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Welsh Government Housing Regulation

Regulatory Judgement

Taff Housing Association – L009

March 2019

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/publications/regframeworkhousingassoc/?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

Taff Housing Association (“Taff” or “the Association”) is a traditional, community based housing association, established in 1975 and is registered under the Cooperative and Community Benefit Societies Act 2014 with charitable rules.

Taff has over 1,400 homes in the Canton, Fairwater, Grangetown, Riverside and Butetown areas of Cardiff, as well as specialist supported housing projects for young women in Roath and Canton.

As well as general needs housing, the Association provides housing support, including a variety of specialist support services, to over 600 service users in Cardiff and the surrounding areas. It also provides around 240 supported housing properties in South East Wales. The Association also operates Adore Cardiff; a sales and lettings agency.

Key Financial Data

	Historical Data		Covenant Limit	Sector Average
	2016/17	2017/18		2016/17
Performance				
Operating surplus as % of turnover	23.1%	17.9% *	n/a	21.3%
Surplus/(deficit) for the year as % of turnover	11.8%	5.8%	n/a	6.5%
Loss from empty properties and uncollected rent as % of rental income	1.0%	1.0%	n/a	2.0%
Funding				
Fixed borrowing as a % of total	69%	77%	n/a	74%
Gearing (net worth basis)	43%	49%	55%	61%
Interest cover	210%	207%	110%	172%
<p>* The 2018/19 operating surplus includes both a component accounting and an impairment adjustment, without which the operating surplus as a % of turnover would be 21.9%.</p> <p>Current cash balances and undrawn facilities are sufficient for the Association to complete its committed development programme.</p>				

Regulatory Judgement – Co-Regulation Status

Co-Regulation Status – March 2019

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.