

# **The Regulatory Framework for Welsh Registered Social Landlords**

**August 2025**

Digital ISBN 978-1-80633-098-0

Crown Copyright 2025

Further information on regulation and the regulatory framework is available from:

Housing Regulation Team  
Welsh Government  
Housing and Regeneration  
Cathays Park  
Cardiff  
CF10 3NQ

E mail: [housingregulation@gov.wales](mailto:housingregulation@gov.wales)

## **Page**

### **Contents**

|          |                                               |          |
|----------|-----------------------------------------------|----------|
| <b>1</b> | <b>Background and introduction</b>            | <b>3</b> |
| <b>2</b> | <b>Who does what?</b>                         | <b>3</b> |
| <b>3</b> | <b>Overall approach</b>                       | <b>4</b> |
| <b>4</b> | <b>Components of the Regulatory Framework</b> | <b>5</b> |
|          | Regulatory Standards                          | 5        |
|          | Self – Evaluation                             | 6        |
|          | Regulatory Review                             | 7        |
|          | Regulatory Assessment                         | 7        |
|          | Regulatory Judgements                         | 8        |
|          | Ongoing Regulatory Oversight and Powers       | 9        |

**Appendix 1: The Regulatory Standards**

**Appendix 2: Self Evaluation Practice Note**

**Appendix 3: Definitions**

**Appendix 4: The legal basis for regulation**

**Appendix 5: Regulatory/Enforcement Powers**

## 1 Background and introduction

This Regulatory Framework applies to Registered Social Landlords (RSLs) registered and regulated by the Welsh Ministers under Part 1 of the Housing Act 1996.

It has been updated to reflect changes in regulatory practice and revised regulatory statuses and standards which have been developed in partnership with key stakeholders.

The Regulatory Framework (2025) replaces the Regulatory Framework for RSLs Registered in Wales (January 2022) with effect from 11 August 2025.

The main purpose of regulation of RSLs is to protect tenants and investment. Regulation largely takes the form of oversight and monitoring with intervention only where necessary.

While recognising the autonomy and independence of their boards, effective regulation ensures each RSL is:

- **Well-governed** – led effectively and well managed by boards, executives and staff, and working with tenants and partners to make and implement effective business decisions.
- **Delivering high quality homes and services** - providing homes and services that meet people's diverse needs and expectations, with an emphasis on high quality services, value for money and continuous improvement.
- **Financially viable** – with well-managed finances and the resources and cash flow to meet current and future business commitments.

The Regulatory Standards, which all RSLs must comply with, set out the expected outcomes in more detail (**Appendix 1**).

## 2 Who does what?

When we use the term **Regulator**, we mean the Welsh Ministers.

In practical terms, the **Social Housing Regulator Team** undertakes the function of regulation on behalf of the Welsh Ministers.

There are also two non-operational bodies which have advisory and consultative roles:

The **Independent Assurance Panel (IAP)** has an advisory role to provide an independent view on how effectively the Regulatory Framework is being implemented. The IAP can also act as a “critical friend” and sounding board for the Regulator. The Panel is made up of independent members with a range of skills and experience.

The **Regulatory Advisory Group (RAG)** is a forum made up of stakeholder representative bodies. It is a collaborative and consultative group primarily charged with improving social housing regulation through stakeholder input and advice in relation to regulation strategy and policy development. RAG members are: Tenant Participation Advisory Service Cymru, Welsh Local Government Association, Shelter Cymru, Community Housing Cymru and representatives from its various membership groups, Tai Pawb, UK Finance, and the Chartered Institute of Housing Cymru.

### **3 Overall approach**

#### **Co-regulation**

This Regulatory Framework is built upon the principle of co-regulation. Co-regulation means the Regulator and RSLs working together and having a joint responsibility for ensuring that the sector and individual organisations are well regulated. This approach requires constructive relationships between the Regulator and RSLs, working on the basis of 'no surprises'.

