

# COMMUNITIES SCOTLAND FRAMEWORK DOCUMENT

## Foreword

This foreword offers me the opportunity to set out my vision for Communities Scotland and the contribution that I see it making to the delivery of our social justice policies.

In the past we have tended to look at housing investment as a goal in itself. Too often we have been more concerned with buildings than people. We now know that while quality housing will remain a key element in the successful regeneration of communities it needs to be part of a wider strategy – a strategy that understands and addresses the needs of people. That is why I believe that Communities Scotland, with a focus wider than housing alone, will allow us to improve the way the Scottish Executive supports community regeneration and works with other agencies delivering action on the ground. Housing will of course remain a central plank of Communities Scotland's activities but it is vital that housing investment and planning are set within the wider context of developing communities that are both sustainable and attractive places in which to live.

Communities Scotland will be one of Scottish Ministers key delivery vehicles, working to deliver Scotland's social justice agenda. It will report to me and will operate with my authority. Being part of the Scottish Executive the Agency will let us make better connections between the regeneration initiatives and funding streams we provide. For example, it will manage and co-ordinate the Social Inclusion Partnerships, an activity formerly handled within the Scottish Executive Development Department. Communities Scotland will also build on the successful track record of Scottish Homes. We will want to make best use of the new Agency's ability to deliver programmes and may in time pass to it other functions from within the Scottish Executive in addition to those described in this document.

Communities Scotland will regulate and support social landlords, including the regulation of the housing function and homelessness duties of local authorities. I want to see the Agency working with landlords to drive up the standards that are on offer to social tenants. There is no need for them to have to settle for second best.

If we are to achieve our ambitions to improve the quality of life of those of our fellow citizens living in need then it is essential that all of the agencies involved work together to gain maximum value from the public and private investment that is being made in so many of our communities across Scotland. Communities Scotland has an important contribution to make in working with and in support of local authorities and the voluntary and private sectors.

Before I finish it would be remiss of me not to acknowledge the invaluable contribution that Scottish Homes and its staff have made to the growth and development of social housing in Scotland. I am glad that so many of them will transfer to the new Agency. I also want to thank the staff of the Area Regeneration Division of Scottish Executive Development Department who are also transferring into the new Agency. The combined skills and experience of these 2 groups of staff will be formidable and should ensure that Communities Scotland makes an impact from day one.

**JACKIE BAILLIE**  
**MINISTER FOR SOCIAL JUSTICE**

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## **Status**

### Executive Agency

1. From 1 November 2001 Communities Scotland will be established as an Executive Agency of the Scottish Executive.
2. This document sets out the policy and resources framework within which the Agency will operate and constitutes the authority for the Chief Executive to conduct the operations of Communities Scotland.

### Ministerial Responsibility

3. The Minister for Social Justice is the responsible Minister for Communities Scotland. The Executive Agency will be part of the Scottish Executive Development Department.

## **Mission, Objectives, Principles and Performance Measures**

### Mission Statement

4. Communities Scotland will improve the quality of life for all people in Scotland by fostering sustainable and healthy communities that are attractive, vibrant and safe.

### Objectives

5. In pursuit of this mission Communities Scotland will work on behalf of Scottish Ministers to:

- Through the investment of funds and expertise, develop communities that are able to thrive and flourish and become self reliant.
- Secure the delivery of the national housing investment programme and make grants to local authorities and housing associations.
- Promote best practice in neighbourhood renewal and community regeneration through the activities of the Neighbourhood Renewal Centre.
- Promote action to reduce inequalities between communities and increase residents' satisfaction with their neighbourhood and community.
- Support local authorities and others to develop effective planning arrangements and prepare local housing strategies.
- Register and regulate all social landlords and regulate the homelessness and factoring functions of local authorities for the benefit of all the users of these services and the communities in which they are located.

### Principles

6. In taking forward its objectives Communities Scotland will:

- Work with local authorities, registered social landlords, community organisations and the voluntary and private sectors.
- Work with local authorities and other agencies through engagement in the community planning process.
- Promote a culture of innovation and sharing of best practice.
- Ensure that the people of Scotland receive the best value for the investment of national resources in housing and regeneration.
- Develop a culture of excellence within the organisation and ensure that staff are offered the opportunity to develop their skills and experience to the highest level.
- Promote equality and social justice, both within the Agency and through the exercise of all of its functions.

