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Welsh Government Housing Regulation

Regulatory Judgement

United Welsh Housing Association – J099

September 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.

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Profile

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

United Welsh has 5,808 homes and other properties in 11 local authority areas in Wales, with the majority located in Caerphilly, Cardiff and Blaenau Gwent. 819 homes are designed for older people. A further 877 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, homelessness, young people leaving care, persons fleeing domestic abuse, those recovering from substance-misuse and those dealing with mental health problems. 236 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
	2016/17	2017/18		
Performance				
Operating surplus as % of turnover	36.9%	34.3%	n/a	21.3%
Surplus / (deficit) for the year as % of turnover	12.8%	16.5%	n/a	6.5%
Loss from empty properties and uncollected rent as % of rental income	1.7%	1.8%	n/a	2.0%
Funding				
Fixed borrowing as a % of total	87%	90%	n/a	74%
Gearing	66%	67%	80%	61%
Interest cover	202%	153%	105%	172%
Current cash balances and undrawn facilities are sufficient for the Group to meet its commitments over the next 12 months.				

Regulatory Judgement – Co-Regulation Status

Co-Regulation Status – September 2018

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.