The Regulator expects RSLs to:

- be open and honest about risks, issues and challenges they identify and how they plan to address these
- raise relevant matters with the Regulator promptly
- work with the Regulator constructively to resolve challenges
- act voluntarily to address any material concerns identified through regulation.

RSLs can expect the Regulator to:

- be open and honest about any risks, issues or challenges it identifies and how it plans to respond to them
- raise any issues of concern with individual RSLs and the sector promptly
- be clear about how Regulatory Judgements are reached
- ensure Regulatory Judgements and any regulatory intervention actions are proportionate and consistent
- work with RSLs and the sector constructively to resolve challenges
- share learning from regulatory activity with the sector.

#### **Risk-based regulation**

The way risk shapes the approach to regulation continues to develop. As part of a commitment to proportionality, we use a contextual assessment (including perceived risk) to determine how resources and activity should be focused. Sector-wide risks are identified through a sector risk assessment which will be published annually with a six-monthly update if required. The response of individual RSLs to sector risks and organisation specific risks is assessed via the assessment process (see section 5).

#### **Regulated self-assurance**

At the centre of a co-regulatory approach is the boards' absolute responsibility for the effective governance, performance and financial viability of the RSLs they lead. This includes each board:

- obtaining assurance that its primary responsibility of ensuring the effective running of the RSL is fully and properly discharged
- demonstrating accountability to the RSL's tenants, to people who use its services, to those who lend it money, and to other key stakeholders such as Welsh Government and local authorities

To underpin these activities, boards must satisfy themselves by obtaining and scrutinising assurance they comply with the Regulatory Standards and report on how they have done so which includes undertaking a robust self-evaluation on an annual basis (see section xx). The role of the Social Housing Regulator Team is to assess and report on the adequacy and effectiveness of both the process and substance of self-assurance through regulatory reviews and assessments, oversight and publication of Regulatory Judgements.

## **Hearing the Tenants' Voice**

Protecting tenants is one of the key purposes of regulation. Tenants' needs and interests are therefore vitally important and so the Regulatory Standards place clear expectations on RSLs to evidence:

- the difference tenant involvement and feedback makes to strategic decision-making, and the design and delivery of services
- tenants are empowered and supported to influence and design the delivery of services
- high quality services are delivered to tenants and service users, and they are achieving and maintaining high levels of tenant satisfaction with services
- they ensure services are fair and deliver equitable outcomes
- tenants are kept safe in their homes with prompt identification and correction of landlord health and safety under-performance or non-compliance
- diverse tenant views and expectations inform the development and review of services including responses to significant service failure.

## **4 Components of the Regulatory Framework**

The key components of the Regulatory Framework are:

- Regulatory Standards
- Self-Evaluation
- Regulatory Review
- Regulatory Assessment
- Regulatory Judgements
- Regulatory Oversight and Powers

Each of these is explained in more detail below.

### **Regulatory Standards**

The Welsh Ministers set Regulatory Standards (**Appendix 1**) which are the statutory standards RSLs must comply with. How the standards are achieved is for each RSL to decide, working with tenants and other stakeholders.

The Regulatory Standards require RSLs to adopt an appropriate Code of Governance. The Regulatory Standards have been developed in alignment with the Code of Governance published by Community Housing Cymru (CHC) in May 2021 in order to provide consistency and minimise duplication between the two.

## Self-Evaluation

Effective self-evaluation should demonstrate Boards are confident that appropriate, evidenced systems of assurance are in place to evidence compliance with the regulatory standards.

At least once each year, every RSL must submit a self-evaluation which evaluates the quality of the organisation's governance, service delivery and financial viability in delivering its purpose and objectives.

There is no prescribed format or process for carrying out a self-evaluation, but some key elements which must be covered, and which can be evidenced, are outlined below. The self-evaluation must be approved by the Board.

