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Welsh Government Housing Regulation

Regulatory Judgement

Cartrefi Cymunedol Gwynedd – L152

December 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

Cartrefi Cymunedol Gwynedd Cyfyngedig (“Cartrefi Cymunedol Gwynedd” or “the Association”) is registered, with charitable rules, under the Co-operative and Community Benefit Societies Act 2014. It was created following a large scale voluntary transfer of homes from Gwynedd Council in April 2010.

The Association owns and manages over 6,300 properties, consisting of around 5,870 general needs homes, 70 leasehold homes and 430 supported housing places.

Cartrefi Cymunedol Gwynedd brought 24 homes into management in 2016/17 and plans to complete around 200 units by 2021.

For the year ending 31 March 2017, the Associations’ turnover was £31.6m (2016: £30.3m), its surplus for the year was £8.1m (2016: £4.9m) and it employed 256 staff (2016: 252).

Key Financial Data

	Historical Data		Covenant Limit	Sector Average
	2015/16	2016/17		2015/16
Performance				
Operating surplus as % of turnover	24.3%	28.8%	n/a	19.1%
Surplus/(deficit) for the year as % of turnover*	16.1%	25.8%	n/a	8.7%
Loss from empty properties and uncollected rent as % of rental income	3.4%	2.4%	n/a	1.6%
Funding				
Fixed borrowing as a % of total	79%	78%	n/a	74%
Association borrowings £million	69.9	70.6	82.0	n/a
The Association has sufficient secured loan facilities in place in order to fund its forecasted spending on property maintenance and improvements, and it has sufficient income generating ability to service and repay such borrowings.				
*Surplus for the year in 2016/17 includes a £1.5m net return on pension fund investments. Without this, the surplus for the year as a percentage of turnover would be 21.1%.				

Regulatory Judgement – Co-Regulation Status

Co-Regulation Status – December 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.