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Welsh Government

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# Welsh Government Housing Regulation

Regulatory Judgement

Cardiff Community Housing Association – L035

March 2017

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

Cardiff Community Housing Association Limited (“CCHA” or “the Association”) is a traditional community based Registered Social Landlord. It is registered under the Co-operative and Community Benefit Societies Act 2014 with charitable rules.

The majority of the Association’s activity arises from around 2,800 general needs homes. The Association operates in Cardiff with around 100 staff.

CCHA has built 72 homes during 2015/16 and has plans for building 125 new homes by the end of 2016/17.

CCHA hosts Cardiff Accessible Homes as well as the Splott, Tremorfa, Adamsdown, Roath (STAR) Communities First service and the Cardiff East LIFT Programme (tackling poverty through employability).

## Key Financial Data

	Historical Data		Covenant Limit	Sector Average
	2014/15 Restated	2015/16		
<b>Performance</b>				
Operating surplus as % of turnover	23.7%	22.7%	n/a	19.4%
Surplus/(deficit) for the year as % of turnover	13.9%	9.0%	n/a	9.0%
Loss from empty properties and uncollected rent as % of rental income	1.2%	2.0%	n/a	2.7%
<b>Funding</b>				
Fixed borrowing as a % of total	70%	73%	n/a	72%
Gearing	52%	54%	60%	58%
Interest cover	211%	232%	115%	147%
Current cash balances and undrawn facilities are sufficient for the Association to complete its committed development program.				

## Regulatory Judgement – Co-Regulation Status

### **Co-Regulation Status – March 2017**

#### **Governance and Services - Standard**

- Identifies and manages new and emerging risks appropriately.

#### **Financial Viability - Standard**

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