The self-evaluation must include:

1. A Board approved summary of any material changes relating to the RSL's governance, service quality and tenant engagement and financial viability since the last judgment was published.
2. An explicit statement of compliance/non-compliance with each of the regulatory standards (and its components) and a short summary of how the conclusion has been reached. The statement must include links to (or a list of source documents – page numbers) to the outcomes-based evidence and assurance relied on by the Board to make their assessment.
3. A current (within the last 12 months) assessment of compliance with the adopted Code of Governance adopted by the RSL with any non-compliance to be highlighted and explained.
4. A statement demonstrating how the views of tenants have been understood and considered in the self-evaluation exercise, highlighting how those views were taken into account and the difference they made.
5. A statement demonstrating the process is robust and certifying the Board has confidence in the evaluation outcome and process.
6. A statement of the key operational and strategic risks, along with mitigations the Board has identified for the coming year/cycle.
7. A Compliance Improvement Plan which sets out how any areas of non-compliance (or partial compliance) with the standards will be addressed. The plan must include a timetable and identify a responsible senior person.

**Important - A practice note, which provides more detail on the requirements of self-evaluation is at Appendix 2**

The self-evaluation must consider the RSL as a whole. In a group structure, subsidiaries (including joint ventures and other similar entities), whether registered or not must be included. A number of RSLs act as trustees or managing agents for separate, usually small RSLs – these should also be included in the self-evaluation, in effect treating them as a subsidiary for this purpose.

Failing to provide any of the information listed above, may be classed as a material governance failure.

RSLs are required to publish self-evaluations in a format and manner that is readily accessible to tenants and other audiences, giving consideration to people without access to digital channels.

## **Reaching a Regulatory Judgement**

In normal operating circumstances, each RSL will be subject to a Regulatory Review or a Regulatory Assessment, at least on an annual basis.

## **Regulatory Review**

A Regulatory Review of each RSL will be a light-touch process in most instances, using the self-evaluation together with regulatory insight to confirm the RSL's existing Regulatory Judgement.

This will normally encompass a desk top review of the RSL's self-evaluation, its Compliance Improvement Plan and financial viability metrics alongside regulatory intelligence.

The range of outcomes from a Regulatory Review include:

- the RSLs existing Regulatory Judgment is confirmed
- a change to financial viability rating (Green to Yellow) due to its financial risk profile
- escalation to a Regulatory Assessment if material concerns are identified.

## **Regulatory Assessment**

Periodically, the Regulator will carry out a Regulatory Assessment for each RSL. An assessment will result in a new judgement. It will consider the substance of the self-evaluation and key risks of the RSL in more depth. The frequency of an assessment will be based on the risks faced by the RSL and therefore, higher risk and more complex RSLs may be subject to an assessment more frequently than those with a perceived lower risk. An assessment can also be triggered by concerns identified during a Regulatory Review and is a requirement when an RSL has completed an improvement programme, as a result of regulatory intervention, before a judgement can be changed.

A Regulatory Assessment will include a more detailed assessment of the self-evaluation and Compliance Improvement Plan against each regulatory standard and its components. This will be supported by a review of core documents, documents relating to any targeted areas as well as Board and Audit committee observations, interviews with key personnel and some tenant assurance work.

The assessment of compliance will focus on materiality. Materiality will also drive any requests for further information which supports the risk-based approach to regulation and minimises information requests from RSLs.