- Base its work on the values of integrity and honesty, objectivity, political impartiality and fairness.

#### Performance Measures

7. The key performance measures for Communities Scotland will be set by the Minister for Social Justice and included in the first and following corporate plans for Communities Scotland.

## **Responsibilities**

### Minister for Social Justice

8. The Minister for Social Justice will determine Scottish Executive policy in respect of housing and community regeneration and will, in particular:

- Set national priorities and the allocation methodology for development funding;
- Determine allocations of development funding to local authorities (where funding has transferred);
- Publish a Regulatory Code of Practice in respect of the Registration and Regulation of Social Landlords;
- Approve the Framework Document for Communities Scotland;
- Approve the Corporate Plan for Communities Scotland;
- Set appropriate performance targets and key performance indicators for Communities Scotland;
- Determine the resources to be made available to Communities Scotland; and
- Monitor the performance of Communities Scotland against its targets.

9. The appointment of the Chief Executive of Communities Scotland will be approved by the Minister, as will any extension of contract.

### Head of the Development Department

10. The Head of the Development Department of the Scottish Executive is the senior adviser to the Minister for Social Justice. He or she will advise the Minister on all matters set out above, but will not normally intervene in day to day management of the Agency. He or she will also exercise his or her duties and responsibilities as the Departmental Accountable Officer for the Social Justice Budget.

11. He or she will also exercise any functions not delegated to the Agency.

12. The Head of the Development Department will provide support to the Chief Executive in the exercise of his or her functions and will assess his or her performance for reporting purposes.

### Chief Executive

13. Communities Scotland will be headed by a Chief Executive whose appointment has been approved by the Minister for Social Justice, normally following open competition.

14. The Chief Executive is directly answerable to the Minister for Social Justice for the operation of the Agency and for its performance. He or she will be responsible for agreeing plans, targets and resources with the Minister and for providing reports on performance against targets.

15. Communities Scotland will be responsible for, and accountable for, carrying out Ministers' policies. It will have an implementation focus, which will include responsibility for advising Ministers on how best their policies can be carried out.

16. Responsibility for advising Ministers on strategic policy development and evaluation will remain with the Housing and Area Regeneration Group of the Scottish Executive Development Department, though in forming such advice the Department will pay heed to the experience and insights of the Agency. The two organisations will work closely together in order to ensure that Ministers' objectives and programmes are developed and delivered effectively.

17. In particular, the Agency will advise Scottish Ministers on:

- The structure of the Development Funding Framework and allocations of funding (in accordance with the arrangements set out in Annex B to this document).
- The Regulatory Code of Practice on Registration and Regulation of Social Landlords which is to be published by the Minister for Social Justice and issues arising from the application of the Code.
- Arrangements in place to take forward the Agency's community regeneration role (in accordance with the community regeneration responsibilities set out in Annex C).
- Guidance in respect of the preparation of local housing strategies by local authorities and the quality of individual strategies.
- The implementation of the Scottish Executive's community regeneration policies.

18. The Chief Executive will also be responsible for:

- Determining the management structure of the Agency in pursuit of its overall aims.
- The performance and efficiency of the organisation and all necessary controls to ensure achievement.
- The morale, skills and motivation of Agency staff, and the necessary mechanisms to manage these objectives and achieve high productivity.
- The recruitment and appointment of staff (below the Senior Civil Service) and the creation of an appropriate organisation in accordance with the

Management Code. All recruitment will adhere strictly to the Scottish Executive's policies on openness and fairness.

- Discussions and agreement with the Principal Establishment Officer about the creation of posts within the Senior Civil Service. The Chief Executive will not have authority to fill such posts without first discussing the matter with the Principal Establishment Officer
- Research to support and develop Scottish Ministers' objectives for the Agency, which shall include the development of best practice across the range of its functions.
- Promoting equality of opportunity in all the functions of the Agency.

19. The Chief Executive is the Accountable Officer for Communities Scotland and is responsible for the proper, efficient and effective use of the resources provided to be used in the delivery of agreed targets and for any required financial reporting

20. Communities Scotland will be expected to work closely with other parts of the Scottish Executive to ensure that Ministers' objectives and programmes are delivered effectively and that the experience and advice of the new Agency inform policy development where appropriate.

