

Board Excellence Programme 10 November 2022

Regulatory Judgements and Regulatory Notices

Mick Warner



Regulatory Judgements (RJs) and Regulatory Notices (RNs)



The Regulator of Social Housing (RSH) publishes RJs on the Governance and Financial Viability Standard for providers with 1,000 or more homes

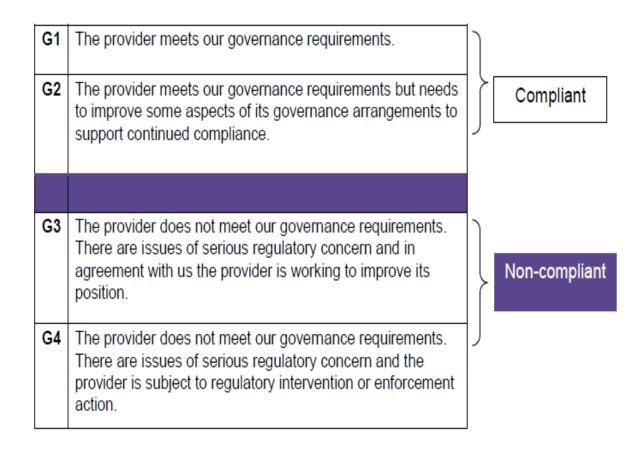
The RSH publishes RNs on the Governance and Financial Viability Standard for non-compliant providers with less than 1,000 homes

The RSH publishes RNs on the Consumer Standards (and sometimes the Rent Standard) for non-compliant providers regardless of their size – this might change in the future





RJs - Governance







RJs - Viability

- V1 The provider meets our viability requirements and has the financial capacity to deal with a wide range of adverse scenarios.
- V2 The provider meets our viability requirements. It has the financial capacity to deal with a reasonable range of adverse scenarios but needs to manage material risks to ensure continued compliance.
- V3 The provider does not meet our viability requirements. There are issues of serious regulatory concern and, in agreement with us, the provider is working to improve its position.
- V4 The provider does not meet our viability requirements. There are issues of serious regulatory concern and the provider is subject to regulatory intervention or enforcement action.

Compliant

Noncompliant





Current position on published RJs

		Viability					
		V1	V2	V3	V4	Total	
Governance	G1	127	43	0	0	170	
	G2	10	13	0	0	23	
	G3	0	0	4	4	8	
	G4	0	0	1	0	1	
	Total	137	56	5	4	202	



Themes in current non-compliant RJs - governance



- Providers operating a lease-based model
- Poor decision-making, lack of oversight and scrutiny by the Board and failure to challenge the Executive
- Weaknesses in risk management
- Inadequate Board reporting and data quality
- Not operating in a co-regulatory manner and losing control of the organisation's future



Themes in current non-compliant RJs - viability



- Providers operating a lease-based model
- Limited headroom on loan covenants
- Problems with development programmes and property sales
- Accuracy of financial information
- Reliance on delivery of efficiency savings

N.B. additional spending on health and safety and environmental sustainability feature in recent re-grades from V1 to V2





Current position on published RNs

Relevant Standard(s)	Number
Economic Standards	27
Consumer Standards	22
Consumer Standards and Rent Standard	1
Total	50





Themes in recent RNs on the Consumer Standards

- 10 RNs published so far in 2022 on the Consumer Standards
- 7 for local authorities and 3 for housing associations
- 9 for breaches of Landlord Health and Safety requirements
- London Borough of Barking and Dagenham fire, electrical, asbestos, gas, lift and water safety
- Industrial Dwellings Society "failed to deliver an effective service for routine and planned repairs and maintenance"





Thoughts?

Questions?

Comments?

