



**Scottish Housing
Regulator**



**Corporate Plan
2015-18**

Terms we use in this document

Asset – property, rights or interests held by a landlord, mainly its houses.

Asset management – a landlord's plans to ensure that it has the right houses, of the right quality, in the right place at the right time.

Energy Efficiency Standard for Social Housing (EESHS) – the Scottish Government's standard of energy efficiency for social landlords' homes. The standard aims to reduce energy consumption, fuel poverty and the emission of greenhouse gases. Landlords are expected to meet it by 2020.

Governance – the leadership, direction and control of an organisation to ensure that it achieves its agreed aims and objectives.

Inquiry – our power to gather information from landlords and investigate performance in more depth. An inquiry can range from a request for information to an inspection of any aspect of a landlord's activities.

Intervention – our powers to require a landlord to take action to bring its performance to an acceptable level, or to address a problem in the organisation.

Landlord – we regulate Scotland's social landlords. These are Registered Social Landlords (RSLs) such as housing associations and housing co-operatives, local authority landlords or a local authority which provides housing and homelessness services.

Local authorities – there are 32 local authorities in Scotland. All provide homelessness services while 26 also provide social housing and housing services.

Registered Social Landlord (RSL) – a landlord providing social rented housing that is registered and regulated by the Scottish Housing Regulator. RSLs are mainly housing associations and housing co-operatives.

Risk management – the active process of identifying and trying to manage and limit the risks to which an organisation is exposed.

Scottish Social Housing Charter – the Scottish Government's standards and outcomes that social landlords should be achieving for their tenants, homeless people and other service users.

Significant performance failure – something that a landlord does, or fails to do, that puts the interests of its tenants at risk, and which it has not resolved. This is something that is a systemic problem that does, or could, affect all of the landlord's tenants.

Stakeholder – any person or organisation who is affected by, or has a particular interest in, an activity-an interested party.

Tenants and other service users – tenants are those that currently live in a home owned and managed by a social landlord. Other service users are those that are not tenants but use housing services provided by social landlords such as Gypsies/Travellers, homeless people and owners and occupiers who receive factoring services.

Tenant satisfaction – social landlords are required to carry out surveys at least once every three years, to find out how satisfied their tenants are.

Value for money – achieving value for money means obtaining the maximum benefit with the resources available.

Welfare reform – the current UK Government is undertaking a range of reforms to the UK-wide welfare and benefits system. This includes the removal of the 'spare room subsidy' and the implementation of Universal Credit.

Whistleblowing – where a member of staff, or governing body member, reports a concern to the Regulator about improper conduct.



Message from our Chair & Chief Executive

This plan sets out how we will continue our work to safeguard and promote the interests of tenants, homeless people, factored owners and Gypsies/ Travellers who use social landlords' services during 2015 to 2018.

Three years ago, when we published our first plan, we were a new public body with a new, single statutory objective and Regulatory Framework. We have achieved a lot since then, establishing the organisation as an effective regulator. We reached a major milestone in 2014, with the publication of the first landlord reports on performance against the Scottish Government's Social Housing Charter. We are no longer new, but we retain a strong commitment, belief and confidence in what we were created to do.

Protecting the interests of tenants and other service users is always at the heart of our work. We will involve them, and their representatives, in our work to help us focus on the things that matter and impact most on them.

Good services, good governance and financial health are our three regulatory priorities. We will increase our emphasis on good services and the Charter in the next three years. We aim to empower tenants with accessible, comparable performance information to help them scrutinise their landlords. We will use evidence to drive what we do, using the rich data we hold on Charter performance to focus particularly on tenant satisfaction, and to explore value for money and rent affordability.

Landlords are operating in an increasingly challenging environment. We will develop how we contribute to the early identification of emerging and escalating risks, especially those which could have a widespread, systemic impact.

We want to have effective, respectful and professional relationships with all of our stakeholders. We will work to base our engagements on openness and understanding and a mutual appreciation of roles. We are keen to work constructively with tenant organisations, landlord representatives and others to drive good practice and improvement, and to understand fully the issues that affect our stakeholders. Effective communication is important to us. We are committed to working transparently and we will continue to seek feedback to strengthen our approach. During the period of the plan we will start to review our Regulatory Framework, beginning with a pre-consultation discussion paper in 2016-17.

