

Press release: Regulator publishes Sector risk profile 2018

The Sector Risk Profile 2018, published today (11 October 2018) by the Regulator of Social Housing, highlights health and safety issues, failures to meet stakeholder expectations and reliance on sales as significant potential risks for social housing providers to manage.

The report, now in its sixth edition, sets out the range of strategic and financial challenges facing the social housing sector. It is designed to help registered providers, board members and others to understand the operating environment and to think strategically about how their organisation can manage its risks.

Whilst the sector continues to have to manage a range of issues to ensure that it remains viable and well governed, the regulator has highlighted 3 key areas for boards to consider. Boards should:

- be clear about their health and safety responsibilities, both for stock that they own and stock that they manage, to ensure that tenants are safe in their homes and staff are safe at work
- consider their stakeholders expectations in their decision making, including tenants and residents; lenders and investors; and central and local government
- ensure that sales activity is underpinned by an understanding of local housing demand and the mitigations available if sales and staircasing do not match expectations

This year's publication also emphasises risks to specialist providers, including the particular risks inherent in lease-based providers of supported housing, on which the regulator will be issuing a further report in due course.

Fiona MacGregor, Chief Executive of RSH said:

The risks facing each organisation will depend upon the scale and nature of that business. It is important that boards understand the specific issues that they face, carry out adequate stress testing and plan meaningful mitigations. We will look for assurance from providers that they have robust stress tests, internal control systems and appropriate risk management. We will also continue to monitor the exposure that sales risks have on the sector as part of our quarterly review of providers' overall financial strength.

The aftermath of the Grenfell Tower fire has seen unprecedented scrutiny of the social housing sector, landlords' relationship with their tenants, and public interest in the sector's wider social role. In this context providers must show how they are delivering on their social purpose and objectives, and meeting their promises and commitments. Where things go wrong providers should be open and transparent and look to put the issue right as quickly as possible. Failure to do so could not only undermine stakeholder confidence in individual providers but also affect the reputation of the sector as a whole.

The regulator's Sector Risk Profile 2018 is available on the [RSH website](#).

1. The regulator's annual Sector Risk Profiles are available on the [RSH website](#).
2. The Regulator of Social Housing promotes a viable, efficient and well-governed social housing sector able to deliver homes that meet a range of needs. It does this by undertaking robust economic regulation focusing on governance, financial viability and value for money that maintains lender confidence and protects the taxpayer. It also sets consumer standards and may take action if these standards are breached and there is a significant risk of serious detriment to tenants or potential tenants. For more information visit the [RSH website](#).
3. See our [Media enquiries page](#) for press office contact details. For general queries, please email enquiries@rsh.gov.uk or call 0300 124 5225.