#### Communities Scotland Board

21. The Chief Executive will establish a Board to provide oversight of the operations of the Agency.

22. This Board will include the non-Executive Directors appointed by the Minister for Social Justice in accordance with the procedures set down by the Office of the Commissioner for Public Appointments.. These non-Executive Directors will have a particular role in respect of the regulatory functions of the Agency as set out in the Regulatory Code of Practice on Registration and Regulation of Social Landlords.

23. In addition, a second board will be established with particular responsibilities in respect of the regulatory functions of the Agency. This second board will be chaired by one of the non-Executive Directors.

24. Annex A of this Framework Document sets out the membership and functions of each of the Agency Boards.

## **Accountability to Parliament**

### Minister for Social Justice

25. The Minister for Social Justice is accountable to the Scottish Parliament for the functions of Communities Scotland. The Minister determines the strategic, policy and financial framework within which the Agency operates and sets the public expenditure provision for Communities Scotland and the key targets for the delivery of objectives.

### Committee Hearings

26. It will be for Scottish Ministers to decide who should represent them at Parliamentary Committee hearings. In practice, where a Committee's interest is confined to the day-to-day operations of the Agency, Ministers will normally regard the Chief Executive or another senior member of Agency staff as the person best placed to appear on their behalf.

27. The Chief Executive is responsible for putting into effect any relevant recommendations, accepted by Scottish Ministers, of the Parliamentary Audit Committee, or other Committees of the Scottish Parliament.

### Correspondence

28. Scottish Ministers will encourage MSPs (and MPs and MEPs) to communicate directly with the Chief Executive on any matter delegated to Communities Scotland. Correspondence will be dealt with in accordance with targets set for the Scottish Executive.

29. Scottish Ministers will deal with enquiries about policy issues and with any cases where a MSP, MP or MEP is dissatisfied with a reply from the Chief Executive.

30. The Chief Executive will ensure that any matter on which it is proper for Scottish Ministers to reply is referred to them without delay.

### Parliamentary Questions

31. The Chief Executive will provide Scottish Ministers with any information necessary to answer Parliamentary Questions or deal with any other Parliamentary business about matters delegated to the Agency.

32. Scottish Ministers will decide the appropriate way to respond to Parliamentary Questions relating to the functions of Communities Scotland and will normally ask the Chief Executive to write to the MSP about matters delegated to Communities Scotland in this Framework Document. Copies of all such replies will be published in the Official Report of the Scottish Parliament.

### Accountable Officer Arrangements

33. The Permanent Secretary of the Scottish Executive is the Principal Accountable Officer and the Head of the Scottish Executive Development Department is the Departmental Accountable Officer for the budget from which the Scottish Executive funds the Agency. The Principal Accountable Officer designates the Chief Executive as the Agency Accountable Officer under section 15 of the Public Finance and Accountability (Scotland) Act 2000.

34. The Chief Executive will provide the Scottish Executive Development Department with such information as is necessary to enable the Development Department resource accounts to be prepared. The Chief Executive will also report to the Head of the Development Department, during the year, on a basis agreed between them, on the progress of expenditure from the Budget from which the Agency is funded.

35. The Chief Executive, as Agency Accountable Officer, is personally accountable for the proper, economic, efficient and effective use of resources provided to the Agency in pursuit of the agreed Corporate Plan objectives and targets, including the proper stewardship of any receipts arising from Budget Income. Accountability for this expenditure is exercised in accordance with the allocation of responsibilities set out in this Framework Document. The Chief Executive is further responsible for ensuring that the Agency complies with the guidance and requirements issued by Scottish Executive Finance and for putting into effect any recommendations accepted by the Scottish Ministers or the Scottish Parliament. The Chief Executive is responsible for ensuring that proper procedures are followed for securing propriety and regularity of public funds for which the Chief Executive is accountable. The Chief Executive's accountability is subject to the respective overall responsibilities of the Permanent Secretary of the Scottish Executive as the Principal Accountable Officer and the Head of the Scottish Executive Development Department as Departmental Accountable Officer.

### Parliamentary Commissioner for Administration

36. The activities of Communities Scotland are subject to investigation by the Scottish Parliamentary Commissioner for Administration (the "Ombudsman").