Social landlords have many strengths. This is a well-established and generally stable sector. Many landlords have a strong local community position, playing vital roles as community anchors and hubs for wider service delivery. As independent organisations, it is for RSLs to govern and manage their own businesses. Our effective regulation adds value to social housing, not least because it helps to protect the hard-earned good reputation of those social landlords who provide good services and are well managed, and protects public investment. We will maintain our focus on financial health and governance, and a critical part of our role is to help to maintain the confidence of lenders and investors in social housing.

We look forward to working together with our Board members, staff, and all of our stakeholders as we deliver this plan, recognising that we all have a shared goal to deliver for tenants, homeless people and others who use social landlords' services.

Michael Cameron
Chief Executive

Kay Blair
Chair

About us

We are the independent Regulator of just under 200 social landlords – around 160 registered social landlords (RSLs) and 32 local authorities. We are led by a Board of non-executive members and directly accountable to the Scottish Parliament.

Our one objective is **to safeguard and promote the interests of:**

- nearly 600,000 **tenants** who live in homes provided by social landlords.
- around 40,000 **people and their families** who may be homeless and seek help from local authorities.
- around 90,000 **owners** who receive services from social landlords.
- over 500 **Gypsy/Traveller** families who live on 29 sites provided by social landlords.

Our role is to monitor, assess and report on social landlords' performance of housing activities and RSLs' financial well-being and standards of governance, and to intervene where appropriate to achieve our objective. We also keep a public register of social landlords.

You can see more on how we regulate social landlords in our published Regulatory Framework, available on our website at: www.scottishhousingregulator.gov.uk

Our vision and priorities

We want to see successful social landlords that deliver good outcomes for tenants, homeless people and others. We will contribute to this by delivering effective regulation, focusing on our three priorities: good services, financial health and good governance.

VISION

Successful social landlords delivering good outcomes for tenants, homeless people and others



LANDLORDS DELIVER GOOD SERVICES

Landlords achieve the outcomes and standards in the Social Housing Charter

Tenants' homes are warm, dry and secure

Landlords understand and meet the needs and aspirations of tenants and others

Landlords promote equalities in all that they do

Tenants are satisfied and get good value for the rent that they pay



FINANCIALLY HEALTHY RSLs

Essential to sustain delivery

Able to secure the funding they need to support their business plans, with appropriate, sustainable financial headroom

Good strategies to manage financial risks, to protect core businesses

Sustainable asset management plans

Appropriate internal control systems



WELL GOVERNED RSLs

Good governance underpins financial health and good services

Focused on good outcomes for tenants and other service users

Open and accountable for what they do

Manage resources, including tenants' rents, to ensure effective delivery and financial health

Base decisions on good information and advice, and identify and mitigate risks

Conduct their affairs with honesty and integrity

Have the skills, knowledge and capacity they need to be effective



Risks in social housing

Social landlords work in a changing and increasingly challenging world. Landlords are more complex and diverse than ever before in terms of size, structure, focus and future ambition. They will see increasing demands on their governance and management of risks.

We will remain vigilant and alert to new and changing risks, understand landlords and the challenges they face, and always understand what this means for the interests of tenants and other service users.

We have a role in contributing to the early identification of significant emerging and escalating risks. We will engage with landlords and others to mitigate these risks where we can, to protect the interests of tenants and others, recognising that some risks are of such a scale and systemic nature that they cannot be dealt with through regulation alone.



What we will work to achieve during 2015 to 2018

OUR OBJECTIVE

To safeguard and promote the interests of tenants, people who may be homeless, and those who use housing services provided by social landlords



WHAT WE WILL DO

1. Empower tenants and other service users to hold their landlords to account
2. Be a catalyst for landlords to improve their services, governance and financial health
3. Identify and raise awareness of risks to the interests of tenants and other service users
4. Act to protect the interests of tenants and other service users, quickly and decisively when necessary
5. Help to maintain lender, investor and public funder confidence in social housing

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HOW WE WILL KNOW WE ARE EFFECTIVE IN 2015-18 AND BEYOND

- We prevent harm to the interests of tenants, homeless people and other service users
- Longer term, landlords' Charter performance improves in the areas we focus on, bringing better outcomes for tenants, homeless people and others
- We protect tenants' interests when a landlord gets into financial problems
- Lenders, investors and public funders have confidence in what we do and invest in social housing

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OUR COMMUNICATIONS AND ENGAGEMENT

Working effectively and constructively with our stakeholders

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OUR CORE VALUES

Independent
Open & transparent
Engaged
Risk-based & proportionate
Evidence-driven
Accountable
Effective & efficient

See page 8

OUR WIDER CONTRIBUTION

By being an effective regulator we will help to deliver the Scottish Government's National Outcomes and contribute to achieving sustainable economic growth

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What we will do during 2015 to 2018

Everything we do is to achieve our single objective: to safeguard and promote the interests of tenants, people who may be homeless, and those who use housing services provided by social landlords.



