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Welsh Government

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Welsh Government Housing Regulation

Regulatory Judgment

Cardiff YMCA Housing Association – H007

March 2020

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

Cardiff YMCA Housing Association (“Cardiff YMCA” or “the Association”) has been formed for the benefit of the community. It is a registered social landlord and is registered under the Co-operative and Community Benefit Societies Act 2014, with charitable rules.

The Association’s principal objective and activity is to provide for the needs of the homeless or matters related to homelessness. The Association operates two board and lodge hostels in Cardiff, providing accommodation to over 120 homeless people. Residents receive the support they need in order to achieve and sustain the transition into independent living.

Key Financial Data

	Historical Data		Sector Average
	2017/18	2018/19	2017/18
Performance			
Operating surplus/ (deficit) as % of turnover	(10.1%)	3.7%	20.1%
Surplus/ (deficit) for the year as % of turnover	4.4%	(10.2%)	8.1%
Loss from empty units and uncollected rent as % of rental income	2.0%	2.9%	2.1%
Funding			
Fixed borrowing as a % of total	4.0%	1.0%	75.0%
The Association has adequate funding to meet its current business needs and forecast commitments.			

Regulatory Judgement – Co-regulation Status

Co-Regulation Status – March 2020

Governance and Services - Increased

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

Financial Viability - Increased

- Meets viability requirements but has limited financial capacity to deal with adverse scenarios effectively and increased regulatory oversight is required

Increased regulatory oversight is required meet the following performance standards:

PS1 - Effective Board and executive management with a clear and ambitious vision for the Association

- Governance arrangements establish and maintain clear roles, responsibilities and accountabilities for the Board, Chair and Chief Executive and ensure appropriate probity arrangements are in place.

PS2 – Effective and appropriate tenant involvement and high quality and improving landlord services

- Meets all applicable statutory requirements providing for the health and safety of occupants in the home.

PS4 – Clearly evidenced self evaluation and statement of compliance

- Compliance with Circular 02/15 – the core principles of self evaluation for use by Housing Associations Registered in Wales, or any subsequent guidance which replaces this Circular.

PS5 - A track record of achieving positive outcomes, responding appropriately to new challenges and performance issues

- Demonstrates how the board assures itself of current performance and drives continuous improvement.

PS9 – Effective management of treasury operations ensuring sufficient liquidity at all times

- Ensures sufficient funding is available to deliver the business plan.