



Llywodraeth Cymru
Welsh Government

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Welsh Government Housing Regulation

Regulatory Judgement

NPT Homes – L154

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

NPT Homes Limited (“NPT Homes” or “the Association”) is a Registered Social Landlord, which was created following a large scale voluntary transfer from Neath Port Talbot County Borough Council in March 2011. It is a Community Housing Mutual, owned by its members and registered under the Co-operative and Community Benefit Societies Act 2014, with charitable rules.

NPT Homes owns and manages over 9,000 homes, including more than 450 sheltered homes and provides services to over 550 leaseholders, within Neath Port Talbot County Borough.

For the year ending 31 March 2016, the Association’s turnover was £44.6m (2015: £42.5m), its surplus was £13.0m (2015: £14.2m) and it employed an average of 490 staff (2015: 484).

Key Financial Data

	Historical Data		Covenant Limit	Sector Average
	2014/15 Restated	2015/16		2014/15
Performance				
Operating surplus as % of turnover	39.1%	35.8%	n/a	19.4%
Surplus/(deficit) for the year as % of turnover	33.5%	29.1%	n/a	9.0%
Loss from empty properties and uncollected rent as % of rental income	4.4%	4.3%	n/a	2.7%
Funding				
Fixed borrowing as a % of total	100%	100%	n/a	72%
Association Borrowings £million	35.8	69.7	135.0	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 repay such borrowings.				

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.