



Llywodraeth Cymru  
Welsh Government

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# Welsh Government Housing Regulation

Regulatory Judgement

Trivallis – L143

June 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

Trivallis (“the Group”) was formed as a result of the transfer of housing stock from Rhondda Cynon Taff County Borough Council in December 2007. The Group owns 10,159 homes on 60 housing estates, mostly general needs but including 22 sheltered schemes. In addition, the Group is responsible for 642 leasehold properties. The Group is a Community Mutual with nearly 5,000 members. It is registered under the Co-operative and Community Benefit Societies Act 2014 with charitable rules.

The Group has a number of unregistered subsidiary companies – Trivallis Ltd, Meadow Prospect, GrEW, Homeforce, Porthcwlis, Porthcwlis Homes and Bellerophon Project 1 LLP.

## Key Financial Data

	Historical Data		Covenant Limit	Sector Average
	2014/15 Restated	2015/16		
<b>Performance</b>				
Operating surplus as % of turnover	14.0%	6.6%	n/a	19.4%
Surplus/(deficit) for the year as % of turnover	10.6%	3.3%	n/a	9.0%
Loss from empty properties and uncollected rent as % of rental income	4.6%	5.0%	n/a	2.7%
<b>Funding</b>				
Fixed borrowing as a % of total	65%	45%	n/a	72%
Association borrowings £ million	46.5	66.5	113.0	n/a
Current cash balances and undrawn facilities are sufficient for the Association's needs.				

## Regulatory Judgement – Co-Regulation Status

### Co-Regulation Status – June 2017

#### **Governance and Service Delivery - Increased**

- A risk, or combination of risks, are presenting a significant challenge to the RSL and increased regulatory oversight is required.

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

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

Increased regulatory oversight is required to meet the following performance standards:

#### **PS 1.0 Effective Board and executive management with a clear and ambitious vision for the Association**

- The Board must ensure the necessary skills are in place to deliver the corporate plan;
- The Board must comply fully with its governing documents including all aspects of its adopted code of governance;
- The Board must ensure Board and executive recruitment processes deliver timely and appropriate appointments;

#### **PS 4.0 Clearly evidenced self evaluation and statement of compliance**

- The Board must ensure that it complies with Circular 02/15 and any subsequent guidance, in particular Board ownership and responsibility for its self evaluation.