

HOUSING (SCOTLAND) ACT 2010

EXPLANATORY NOTES

STRUCTURE OF THE ACT

Part 3 – Performance of Social Landlords

40. **Part 3** of the Act requires the Scottish Ministers to set out the standards and outcomes social landlords should be aiming to achieve. Part 3 also requires the regulator to assess and report on social landlords' performance of housing activities and gives it the power to set performance improvement targets. The SHR must also set standards of financial management and governance for RSLs.

The Scottish Social Housing Charter

41. **Sections 31 to 33** provide for the Scottish Ministers to publish a Scottish Social Housing Charter setting out what social landlords should aim to achieve (standards and outcomes) in performing housing activities. Once it is published, Ministers must review the Charter from time to time. Section 33 requires Ministers to consult or have regard to the interests of certain parties before publishing the Charter for the first time and each time it is reviewed. Those to be consulted are listed at section 33(2)(b). Ministers must submit the Charter to the Scottish Parliament for approval and it only comes into effect once it has been approved.
42. **Section 32** gives examples of the kind of service areas the Charter might cover. The examples are for illustrative purposes and are not necessarily the areas that will be covered by the Charter, as these will be developed in consultation with stakeholders under section 33.

Performance improvement targets

43. The Charter will provide a framework for the regulator to assess and report on social landlords' performance. Section 34 allows the regulator to set performance improvement targets for social landlords. Subsection (2) allows it to set targets for an individual landlord or a group of landlords if, for example, their performance falls below that of the sector generally. Before setting, revising or withdrawing targets that apply to social landlords, the regulator must consult Scottish Ministers and the other interested parties specified in subsection (3). The requirement to consult does not apply if the target affects only one landlord, or if the regulator considers there is an urgent need to set the performance improvement target.

Guidance, targets and code of conduct

44. **Section 35** provides for the regulator to publish guidance about how it will assess social landlords' performance against the Charter and the indicators it will use to measure progress. There is a requirement for the regulator to consult specified interested parties before issuing, revising or withdrawing this guidance.
45. **Section 36** requires the regulator to publish a code of conduct setting out the standards of governance and financial management RSLs are expected to meet. It must also

publish guidance on the code of conduct. Before it publishes, revises or withdraws the code of conduct or guidance, subsection (4) requires the regulator to consult RSLs and their tenants (or organisations representative of these groups), and lenders or their representative organisation (the Council of Mortgage Lenders).

46. [Section 37](#) allows the SHR to set financial management or governance targets for RSLs. These targets may be set for an individual landlord or for a group of RSLs. Unless they apply only to an individual registered social landlord - or there is an urgent need to set a target - the regulator must consult those specified in subsection (3) before setting the targets.
47. Under [Section 38](#) the regulator may also publish guidance setting out the indicators or other measures it will use to assess RSLs' progress against any governance or financial management targets it has set.

Encouragement of equal opportunities

48. [Section 39](#) requires social landlords to provide housing services in a way that encourages equal opportunity and is consistent with the law on equal opportunities.

Assessing and reporting

49. [Section 3\(1\)\(b\)](#) provides for the regulator to monitor, assess and report on social landlords' performance of housing activities and on RSLs' financial health and governance standards. [Section 40](#) prescribes what the regulator must consider when assessing social landlords' housing activities. Generally, this includes the level and quality of service provided viewed in the context of the rents being charged; the Charter; and relevant performance improvement targets and guidance. When assessing RSLs' financial management and governance, the regulator must consider the standards set out in the code of conduct and guidance issued under [section 36](#), and any relevant targets and guidance under [section 38](#).
50. [Section 41](#) sets out reporting requirements for the regulator. It must publish, at least once a year, a report on landlords' performance in achieving the standards and outcomes set in the Charter and in meeting performance improvement targets. Subsection (2) allows the regulator to include in its reports information about its use of regulatory intervention powers, the financial health of RSLs, and any other information it considers likely to be useful to social landlords, their tenants, prospective tenants or other service users.