## **Financial Arrangements**

### Finance

37. The Agency must comply with the requirements of the Scottish Public Finance Manual.

38. Communities Scotland is funded from the Social Justice Budget. Scottish Ministers will determine the level of financial provision for the Agency and provide both annual figures and outline figures for future years.

### Financial Delegations

39. The Head of the Development Department will delegate in writing specific financial authority to provide the Chief Executive with the maximum practicable flexibility to make efficient use of the resources available to Communities Scotland, within the strategic and policy objectives, corporate plans and key performance targets agreed by Scottish Ministers.

40. The Head of Development Department and the Chief Executive of Communities Scotland will review the delegations regularly.

41. The Chief Executive will be responsible for ensuring that the guidance issued by Scottish Ministers is followed and that Communities Scotland observes any general guidance issued by the Scottish Executive Finance Group.

### Internal Audit

42. The Chief Executive will be responsible for arranging for the provision of internal audit, in accordance with the objective and standards laid down in the Government Internal Audit Manual and in a way which demonstrates value for money.

43. The Departmental Accountable Officer may ask the Scottish Executive Internal Audit Unit to undertake such work within Communities Scotland as may be required to provide him or her with independent assurance if he or she deems necessary.

### External Audit

44. Communities Scotland will be subject to external audit by the Auditor General for Scotland.

### Annual Report and Accounts

45. The Chief Executive is required to sign and present annually to Scottish Ministers an Annual Report and accounts. The Annual Report will review the Agency's performance over the previous year against the financial objectives and performance targets set in the Agency's corporate plans.

46. Communities Scotland will keep proper accounts and proper records in relation to the accounts.

47. The Annual Report and financial accounts will be laid before Parliament by Scottish Ministers after the accounts have been audited and certified by the Auditor General for Scotland.

### Management Accounting and Purchasing Systems

48. Communities Scotland will operate financial control and management accounting and purchasing systems which provide the Agency Accountable Officer and the Departmental Accountable Officer with sufficient information to assure them that the Agency's expenditure is being handled in a proper and prudent manner and that the Agency is achieving value for money from its resources, and which enables management to review performance against agreed budgets and targets.

49. The nature and timing of information required by the Departmental Accountable Officer shall be agreed in advance wherever possible.

## **Corporate Planning**

### Corporate Plan

50. By April of each year, the Chief Executive will prepare and submit for approval to the Minister for Social Justice a corporate plan covering a three year period. The first corporate plan for Communities Scotland will be prepared and published by 1 April 2002.

51. The Corporate Plan will be rolled forward and updated each year. It will set out:

- Communities Scotland's main strategic objectives;
- The assumptions that have been made about external trends and factors which will affect housing and community regeneration in Scotland;
- Proposed staffing and accommodation requirements;
- Proposed capital investment programmes;
- Forecasts of income;
- Key financial and other performance targets;
- Proposed efficiency gains;
- Human resource and training strategy;
- Information systems strategy;
- Such information as the Minister for Social Justice may from time to time require.

52. Approval of the Corporate Plan by the Minister for Social Justice (including the key performance targets) constitutes the authority for the Chief Executive to conduct the operations of the Agency and forms the main basis against which the Agency's performance will be judged. Exceptionally, if policy or circumstances change significantly in the course of the year, the Minister for Social Justice or the Chief Executive may propose revisions to the Corporate Plan (including changes to key targets and financial resources). Any revisions require the approval of the Minister for Social Justice and will only be made after consultation with the Chief Executive.

### Publication

53. The Corporate Plan will be published and copies placed in the Library of the Scottish Parliament.

## **Human Resources**

### Status and Conditions of Service

54. The staff of Communities Scotland are Scottish Executive Civil Servants and, except as indicated below, are subject to the terms and conditions of service that apply generally within the Scottish Executive.

55. Staff who formerly worked for Scottish Homes and who have transferred to the Scottish Executive together with the transfer of functions, will at the time of transfer have protected terms and conditions as these staff will have transferred on the basis of no detriment.

