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Welsh Government

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Welsh Government Housing Regulation

Regulatory Judgement

Wales & West Housing Association – L032

May 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.

Housing Regulation Team
RSL Sector Development and Regulation Division
Welsh Government
Merthyr Tydfil Office
Rhydycar
CF48 1UZ
e-mail: housingregulation@wales.gsi.gov.uk

Profile

Wales & West Housing Association (“Wales & West Housing”) provides homes and services to more than 20,000 people. Working in 15 local authority areas, the Association has approximately 11,800 homes.

Wales & West Housing has around 600 staff and offices in Cardiff, Ewloe and Newcastle Emlyn. The Association was founded in 1965. It is registered in England and Wales with charitable rules and under the Co-operative and Community Benefit Societies Act 2014.

Wales & West Housing has three subsidiaries:

- ❖ Cambria Maintenance Services Limited, providing repairs services to all Wales & West Housing homes since 2011.
- ❖ Castell Ventures Limited – providing catering services to Wales & West Housing service users and others, building homes for sale and providing domiciliary care.
- ❖ Enfys Developments Ltd, providing development agent services internally.

Key Financial Data

	Historical Data		Covenant Limit	Sector Average
	2015	2016		
Performance				
Operating surplus as % of turnover	21.6%	24.8%	n/a	19.4%
Surplus/(deficit) for the year as % of turnover	5.6%	20.5%	n/a	9.0%
Loss from empty properties and uncollected rent as % of rental income	1.6%	2.0%	n/a	2.7%
Funding				
Fixed borrowing as a % of total	63%	68%	n/a	72%
Gearing	43%	47%	75%	58%
Interest cover	151%	191%	95%	147%
Current cash balances and undrawn facilities are sufficient for the Association to complete its committed development programme.				

Regulatory Judgement – Co-Regulation Status

Co-Regulation Status – May 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.