



Llywodraeth Cymru  
Welsh Government

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# Welsh Government Housing Regulation

Regulatory Judgement

Pobl Group – J139

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

Pobl Group Limited (“Pobl Group” or “the Group”) is the newly merged Group formed from Seren Group Limited and Grwp Gwalia. The new Group provides over 16,400 homes and is registered under the Co-operative and Community Benefit Societies Act 2014

The Group has subsidiary companies and these are Charter Housing Association Limited, Seren Living Limited, Reach (Supported Living) Limited, Solas Cymru Limited, Derwen Cymru Limited, Gofal a Chymorth, Tai Gwalia, Gwalia Trust, Tai Cartrefi Cyf, and Tai Gwyr Cyf.

The registered social landlords are:-

- Pobl Group Limited provides management services to the Group;
- Charter Housing Association Limited (Charter Housing) provides 5,187 general needs homes;
- Seren Living Limited manages a shared and low cost home ownership portfolio of 234 homes and operates a private lettings agency;
- Reach (Supported Living) Limited provides support services, predominately to adults with learning disabilities, older people and others who need support from social care services;
- Solas Cymru Limited provides accommodation and a range of services to homeless people;
- Derwen Cymru Limited, formerly Newport Housing Trust Limited, joined the Group on 1 April 2014 as a specialist housing provider for older people with 763 homes;
- Derwen Cymru Limited has a subsidiary called Arloes Limited; a limited company operating its photovoltaic (solar panel) feed-in tariff initiative;
- Tai Gwalia Cyf, which provides management services to the Group and around 4,700 general needs homes and 300 sheltered homes;
- Gofal a Chymorth Gwalia Cyf (Care & Support), which provides housing and care support services (including integrated care) for a wide range of client groups including elderly care, and with around 500 supported housing places;
- Tai Cartrefi Cyf manages the student housing portfolio of around 4,000 homes.
- Gwalia Trust is a registered charity providing financial assistance to individuals and community groups in the areas in which Gwalia operates.

This assessment has not focussed on the Group’s care and support or student accommodation services, which are subject to scrutiny by other regulatory bodies.

## Key Financial Data

	Historical Data		Covenant Limit	Sector Average
	2014/15 Restated	2015/16		2014/15
<b>Performance</b>				
Operating surplus as % of turnover	15.2%	19.3%	n/a	19.4%
Surplus/(deficit) for the year as % of turnover	18.8%	7.0%	n/a	9.0%
Loss from empty properties and uncollected rent as % of rental income	2.9%	2.9%	n/a	2.7%
<b>Funding</b>				
Fixed borrowing as a % of total	73%	72%	n/a	72%
Gearing	n/a	n/a	n/a	n/a
Interest cover	n/a	n/a	n/a	n/a
Surplus in 2015 includes a £18.5m gain resulting from acquiring a subsidiary, without which the surplus would be 3.6% of turnover.				
Gearing and Interest Cover calculations have not been provided as these are calculated at subsidiary company level.				

## 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.