## Regulatory Judgements

Regulatory Judgements will be published at the conclusion of each Regulatory Assessment or confirmed following a Regulatory Review. The proposed rating will first be challenged through an internal moderation and quality control process. Regulatory Judgements are issued for Governance (including Service Delivery) and Financial Viability. The judgement ratings are set out in the table below:

A confirmation judgement published following a Regulatory Review means the previous judgement remains valid on the basis that no issues have come to light which materially change the risk profile of the RSL.

| Rating | Governance (including Service Delivery)                                                                                                    | Rating | Financial Viability                                                                                                                        |
|--------|--------------------------------------------------------------------------------------------------------------------------------------------|--------|--------------------------------------------------------------------------------------------------------------------------------------------|
| Green  | The RSL meets our requirements.                                                                                                            | Green  | The RSL meets our requirements.                                                                                                            |
| Yellow | The RSL needs to make improvements in some areas to continue to meet our requirements.                                                     | Yellow | The RSL meets our requirements and needs to continue to manage material risks to maintain this position.                                   |
| Amber  | The RSL does not meet our requirements and is working closely with the Regulator to ensure that serious regulatory concerns are addressed. | Amber  | The RSL does not meet our requirements and is working closely with the Regulator to ensure that serious regulatory concerns are addressed. |
| Red    | The RSL does not meet our requirements, and it is necessary to take statutory action in response to serious regulatory concerns.           | Red    | The RSL does not meet our requirements, and it is necessary to take statutory action in response to serious regulatory concerns.           |

The operating and financial environment for RSLs is dynamic, challenging and uncertain and it may be appropriate for RSLs to take a degree of financial risk to achieve their objectives. In reaching a financial viability judgement, we will determine the level of risk and to what degree we are satisfied that, where there is an identified material financial risk, appropriate mitigations and assurance is in place.

Green and Yellow judgements indicate that our requirements have been met but in the case of a Yellow judgement, the financial profile of the RSL means it may be more challenging to mitigate the impact of a risk, or combination of risks, should they occur, or improvements are needed to some areas of governance/service delivery.

Each RSL is required to publish its Regulatory Judgement in full on its website on the same day it is published on the Welsh Government website. It must be well sign-posted and inform tenants and service users of its publication. Confirmation judgements must also be published but the last full judgement must remain accessible on the website until the next full report is issued.

## Judgement Under Review

If material concerns about an RSL come to our attention by any route outside of the cycle of Regulatory Review or Assessments, we may issue a “Judgement Under Review” (JUR) notice. A JUR notice will be recorded on the register and be published on the Welsh Government website. The notice will include a summary of the issues being investigated and RSLs are required to publish the notice on their website until such time as the matter is resolved and the notice discharged. The current judgement must also remain on the website during any period where a JUR notice is in force.

## Ongoing Regulatory Oversight and Powers

The level of formal regulatory oversight will vary depending on circumstances with routine regulatory oversight/catch-up meetings at least twice a year. The focus of these meetings will be regulatory oversight of significant changes, risks, compliance, financial viability and sector wide issues as well as progress with compliance improvement plans. The aim is to balance maintaining open communications whilst ensuring sufficient distance to uphold objectivity and co regulation.

Where any material regulatory concerns are identified or significant changes proposed, oversight frequency may increase.

Our first response to any matters of concern will be to understand the issues in more depth and consider any proposals to respond to the issue. Wherever possible, we will provide help and support and work with RSLs on a voluntary basis to resolve matters.

We will be proportional, assessing materiality, in deciding our regulatory response and may take legal advice, non-binding advice from the Independent Assurance Panel or commission other expert advice. Actions we may take include:

- Require the RSL to strengthen its Compliance Improvement Plan
- Revise a Regulatory Judgement
- Exercise regulatory powers.

Regulatory intervention typically involves the Regulator working closely with an RSL to develop an improvement plan to address the issues which typically require urgent and substantial changes to be made in the organisation. Although the organisation is still given the opportunity to resolve issues voluntarily, there is an expectation it will provide commitment to the agreed improvement plan and its implementation. Voluntary undertakings under S6A of the Housing Act 1996 are one way to confirm this commitment.

Statutory action means use regulatory powers (**Appendix 5**) in response to serious regulatory concerns. While it is expected that RSLs will voluntarily address concerns, the Welsh Ministers have powers, following due process, to take or require appropriate action to be taken. These powers are rarely used but serve as a safeguard for tenants and others. The regulatory powers deployed will be tailored to the specific situation to achieve the best outcome for tenants and stakeholders.