Empower tenants and other service users to hold their landlords to account

- Every year publish a report on each landlord's Charter performance and require the landlord to give this to all of its tenants.
- Annually update our online Charter tool to help tenants and others compare their landlord's performance with that of others and over time.
- Deliver a programme of thematic inquiries to include the things tenants and other service users tell us matter most, and publish our findings.
- Publish the findings from service inquiries with individual landlords.
- Involve our tenant assessors in our scrutiny of landlords' performance.
- Engage with our National Panel of Tenants and Service Users to help us understand tenant and service user priorities.
- Meet regularly with the Registered Tenants Organisation (RTO) Liaison Group and the RTO Chairs and Secretaries group to feed their views into our work.



Be a catalyst for landlords to improve their services, governance and financial health

- Publish robust data and analysis every year on landlord performance and RSL finances to help landlords to benchmark and identify areas for improvement.
- Provide landlords with information, practice examples, case studies and recommendations to help them improve performance.
- Explore how we can work with tenants, landlord representatives, the Scottish Government and others on best practice.
- Explore with others what value for money means.



Actively identify and raise awareness of risks to the interests of tenants, homeless people and other service users

- Annually assess the risk to the interests of tenants and other service users, and publish the level of engagement we need with each landlord.
- Highlight emerging and escalating risks to landlords, the Scottish Government and others.
- Give tenants a simple way to raise Significant Performance Failures with us and let whistleblowers raise concerns with us safely and straightforwardly.
- Work effectively with other regulators and our scrutiny partners.
- Use collaborative short-life groups to help us develop policy and responses to risk. These groups may include tenants, landlords, interest groups and others.



Act to protect the interests of tenants, homeless people and other service users, quickly and decisively where necessary

- Publish and deliver our regulatory strategies for individual social landlords in RSL Regulation Plans and local authority assurance and improvement plans.
- Use our consent powers to ensure landlord requests for change and disposals are in tenants' interests.
- Respond to Significant Performance Failures reported to us by tenants and publish our findings.
- Respond quickly and effectively to concerns about a landlord's service quality, governance or financial health.
- Use our intervention powers, where appropriate and necessary, to ensure the interests of tenants and other service users are protected.



Help to maintain lender, investor and public funder confidence in social housing

- Engage regularly with lenders, investors and public funders to share understanding about emerging risks and our regulatory approach and priorities.
- Maintain our focus on good governance and financial health in RSLs and require appropriate standards of them, including effective risk management.
- Say when we consider an RSL an unsuitable investment partner or recipient of public funds.
- Hold information sessions for investors and potential investors in social housing to help them understand our regulatory approach.

We will publish an annual statement of the work we plan to do in the year ahead.

How we will work during 2015 to 2018

The way we work reflects our core values.

INDEPENDENT
OPEN AND TRANSPARENT
ENGAGED RISK-BASED AND PROPORTIONATE
EVIDENCE-DRIVEN
ACCOUNTABLE EFFECTIVE AND EFFICIENT

Independent

We will operate independently from Scottish Ministers and from those we regulate. We will exercise regulatory judgement impartially, without fear or favour, and free from undue influence.

Open and transparent

We will be transparent about how we regulate and our workplans, while protecting confidentiality. We will be as open as we can be about our decisions and actions, and discreet when appropriate.

Engaged

We want effective, respectful and professional relationships with all of our stakeholders based on a mutual appreciation of roles. We will:

- ✓ involve tenants and other service users, and their representatives, wherever we can in our work, to understand and take account of their priorities, needs and perspectives.
- ✓ communicate, listen and engage effectively and constructively with our stakeholders.
- ✓ seek to understand and take account of all stakeholder views and perceptions.
- ✓ participate in wider strategic discussions about the issues for social housing.

