weaknesses identified at that time. The Association has made improvements in a number of areas relating to governance, however, whilst undertaking the Strategic Option Appraisal for the Business Plan further complex weaknesses were identified relating to the organisational structure, pensions, commercial assets and investment requirements. As a result, in April 2022, the outcome of the Strategic Option Appraisal was to seek a transfer of engagements to another RSL. Following due process, Reidvale formally appointed Places for People Scotland as preferred transfer partner in February 2023 and a joint Business case was approved by Reidvale Management Committee and Places for People Scotland Board in September 2023.

Progress has continued to be made in all areas identified for improvement throughout the last 12 months and has been captured in the Evidence Bank prepared to support this Annual Assurance Statement. Our conclusion is based on the review of our Evidence Bank and whilst we have made significant improvements, the additional weaknesses identified as part of the Strategic Option Appraisal remain as areas of partial compliance or non-compliance.

We are able to provide strong assurance that we are compliant with the following Regulatory Standards:

Regulatory Standard 2: The RSL is open and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service users and stakeholders. And its primary focus is the sustainable achievement of these priorities.

Regulatory Standard 4: The Governing Body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose

Regulatory Standard 6: The Governing Body and senior officers have the skills and knowledge they need to be effective.

Regulatory Standard 7: Where an RSL is considering organisational or constitutional change, acquisition or disposal of land or assets: The RSL ensures that any organisational changes or disposals it makes safeguard the interest of, and benefit, current and future tenants.

We are partially compliant with the following Regulatory Standards:

Appendix 1

Regulatory Standard 1: The Governing Body leads and directs the RSL to achieve good outcomes for its tenants and other service users.

In particular our 30 year financial projections show that we are unable to meet our investment requirements and we can only deliver a limited investment programme, whilst significantly increasing tenants' rents. This represents an area of non-compliance within this standard.

Regulatory Standard 3: The RSL manages its resources to ensure its financial well-being, while maintaining rents at a level that tenants can afford to pay. The area of non compliance within this standard relates to:

- *The governing body ensures that employee salaries, benefits and its pension offerings are at a level that is sufficient to ensure the appropriate quality of staff to run the organisation successfully, but which is affordable and not more than is necessary for this purpose.*

Staff pension arrangements have been consulted on and changes implemented, however the overall salary structure means that the Association is paying more than is necessary for the purpose of providing a service.

Whilst rents are currently affordable, should a transfer of engagements not take place, rent levels would have to rise significantly in order for reasonable levels of investment to take place. Loans would also have to be sourced and evidence shows that the Association's ability to do this and meet covenant requirements would be limited.

Regulatory Standard 5: The RSL conducts its affairs with honesty and integrity.

The area of partial compliance relates to the quality of our Terms and Conditions of employment and the absence of a suite of HR policies tailored to RHA.

We are continuing to work to resolve these areas of partial or non-compliance and continue to work pro-actively with the Scottish Housing Regulator. We share all Management Committee papers and our Governance Improvement Plan with the Scottish Housing Regulator and Management Committee monitors progress against this quarterly. The work to seek a transfer of engagement is part of the Association's plan to resolve the key weaknesses. Should this not progress then the areas of partial and non-compliance become urgent material issues to resolve.

We confirm that this Assurance Statement is being published on our website on the same date that it is being submitted to the Scottish Housing Regulator.

As Chair, I was authorised by the Management Committee at a meeting held on 31st October 2023 to sign and submit this Assurance Statement to the Scottish Housing Regulator.

Signed :

Date:

Eddie Marley on behalf of Reidvale Housing Association