



Llywodraeth Cymru
Welsh Government

www.wales.gov.uk

Welsh Government Housing Regulation

Regulatory Judgement

North Wales Housing – L033

June 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.

Housing Regulation Team
RSL Sector Development and Regulation Division
Welsh Government
Sarn Mynach
Llandudno Junction
LL31 9RZ
e-mail: housingregulation@gov.wales

Profile

The Group consists of North Wales Housing Association Limited (“North Wales Housing” or “the Group”), the parent company, with subsidiary member Domus Cambria Limited.

North Wales Housing is a Registered Social Landlord. It is registered under the Co-operative and Community Benefit Societies Act 2014, with charitable rules.

Domus Cambria Limited is a company limited by shares that provides residential property development services to the parent company. Its future direction is currently under review.

The Group provides homes and delivers services to over 2,670 households across North Wales.

For the year ending 31 March 2017, the Group’s turnover was £15.9m (2016: £16.9m), its retained surplus was £1.4m (2016: £0.6m) and it employed 171 staff (2016: 181).

Key Financial Data

| | Historical Data | | Covenant Limit | Sector Average |
|--|-----------------|---------|----------------|----------------|
| | 2015/16 | 2016/17 | | |
| Performance | | | | |
| Operating surplus as % of turnover | 20.7% | 27.8% | n/a | 21.3% |
| Surplus/(deficit) for the year as % of turnover | 3.0% | 9.8% | n/a | 6.5% |
| Loss from empty properties and uncollected rent as % of rental income | 1.7% | 1.1% | n/a | 2.0% |
| | | | | |
| Funding | | | | |
| Fixed borrowing as a % of total | 65% | 62% | n/a | 74% |
| Gearing | 48% | 52% | 60% | 61% |
| Interest cover | 121% | 157% | 110% | 172% |
| Current cash balances and undrawn facilities are sufficient for the Group to complete its committed development programme. | | | | |

Regulatory Judgement – Co-Regulation Status

Co-Regulation Status – June 2018

Governance and Service Delivery - 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.