During 2015-16 we will publish an updated Consultation & Involvement Strategy, setting out how we will involve tenants and other service users in our work, including through our National Panel. We will also start a review of our Regulatory Framework, beginning pre-consultation dialogue with a stakeholder discussion paper in 2016-17.

Risk-based and proportionate

We will always focus on our objective to safeguard and promote the interests of tenants, homeless people, and those who receive services provided by social landlords. We will:

- ✓ apply our regulatory approach consistently, while recognising that landlords' different risk profile, local context, organisational set-up and performance outcomes will mean that we engage at different levels and in different ways.
- ✓ pay most attention to the most significant risks and where we can add most value.
- ✓ match our regulatory response to the issue, level of risk and the landlord concerned.

Evidence-driven

We will base what we do on robust evidence and strong analysis.

Accountable

We will be accountable for the conduct of our work, our impact and costs. We aim to be an exemplar in good regulation, working to the Strategic Code of Practice for Regulators.

Effective and efficient

We will:

- ✓ strive for the highest standards in our governance, accountability and financial stewardship.
- ✓ focus our resources on where we add most value and have most impact.
- ✓ realise the benefits of our new business intelligence systems, building on the benefits already achieved for tenants, landlords and us.
- ✓ use the wealth of experience and skills of our people, invest in their knowledge and expertise, and collaborate to develop ideas for new ways of working.
- ✓ work to lessen our environmental impact and lower our carbon emissions, and recognise the influence we can have over landlords' contribution to meeting climate change targets.
- ✓ meet our equality duties and encourage equal opportunities. We will review our published Equality Statement during the period of this plan, and give due regard to equalities in our policies, strategies and actions.

How we will know we have been effective

Risk-based and proportionate regulation puts prevention at the heart of our work. So, first and foremost, the measure of our success is whether we prevent harm to the interests of tenants and others who use social landlords' services.

We will know we have been effective if:

- our work has prevented harm to the interests of tenants, homeless people and other service users, and led to improvement.
- we have ensured tenants' interests are fully protected when a landlord gets into financial problems.
- lenders, investors and public funders continue to have confidence in our regulation and are investing in social housing.

Over the longer term, we will also expect to see improved performance by landlords on the Charter outcomes and standards we have been focusing on. We will set clear outcomes and measures of success for our programme of thematic work.

We will report publicly on our performance and achievements in our annual report.

.. and how we contribute to wider objectives

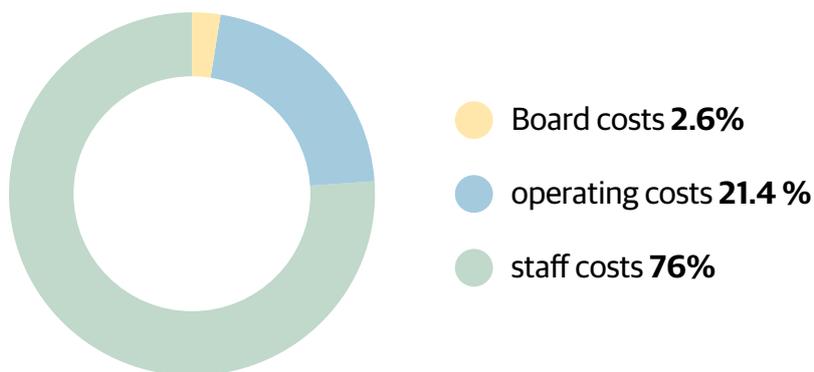
By being an effective regulator, we help contribute to the achievement of sustainable economic growth and to the following Scottish Government National Outcomes:

- We have tackled the significant inequalities in Scottish society.
- We live in well-designed, sustainable places where we are able to access the amenities and services we need.
- Our public services are high quality, continually improving, efficient and responsive to local people's needs.
- We live longer, healthier lives.
- We have improved the life chances for children, young people and families at risk.
- We have strong, resilient and supportive communities where people take responsibility for their own actions and how they affect others.

Our funding

All public bodies face funding pressures in the coming years. We will operate within our budget of £4.041m for 2015-16.

2015-16 budget



We will deliver effective regulation within this budget by targeting and prioritising what we do on the most significant issues and risks. We will continue to invest resources in our analytical capacity, to proactively identify these risks and focus on the right things.

The Scottish Government and Parliament will set our funding for 2016-17 and 2017-18 during 2015-16. We will finalise and implement our detailed planning for future years, matching our resources to our priorities. We will secure further efficiencies in our operating costs wherever possible.



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