### Staff Relations

56. The Chief Executive is responsible for promoting good staff relations in the Agency.

### Personnel Management

57. Communities Scotland aims to offer all its staff good and satisfying career opportunities and is committed to fostering career development. The Chief Executive is responsible for ensuring that the requisite level of performance management expertise is available and maintained and that staff serving in the Agency can obtain advice on training and career opportunities within the Scottish Executive and wider Civil Service. In addition, professional staff will have access to their head of profession (where one exists) wherever located within the Scottish Executive.

58. The Chief Executive will be responsible for all aspects of the personnel management (other than pensions) of staff within the terms of the Civil Service Management Code.

59. The personnel management of senior civil servants within the Agency will be the responsibility of the Principal Establishment Officer in the Scottish Executive in consultation with the Chief Executive.

### Pay and Grading

60. The pay and grading structures for Communities Scotland will be the same as within the Scottish Executive Main Bargaining Unit. Any staff appointed on or after 1 November 2001 will be appointed on Scottish Executive terms and conditions of service.

61. The Scottish Executive determines the pay of the staff of the Executive Agency. For staff below the Senior Civil Service, the Agency is part of the Scottish Executive Main Bargaining Unit (SEM) and, as such, staff are subject to pay rules and policies that are determined centrally by the Scottish Executive

Directorate of Personnel and Pay. Staff will be awarded pay awards (subject to effective performance) in line with the negotiated settlement between the Executive and the relevant trade unions.

62. The Scottish Executive Directorate of Personnel and Pay will work with senior management in Communities Scotland to prepare and implement an assimilation plan for staff in Communities Scotland who have transferred from Scottish Homes.

#### Performance Appraisal and Career Development

63. Communities Scotland will be required to:

- Introduce and operate the Scottish Executive Performance Management system covering pay and performance appraisal in consultation with the director of Personnel and Pay, the Scottish Executive;
- Arrange for appropriate training in performance management to be provided by the Scottish Executive Training and Development Unit together with the issue of all appropriate guidance;
- Set appropriate performance objectives for individual staff;
- Operate career development processes that enhance operations and meet the aspirations of staff; and
- Preserve opportunities for inter-departmental mobility to allow staff to pursue opportunities within the Scottish Executive and the wider Civil Service.

#### Training and Staff Development

64. Communities Scotland have in place an effective training strategy and will keep that strategy under review to ensure that all staff have the training and expertise necessary to achieve Communities Scotland's aims and objectives.

#### Equal Opportunities

65. The Chief Executive will be responsible for offering opportunities on an equal basis to all staff and ensuring the avoidance of discrimination, victimisation and harassment and adhering to the Scottish Executive's policies in these areas.

#### Health and Safety

66. The Chief Executive will be responsible for ensuring that appropriate action is taken to comply with the requirements of the Health and Safety at Work etc. Act 1974.

#### Recruitment

67. The Chief Executive will arrange for all vacancies to be advertised, initially, in the Scottish Executive News. In the case of external recruitment, the

advert must be cleared with the Scottish Executive Promotion and Recruitment Unit.

## **Support Services**

### Organisational Infrastructure

68. The Chief Executive will be responsible for:

- Financial management;
- HR and Organisation Development, including training;
- Staff relations and industrial relations;
- Information systems;
- Analytical services;
- Non-Ministerial external communications;
- Internal audit;
- Accommodation.

69. The Scottish Executive will provide the following support services:

- Legal services;
- Ministerial communications in respect of the functions of Communities Scotland.

70. Support services will remain under review to ensure that the appropriate services are provided in the right place and to promote value for money.

## **Framework Document**

### Review Arrangements

71. This Framework Document will be reviewed jointly by the Minister for Social Justice and the Chief Executive no later than 3 years after the establishment of the Agency. Changes may be proposed at any time in the light of experience or changed circumstances.

72. Where any change relates to staff terms and conditions it will also be the subject of consultation with staff representatives.

### Publication

73. Copies of this Framework Document (including any future version of this document) will be placed in the Library of the Scottish Parliament.