## Appendix 1: The Regulatory Standards

The Regulatory Standards and any associated rules are set by the Welsh Ministers in accordance with Section 33A of the Housing Act 1996.

Any statutory guidance will be issued under Section 33B of the 1996 Act and will be consulted upon in accordance with section 33C of that Act. Registered Social Landlords (RSLs) are expected to comply with statutory guidance.

Advisory guidance may be issued; RSLs will not be expected to comply with this but may find it of assistance in identifying how they can achieve the outcomes identified in the Standards.

| Ref        | Regulatory Standards                                                                                                                                                                                                                                                                                                   |
|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>RS1</b> | <b>The organisation has effective strategic leadership and governance arrangements which enable it to achieve its purpose and objectives</b>                                                                                                                                                                           |
| a)         | Has a strategy <sup>1</sup> which reflects its vision, culture and values and sets out how the organisation will achieve its core purpose as a social landlord and ensures its workforce is competent to deliver the strategy.                                                                                         |
| b)         | Complies with its own governing documents and meets the requirements of an appropriate Code of Governance                                                                                                                                                                                                              |
| c)         | Sets and delivers measurable, evidence-based commitments across all areas of its business in relation to equality, diversity, and inclusion (including anti-racism and tackling hate crime)                                                                                                                            |
| d)         | Has a diverse Board, reflecting the communities the RSL works in and with, and has the skills, knowledge required to be effective                                                                                                                                                                                      |
| e)         | Makes logical decisions based on clear, good quality information which includes assessment of risk and seeks assurance on the accuracy and quality of data underpinning Board reporting                                                                                                                                |
| f)         | Can demonstrate the difference tenant involvement and feedback makes to strategic decision-making                                                                                                                                                                                                                      |
| g)         | Complies with all relevant legislation, regulatory requirements and statutory guidance and communicates in a timely manner with the Regulator, including on material issues that relate to actual or potential non-compliance                                                                                          |
| <b>RS2</b> | <b>Robust risk management and assurance arrangements are in place</b>                                                                                                                                                                                                                                                  |
| a)         | Has an effective framework for risk management, internal controls and assurance that: <ul style="list-style-type: none"> <li>enables the identification and management of existing and emerging risks which may threaten delivery of its strategy or compliance with legislative or regulatory requirements</li> </ul> |

<sup>1</sup> The term strategy is used here – individual RSLs may use other terms such as business plan or corporate plan

