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Welsh Government

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# Welsh Government Housing Regulation

Regulatory Judgement

Baneswell Housing Association – L015

December 2018

The Welsh Ministers have powers under Part 1 of the Housing Act 1996 to regulate Registered Social Landlords in relation to the provision of housing and matters relating to governance and financial management.

The Welsh Ministers are publishing this Regulatory Judgement under sections 33A and 35 of the Housing Act 1996.

The judgement is published in accordance with the Regulatory Framework for Registered Social Landlords in Wales and the related performance standards.

<http://gov.wales/topics/housing-and-regeneration/services-and-support/regulation/regulatory-framework/?lang=en>

The judgement is based upon the Association's own evaluation of its compliance with the performance standards together with regulatory intelligence gained through on-going, co-regulatory, relationship management between the Regulator and the Association.

### **Basis of Judgement**

This judgement is designed to provide the Registered Social Landlord, its tenants, service users and other stakeholders with an understanding of its financial viability and how well it is performing, at a specific moment in time, in relation to:

- Governance and Service Delivery
- Financial Management

The judgement must not be relied upon by any other party for any other purpose. The Registered Social Landlord is responsible for the completeness and accuracy of information provided to the Regulator.

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## Profile

Baneswell Housing Association (“BHA” or “the Association”) is a Registered Social Landlord, formed in April 1973 with 15 members. BHA was first registered under the Industrial and Provident Societies Act 1965.

BHA now owns and rents 70 general needs homes in the Baneswell area within the city of Newport, and is currently registered under the Co-operative and Community Benefit Societies Act 2014. Welsh Housing Quality Standards compliance has been achieved.

## Key Financial Data

|  | Historical Data |         | Covenant Limit | Sector Average |
|--|-----------------|---------|----------------|----------------|
|  | 2016/17         | 2017/18 |                |                |
| <b>Performance</b>   |                 |         |                |                |
| Operating surplus as % of turnover   | 29.8%           | 14.6%   | n/a            | 21.3%          |
| Surplus/(deficit) for the year as % of turnover  | 30.7%           | 14.8%   | n/a            | 6.5%           |
| Loss from empty properties and uncollected rent as % of rental income  | 2.7%            | 5.0%    | n/a            | 2.0%           |
|  |                 |         |                |                |
| <b>Funding</b>   |                 |         |                |                |
| Fixed borrowing as a % of total  | n/a             | n/a     | n/a            | 74%            |
| Association borrowings £ million   | n/a             | n/a     | n/a            | n/a            |
| Current cash balances are sufficient for the Association to remain viable. Current borrowing levels are nominal. |                 |         |                |                |

## Regulatory Judgement – Co-Regulation Status

### Co-Regulation Status – December 2018

#### Governance and Services - Increased

- A risk or combination of risks, are presenting a significant challenge to the RSL and increased regulatory oversight is required.

#### Financial Viability - Standard

- Meets viability requirements and has the financial capacity to deal with scenarios appropriately.

Increased regulatory oversight is required to meet the following performance standards:

**PS 1.0 Effective Board and executive management with a clear and ambitious vision for the Association**

**PS 3.0 Comprehensive assessment of the business impacts of current and emerging risks, including new business and development opportunities, with robust risk management arrangements**

**PS 4.0 Clearly evidenced self evaluation and statement of compliance**

**PS 5.0 A track record of achieving positive outcomes, responding appropriately to new challenges and performance issues**

**PS 7.0 Compliance with regulatory and statutory requirements and guidance**