

# Sector risk profile shows increased challenges facing the sector

The Regulator of Social Housing's Sector risk profile 2019 published today (15 October 2019) highlights that strategic and operational risks facing the social housing sector are on the rise.

This is the seventh year of the annual publication, which 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.

The most significant risks that boards must manage and mitigate include:

- health and safety compliance – all providers have an obligation to act to ensure the homes they provide are safe for tenants and they must also fulfil their legal duty of care to their staff
- stock condition and asset management – investment should be based on a good, evidenced understanding of the overall condition of stock underpinned by up-to-date data
- market sales exposure – the implications of the market cycle and a slowdown in some geographical areas on providers' cash flow and development plans should be considered
- reputational risk – business decisions, performance and probity across all areas of operation and board and executive members' conduct should have regard to the expectations of all stakeholders
- rents – strategies and business plans need to cope with changes in housing policy and related areas including welfare reform.

Fiona MacGregor, Chief Executive of RSH said:

Alongside some weakness in demand in the housing market and the need to respond to evolving building safety requirements, this year's Sector risk profile highlights the importance of adequately investing in existing stock, as well as ensuring necessary scrutiny of the build quality of new stock. This includes satisfying statutory health and safety requirements and effectively managing all outsourcing arrangements, and demands high-quality data on the condition of properties. Failure in these areas not only puts tenants' health and lives at risk but also has major reputational

risks to both the provider and the sector as a whole.

The Sector risk profile outlines key risks for boards to consider when stress testing their organisations. It also emphasises the importance of robust, data-based stress testing to underpin effective risk and mitigation strategies.

The regulator's annual Sector risk profiles are available on the [SRP collections page](#).

## **Further information**

For press office contact details, see our [Media enquiries page](#). For general queries, please email [enquiries@rsh.gov.uk](mailto:enquiries@rsh.gov.uk) or call 0300 124 5225.

## **Notes to editors**

1. For more information, please see the [regulatory standards](#) and [Quarterly survey](#) webpages.
2. RSH 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 about RSH, visit the [RSH website](#).