|            |                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|            | <ul style="list-style-type: none"> <li>ensures that social housing assets are not put at undue risk. This includes understanding and managing the risks posed by subsidiaries, joint ventures and other similar entities</li> </ul>                                                                                                                                                                                                                |
| b)         | Maintains accessible and up-to-date business continuity, disaster recovery and cyber security plans                                                                                                                                                                                                                                                                                                                                                |
| <b>RS3</b> | <b>High quality services are delivered</b>                                                                                                                                                                                                                                                                                                                                                                                                         |
| a)         | <p>Delivers, high quality services including (but not limited to):</p> <ul style="list-style-type: none"> <li>Provision of effective repairs, maintenance and adaptations service</li> <li>Support to maintain tenancies</li> <li>Personal safety, including response to ASB, domestic abuse and hate crime</li> <li>Allocation of homes to meet housing need including homelessness</li> </ul> <p><i>Note – services can be RSL dependent</i></p> |
| b)         | Achieves and maintains high levels of tenant satisfaction with services                                                                                                                                                                                                                                                                                                                                                                            |
| c)         | Ensures that services are fair and deliver equitable outcomes for tenants in response to their individual needs                                                                                                                                                                                                                                                                                                                                    |
| d)         | Makes landlord performance information available to tenants which is sufficient to enable scrutiny and challenge                                                                                                                                                                                                                                                                                                                                   |
| <b>RS4</b> | <b>The organisation's culture supports and empowers tenants to influence the design and delivery of services</b>                                                                                                                                                                                                                                                                                                                                   |
| a)         | Has an effective framework for tenant involvement that is well publicised, provides a range of opportunities for tenants to be involved and can demonstrate that tenants are satisfied with the framework                                                                                                                                                                                                                                          |
| b)         | Can demonstrate the difference tenant involvement is making to the design and delivery of services including listening and acting on tenants' feedback and the lessons learnt from complaints                                                                                                                                                                                                                                                      |
| c)         | Can demonstrate diverse tenant views and expectations inform the development and review of housing and related services, including the response of the RSL to any significant service failure                                                                                                                                                                                                                                                      |
| <b>RS5</b> | <b>Rents and service charges are affordable for current and future tenants</b>                                                                                                                                                                                                                                                                                                                                                                     |
| a)         | Ensures all applicable rules, statutory guidance and any supplementary sector agreements are fully complied with                                                                                                                                                                                                                                                                                                                                   |
| <b>RS6</b> | <b>The organisation has a strategic approach to value for money which informs all its plans and activities</b>                                                                                                                                                                                                                                                                                                                                     |
| a)         | Determines its strategic approach to value for money and can demonstrate that it achieves value for money in delivering its strategy and services to stakeholders, including tenants                                                                                                                                                                                                                                                               |

|            |                                                                                                                                                                                                                 |
|------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|            |                                                                                                                                                                                                                 |
| <b>RS7</b> | <b>Financial planning and management is robust and effective</b>                                                                                                                                                |
| a)         | Sets financial plans which enable it to deliver its strategy and achieve its social purpose, and there is appropriate reporting to the Board against these plans                                                |
| b)         | Is financially viable in the short, medium, and longer-term, and maintains sufficient funding and liquidity to support this                                                                                     |
| c)         | Monitors, reports on, and complies with all covenants it has agreed with funders                                                                                                                                |
| d)         | Identifies and effectively manages risks to the delivery of financial plans including appropriate stress testing, scenario planning, mitigation planning and use of internal thresholds                         |
| e)         | Has an effective treasury management strategy and associated processes                                                                                                                                          |
| <b>RS8</b> | <b>Assets and liabilities are well managed</b>                                                                                                                                                                  |
| a)         | Has an accurate and up to date understanding of its assets and liabilities and uses this to inform strategic and financial decisions and maintains complete, accurate and up to date stock condition data       |
| b)         | Maximises the use of assets to achieve its social purpose and the objectives of the organisation, including understanding the social and financial performance of assets                                        |
| <b>RS9</b> | <b>The organisation provides safe, high-quality accommodation</b>                                                                                                                                               |
| a)         | Ensures publicly funded homes meet all applicable law, standards, rules and statutory guidance issued in connection with the quality and safety of accommodation and the current Welsh Housing Quality Standard |
| b)         | Keeps tenants safe in their homes and promptly identifies and corrects any under-performance or non-compliance on all landlord health and safety requirements                                                   |

## Appendix 2: Self Evaluation Practice Note

### Introduction

This practice note is intended to support Registered Social Landlord (RSL) staff and Board members at all levels to understand the requirements of the Self Evaluation process required under The Regulatory Framework for Welsh Registered Social Landlords.

The practice note should be read alongside the framework and is not a replacement for an RSLs own legal advice or any formal guidance from the Regulator.

### Self-Evaluation

An effective self-evaluation (SE) document should demonstrate that Boards are confident that appropriate, evidence-based systems of assurance are in place. While SE is a key component of regulatory assessment, it should primarily serve as an integral part of an RSL's business cycle - not as a regulatory requirement.

Boards are required to critically assess the assurance they receive regarding the delivery of outcomes for tenants and communities, as set out in their plans and strategies, alongside compliance with regulatory standards.

