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Welsh Government

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# Welsh Government Housing Regulation

Regulatory Judgement

United Welsh Housing Association Limited – J099

September 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

United Welsh Housing Association Limited (“United Welsh”) is a Registered Social Landlord formed in 1989, and is registered under the Cooperative and Community Benefit Societies Act 2014 and has charitable rules.

United Welsh has 5,646 homes in 11 local authority areas in Wales, with the majority located in Caerphilly, Cardiff and Blaenau Gwent. Around 800 homes are designed for older people. A further 860 supported housing properties are managed by United Welsh and a range of housing support partners, to meet a range of different needs, including people with learning disabilities, individuals of all ages who are homeless, young people leaving care, women fleeing domestic abuse, those recovering from substance-misuse, and people with mental health problems. 230 of the homes provided are through low cost home ownership options.

The Group has two subsidiaries providing services to United Welsh: Celtic Horizons Limited, set up in 2012, which provides asset management services, and Harmoni Homes Limited, set up in 2017, which provides development services.

## Key Financial Data

|  | Historical Data  |         | Covenant Limit | Sector Average |
|--|------------------|---------|----------------|----------------|
|  | 2014/15 Restated | 2015/16 |                | 2015/16        |
| <b>Performance</b>   |                  |         |                |                |
| Operating surplus as % of turnover   | 34.4%            | 31.9%   | n/a            | 19.1%          |
| Surplus/(deficit) for the year as % of turnover  | 13.3%            | 7.8%    | n/a            | 8.7%           |
| Loss from empty properties and uncollected rent as % of rental income  | 1.8%             | 1.8%    | n/a            | 1.6%           |
|  |                  |         |                |                |
| <b>Funding</b>   |                  |         |                |                |
| Fixed borrowing as a % of total  | 78%              | 89%     | n/a            | 74%            |
| Gearing  | 57%              | 66%     | 80%            | 68%            |
| Interest cover   | 142%             | 140%    | 105%           | 153%           |
| Current cash balances and undrawn facilities are sufficient for the Group to complete its current committed development programme. |                  |         |                |                |

## Regulatory Judgement – Co-Regulation Status

### **Co-Regulation Status – September 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.