## **Annex A**

### **Communities Scotland Board(s)**

#### Management Board

1. The Management Board will assist the Chief Executive in formulating advice for the Minister and in the management of the operations of the Agency.
2. The Members of the Management Board will be:
  - The Chief Executive.
  - The Non-Executive Directors appointed in accordance with Nolan principles by the Minister for Social Justice.
  - Up to 8 Officials appointed as Executive Directors by the Chief Executive.
3. The main functions of the Management Board in providing the corporate governance of the Agency will be:
  - To formulate the Agency's strategy for achieving its mission and operational objectives within the policy and resources framework agreed with the Minister for Social Justice.
  - To develop policies and to identify operational priorities to support the effective implementation of the Agency's strategy, plans and programmes.
  - To prepare the Agency's Corporate Plan; establishing operational targets and performance measures for efficiency and effectiveness; and to oversee its effective implementation.
  - To assist the Chief Executive in the economic, efficient and effective management of the Agency.
  - To provide direction and leadership to the staff of the Agency.
  - To ensure that activities undertaken by the Agency are consistent with the policies of Scottish Ministers; that the Agency operates within the limits of its statutory authority and within the limits of any delegated authority imposed by Scottish Ministers; and in accordance with conditions relating to the use of public funds.
  - To oversee the delivery of planned results by monitoring performance against agreed objectives and targets.
  - To encourage high standards of propriety; to promote the efficient and effective use of staff and other resources throughout the Agency; and to ensure the accountability of public funds entrusted to the Agency.

- To represent the views of the Agency in the exercise of its functions maintaining external relationships with Local Authorities and business partners.
- To ensure compliance with a Code of Best Practice for its Members.
- To ensure that the Agency operates consistently with Government policy on environmental policies and practices, access to information, modernising government, equal opportunities, race equality and human rights.

#### Regulation Board

4. The Management Board will be assisted by a Regulation Board in the delivery of its functions relative to the regulation and inspection of Registered Social Landlords and the landlord, homelessness and factoring functions of local authorities.

5. The Members of the Regulation Board will be:

- The Non-Executive Directors, previously appointed to the Management Board of the Agency, one of whom will chair the Regulation Board.
- The Chief Executive.

6. The Executive Director responsible for the Regulation and Inspection function will not be a member of the Regulation Board but he or she will attend its meetings as the Board may determine, and will be responsible for servicing the Board.

7. The main functions of the Regulation Board will be:

- To formulate the Agency's regulatory strategy and policy and to monitor and review its application to ensure that: the Agency's regulatory work is free from any inappropriate influence; the Agency acts in the best interests of tenants, future tenants and other consumers of housing and related services; the Agency protects public and private investment in social housing.
- To ensure that regulatory activities undertaken by the Agency are consistent with the policies of Scottish Ministers - including the Regulatory Code of Practice - and that the Agency operates within the limits of its statutory authority.
- To agree any major changes to regulatory processes.
- To approve the registration, de-registration and transfer of engagements of Social Landlords.

- To approve the use of statutory powers to intervene to secure improvements in the performance of a regulated body; to institute statutory inquiries; to review and determine the outcome of the use of statutory powers; and to determine the delegation of such powers to the Executive Director responsible for the Regulation and Inspection function. The Chief Executive will advise the Minister of the exercise of such statutory powers where this might be deemed controversial but will not generally require the prior approval of the Minister to exercise the statutory powers of regulation set out in the Housing (Scotland) Act 2001.
- To act as an Appeals Board to determine appeals arising from the regulation and inspection process which are referred to them.
- To receive and approve an annual report on the discharge of the regulation and inspection function.

### Committees

8. The Chief Executive will, in conjunction with the Management Board and Regulation Board, establish such standing or temporary Committees as may be required to discharge the Agency's responsibilities and functions.

### Audit Committee

9. The Committees so established will include a standing Audit Committee responsible for advising the Chief Executive on the adequacy of audit arrangements (internal and external) and on the implications of assurances provided in respect of risk and control in the organisation.

10. The members of the Audit Committee will be the non-Executive Directors previously appointed to the Management Board of the Agency, one of whom will chair the Committee. The Chief Executive will attend the meetings of the Audit Committee at his/her discretion.

11. The Executive Directors responsible for the Finance and Internal Audit functions will not be members of the Committee but will be invited to attend its meetings as the Committee may determine.

12. The Head of Internal Audit and the senior member of the external audit team will have the right of access to the Audit Committee and would normally be present at its meetings as attendees rather than members.

13. The main functions of the Audit Committee will be:

- To approve the scope, authority, objectives and work plans of internal audit.
- To review external and internal audit reports and the adequacy of the management response to these reports.