Each RSL must produce and submit a SE at least once annually. This evaluation should assess the quality of the organisation's governance, service delivery, and financial viability in achieving its purpose and objectives. The SE must be a Board-owned, dynamic document that is regularly reviewed and updated.

Submitted SE's must be clear, accessible and transparent about the assurance and evidence underpinning the Board's assessment of compliance with the standards. All evidence should be easy to identify and locate. Where evidence of assurance is not provided, it will be assumed not to exist.

At the point of regulatory assessment, the Regulator can use the most recently submitted SE but RSLs will be given the opportunity to update it if they choose to. This is a similar approach to that taken with financial/business plans and ensures the SE timetable is determined by the RSL to suit their business needs, not by the regulatory timetable.

The SE must consider the RSL as a whole entity. In a group structure, subsidiaries, whether registered or not, should be included and, if an RSL acts a trustee or managing agent for another RSL, they too should be included in the evaluation.

SE should be succinct but **must** include the following requirements. Some RSLs have found it helpful to set out the responses to requirements 1,3,4,5,6 and 7 as a preamble to addressing compliance with the regulatory standards (requirement 2):

Note - Failing to provide any of the requirements set out below may be classed as a material governance failure.

1. A Board approved summary of any material changes relating to the RSL's governance, service quality and tenant engagement and financial viability since the last judgment was issued.

This section should provide a summary of any material or significant changes in governance, service delivery, or financial viability since the last review/assessment. As most of this information should already be known to the Regulator through routine regulatory engagement, a short paragraph for each area will normally be sufficient.

2. An explicit statement of compliance/non-compliance with each of the regulatory standards (and each of its components e.g. RS1, RS1a, RS1b and so on) and a short summary of how the conclusion has been reached. The statement must include links to (or a list of source documents – page numbers/references) to the evidence and assurance relied on by the Board to make their assessment.

A short narrative summary for each standard is required. This should confirm whether, in the **Board's view**, they are assured each of the standards and each of the components are complied with in full, partially or not at all. Compliance with each of the components is required as they are designed to support compliance with the headline standard. Evidence/assurance which may support the Boards' assessment includes (but is not limited to) the Board assurance framework or similar, policies, board reports, performance information and audits or independent reviews. Evidence relied on must be outcomes based, not process.

3. A current (within the last 12 months) assessment of compliance with the Code of Governance adopted by the RSL with any non-compliance to be highlighted and explained.

A summary is required explaining when compliance with the code was last assessed, whether any weaknesses were identified and what is being done to address them. All identified weaknesses, however small, must be included in the Compliance Improvement Plan (CIP) under RS1 (b)

4. A statement demonstrating how the views of tenants have been understood and considered in the self-evaluation exercise, highlighting how those views were taken into account and the difference the views made.

Although the SE is owned by the Board, this requirement is about positive engagement with tenants in the whole self-evaluation process. This should be a short summary, perhaps with examples, explaining how tenants were involved in the process of SE and how tenants' views on the RSLs compliance with the regulatory standards has been considered.

5. A statement demonstrating the process is robust and certifying the Board has confidence in the evaluation outcome and process

This requirement relates to the overall approach to the SE process, rather than the specific evidence used to demonstrate compliance. This should be a concise explanation of how the Board is assured that the SE process is both robust and evidence based. It can be viewed as an assurance statement for the SE itself—

outlining how and why the process is sound, how the Board has taken ownership of the SE and why it has confidence in the accuracy and reliability of the evidence underpinning it.

6. A statement of the key operational and strategic risks, along with mitigations the Board has identified for the coming year/cycle

The SE should include (or provide links to) a clear explanation of the key operational and strategic risks facing the organisation, including response and mitigations.

7. A Compliance Improvement Plan (CIP) which sets out how any areas of non-compliance (or partial compliance) with the standards will be addressed. The plan must include a timetable and identify a responsible senior person.

