



Regulator of
Social Housing

Regulatory Judgement on Arches Housing Limited LH0884

June 2018

Publication Details

Reason for publication

Governance upgrade

Regulatory process

Reactive Engagement

Please see the definitions in Annex 1 for more detail

Governance

G1 (Compliant)

The provider meets our governance requirements

Viability

V1 (Compliant)

The provider meets our viability requirements and has the financial capacity to deal with a wide range of adverse scenarios.

Key to grades

G1 / V1	Compliant
G2 / V2	Compliant
G3 / V3	Non-compliant and intensive regulatory engagement.
G4 / V4	Non-compliant, serious failures leading to either intensive regulatory engagement or the use of enforcement powers.

Provider Details

Origins

Arches Housing Limited (AHL) is a non-charitable Co-operative and Community Benefit Society. It was founded in 1975 by local people who were concerned with the physical decay of housing in the north and east of Sheffield. In 2005 AHL became a recognised specialist housing provider for Black and Minority Ethnic (BME) communities.

Registered Entities

The only registered entity is Arches Housing Limited.

Unregistered Entities

There are no unregistered entities.

Geographic Spread and Scale

AHL owns and manages around 1,200 homes, principally in Sheffield and in Rotherham. In recent years AHL has added low cost home ownership products to its portfolio.

Staffing and Turnover

Arches employ the full-time equivalent of 21 staff and reported a turnover of £5.9m for the year ending 31 March 2017.

Development

Arches is an investment partner with Homes England and is currently finalising plans for a future 10 year development programme.

Regulatory Judgement

This judgement upgrades the regulator's previous assessment of AHL's governance published in July 2017. That publication concluded that AHL met our governance requirements, but that it needed to improve some aspects of its governance arrangements to support continued compliance.

The Governance and Financial Viability Standard requires registered providers to have an effective risk management and internal controls assurance framework. Our previous published judgement highlighted that AHL was then unable to provide sufficiently robust assurance to its board or the regulator that it was compliant with statutory tenant health and safety requirements. Since that publication, the board renewal apparent in 2017 has extended to include renewal of the executive team and AHL has strengthened operational control arrangements. The board now has an established framework to ensure adherence to all relevant health and safety legislation and regulatory requirements.

The regulator's assessment of AHL's compliance with the financial viability element of the governance and financial viability standard is unchanged. Based on evidence gained from a stability check, the regulator has assurance that AHL's financial plans are consistent with, and support, its financial strategy. The provider has an adequately funded business plan, sufficient security in place, and is forecast to continue to meet its financial covenants under a wide range of adverse scenarios.

Annex 1: Definitions of Regulatory Processes

In Depth Assessment (IDA)

An IDA is a bespoke assessment of a provider's viability and governance, including its approach to value for money. It involves on-site work and considers in detail a provider's ability to meet its financial obligations and the effectiveness of its governance structures and processes.

Stability Checks

Based primarily on information supplied through regulatory returns, a stability check is an annual review of a provider's financial position and its latest business plan. The review is focused on determining if there is evidence to indicate a provider's current judgements merit reconsideration.

Reactive Engagement

Reactive engagement is unplanned work which is triggered by new intelligence or a developing situation which may have implications for a provider's current regulatory judgement.

Stability Checks and Reactive Engagement

In some cases, we will publish narrative regulatory judgements which combine intelligence gained from both Stability Checks and Reactive Engagement.

Further Information

For further details about these processes, please see 'Regulating the Standards' on <https://www.gov.uk/social-housing-regulation-england>.

The regulation of social housing is the responsibility of the Regulation Committee, a statutory committee of the Homes and Communities Agency (HCA).

References in any enactment or instrument to the Regulator of Social Housing are references to the HCA acting through the Regulation Committee.

Homes England is the trading name of the HCA's non-regulation functions.