- To review matters arising from the statutory certification audit and report to the Management Board with appropriate recommendations.
- To review periodically the effectiveness of control systems including the arrangements for the assessment and management of risk.
- To review accounting policies and procedures.
- To review assurances relating to the annual Statement of Internal Control.

14. The Committee will report periodically to the Board on matters referred to above by submitting minute of meetings or in such a manner as the Committee may consider appropriate.

15. The Committee will meet twice a year or more frequently as may be determined by the Chairman or the Chief Executive as Accountable Officer.

## **Annex B**

### **Development Funding**

#### Outline Arrangements Between Communities Scotland and Local Authorities where Development Funding has transferred

1. Where development funding has transferred from the Scottish Executive to a local authority the following arrangements will apply:

- Local authorities will prepare local housing strategies to cover a five year period; these plans will address all aspects of housing, reflect national priorities and regional housing market analyses and be consistent with other local authority plans;
- Local authorities will separately bid for resources in an agreed format taking account of the main priorities identified in the local housing strategy and the high and low funding assumptions for each authority;
- Communities Scotland will consider bids on behalf of Scottish Ministers using a published framework for resource allocation based on national priorities and their assessment of the local housing strategy; and
- Communities Scotland will distribute the resources to local authorities and monitor and evaluate programme performance; Communities Scotland would also manage transfers between authorities in year if there was slippage in programmes.

#### Outline Arrangements Between Communities Scotland and Scottish Ministers where Development Funding has transferred

2. The arrangements between Scottish Ministers and Communities Scotland will be as follows:

- Communities Scotland will develop guidance on national priorities and the allocation methodology. This guidance will be developed in conjunction with the Development Department and be subject to the final approval of Ministers;
- Communities Scotland will provide advice to Ministers in respect of allocations. The level of information and nature of this process to be decided by Scottish Ministers. Ministers will make the final allocation decisions;
- Communities Scotland will administer the application process and the distribution and monitoring of grant.

3. This gives Scottish Ministers the responsibility for setting the criteria for allocations and making allocations, but gives Communities Scotland the lead role in managing the process and giving expert advice to Scottish Ministers. In respect of most activities, Communities Scotland would have a freedom to act,

make decisions and speak on behalf of the Minister, but Ministers would have oversight of the framework of the process and would have final say on allocations. We would also want to agree circumstances in which Ministers should be involved in spending decisions made during the year, and as a minimum would expect Ministers to be involved if resources were transferred from one authority to another in year.

#### Development Funding Prior to Transfer

4. Communities Scotland will handle development funding until the funding is transferred to the local authorities. Scottish Ministers will not be involved in each spending decision that is made by the Agency, but Ministers – being accountable to the Scottish Parliament – will have a clearly defined role in the process.

5. Communities Scotland would prepare a policy paper setting out how development funding would be distributed, taking account of Ministerial priorities. This paper would be subject to the agreement of Scottish Ministers. Communities Scotland will distribute development funding in accordance with that agreement. The agreement will specify situations in which decisions should be brought to the attention of Ministers.

6. In addition, as part of this process Communities Scotland would set notional development budgets by local authority area and take account of local authority local housing strategies (to the degree that these are in line with national priorities).

## **Annex C**

### **Responsibilities of the Agency in respect of community regeneration**

1. Investment in new and improved housing is the primary means by which Communities Scotland currently promotes regeneration. Scottish Ministers would wish to see this continue in the new Agency and for the Agency to take on the monitoring and management of the SIP programme and certain associated activities. They will wish to see this focus widen over time to include the promotion of the social economy, support for capacity building and an extension of the various schemes currently promoted by the Wider Role activities undertaken by housing associations.

2. Communities Scotland will promote community regeneration through:

- Contributing as partners to local authority regeneration and housing strategies and offering a national and cross-authority perspective on plans and resource allocations.
- Housing development, where there has been no transfer of development funding to the local authority.
- Continuing to encourage the development of community based housing associations and promoting their Wider Role.
- Providing support for community capacity building to empower communities to enable them to be active and effective partners of local authorities and other agencies and businesses.
- Managing and monitoring the Social Inclusion Partnership (SIP) programme.
- Promoting best practice in development and regeneration, in particular, through the activities of the Neighbourhood Renewal Centre.