The CIP must include improvement actions against each relevant regulatory standard, including the components, where any compliance improvement is required. Improvements must be credible, measurable, and should have an allocated lead and anticipated completion date.

### **Appendix 3: Definitions**

For the purposes of the Regulatory Framework:

“Regulatory Standard” means the standards of performance made under section 33A of the Housing Act 1996 (as amended by the Housing (Wales) Measure 2011)

“RSLs” and “associations” are what registered social landlords are more commonly known as

“Group” structures are explained in RSL circular (RSL 01/24)

“Registered social landlord” (RSL) means a Welsh body registered with the Welsh Ministers under Part 1 of the Housing Act 1996 –

“Measure” means the Housing (Wales) Measure 2011

“Landlord” means a registered social landlord

“Service user” means someone who uses the services of a RSL, other than a tenant. It might include, for example, leaseholders, shared owners and users of support services

“Tenant” means an occupation contract holder with an RSL under the Renting Homes (Wales) Act 2016

“the 1996 Act” means the Housing Act 1996

“Welsh Government” means the body set up under section 45 of the Government of Wales Act 2006 (“the 2006 Act”) and

“Welsh Ministers” means the Welsh Ministers appointed under section 48 of the 2006 Act. Under Part 1 of the Housing Act 1996, the Welsh Ministers register and regulate registered social landlords.

## **Appendix 4: The legal basis for regulation**

The Welsh Ministers have general functions under section 75 of the RSLs Act 1985 (as amended), such as to facilitate the proper performance of the functions of registered social landlords and to maintain a register of social landlords. The Welsh Ministers must exercise their general functions subject to and in accordance with the provisions of the RSLs Act 1985 and Part 1 of the Housing Act 1996 (as amended by the Measure).

The Welsh Ministers have powers under the 1996 Act to regulate registered social landlords in Wales. Part 1 of the 1996 Act is amended by Part 2 of the Measure and provides the Welsh Ministers with enhanced regulatory and intervention powers concerning the provision of housing by registered social landlords and the enforcement action that may be taken against them.

Under section 33A(1) of the Housing Act 1996, the Welsh Ministers may set standards of performance (the regulatory standards) to be met by registered social landlords in connection with their functions relating to the provision of housing and matters relating to their governance and financial management. Under section 33B (1) of the 1996 Act, the Welsh Ministers may issue guidance that relates to a matter addressed by a standard, and amplifies the standard. Section 33A of the 1996 Act requires the Welsh Ministers to consult various bodies before setting section 33A standards or issuing section 33B guidance.

There are enhanced powers in Chapter 4A of Part 1 of the 1996 Act setting out enforcement action the Welsh Ministers can use against registered social landlords.

The Regulatory Framework sets Standards of Performance under section 33A of the 1996 Act. The requirement for the provision of information in connection with compliance with the regulatory standards (levels of performance) and the publication of Regulatory Judgements is made under section 35 of the 1996 Act.

## **Appendix 5: Regulatory/Enforcement Powers**

Welsh Ministers have various regulatory powers which are provided for in the Housing Act 1996, as amended by the Housing (Wales) Measure 2011.

The following are examples of the powers which can only be exercised following due legal process:

- Appointing an interim manager
- Commissioning additional inspections to obtain evidence
- Commissioning additional surveys
- Issuing an enforcement notice which requires action to be taken to address a problem within a specified timescale
- A financial penalty if an association fails to comply with requirements imposed on it by an enforcement notice
- Payment of compensation to individuals or groups affected by a RSL's failure to meet standards or to comply with undertakings
- Requiring management functions to be put out to tender
- Requiring transfer of management function to a specified person
- Appointing an individual to manage an RSL
- Appointing a new director of an association
- Requiring an amalgamation (merger) of a RSL with another association
- Restricting certain dealings of an association during an inquiry
- Directing an inquiry into an association's affairs
- Petitioning to wind up an association