

[RSH publishes regulatory judgement for Shepherds Bush Housing Association for breach of the economic standards](#)

Press release

The Regulator has downgraded the provider for non-compliance with the governance element



In a regulatory judgement published today (22 June 2022), the Regulator of Social Housing has concluded that Shepherds Bush Housing Association Limited is non-compliant with the governance element of the economic standards and downgraded it to G3 status.

Following an in-depth assessment and reactive engagement, RSH has found that Shepherds Bush has been unable to provide assurance that its governance arrangements had been effective. Weaknesses in its risk management, internal control frameworks and business plan reporting meant it failed to identify the potential crystallisation of financial risks in sufficient time. RSH also identified concerns about fire safety reporting and compliance with the Decent Homes Standard at Shepherds Bush and found that data quality is an ongoing issue for this housing association. There have also been a number of incidences where Shepherds Bush's communication and provision of information to RSH fell below the required standard.

In response to the regulator's investigation and in agreement with RSH, Shepherds Bush has accelerated several actions to improve its governance and put in place a Governance Assurance Plan that includes an overarching governance review, improvements to the financial governance and controls and several data reviews.

Shepherds Bush Housing Association remains compliant with the financial viability element of the economic standards and retains its V2 status.

Harold Brown, RSH's Senior Assistant Director, Investigations and Enforcement, said:

Shepherds Bush Housing Association's failed to manage its affairs appropriately in relation to risk management, fire safety and the decency of its tenants' homes. We remind all social housing landlords that they have a responsibility to notify us promptly about potential breaches of our standards. We will continue to monitor Shepherds Bush Housing Association as it improves its governance.

1. Registered providers of social housing with more than 1,000 units are awarded both governance (G) and financial viability (V) grades for their compliance with the Governance and Financial Viability Standard. Grades of G1 and G2 indicate compliance with the governance element of the Governance and Financial Viability Standard, while grades of G3 and G4 indicate non-compliance. Similarly, V1 and V2 grades indicate compliance with the financial element and V3 and V4 grades indicate non-compliance.
2. RSH placed Shepherds Bush Housing Association on the [gradings under review list](#) on 22 December 2021 to indicate that it was investigating the provider's compliance with the governance element of the Governance and Financial Viability Standard. This was updated on 22 March 2022 to indicate that the RSH investigation would be extended to consider compliance with the financial viability element of the Governance and Financial Viability Standard.
3. Based on evidence gained from its latest financial forecasts, RSH has assurance that Shepherds Bush Housing Association complies with the financial viability element of the Governance and Financial Viability Standard and that its financial plans are consistent with, and support, its financial strategy. Shepherds Bush Housing Association's gradings are now G3 and V2. Its most recent previous gradings were G2 and V2.
4. More information about how RSH regulates against its [standards](#) is available in [Regulating the Standards](#).
5. RSH promotes a viable, efficient and well-governed social housing sector able to deliver and maintain homes of appropriate quality 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.
6. For press office contact details, see our [Media enquiries page](#). For general queries, please email enquiries@rsh.gov.uk or call 0300 124 5225.

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