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Welsh Government

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# Welsh Government Housing Regulation

Regulatory Judgement

Mid-Wales Housing – L013

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

The Group consists of Mid-Wales Housing Association Limited (Mid-Wales Housing), the parent, with a subsidiary company called Care and Repair in Powys Limited. Both are Registered Social Landlords who are registered under the Co-operative and Community Benefit Societies Act 2014 and have charitable rules.

The majority of the Group's activity arises from 1,320 general needs homes and 154 supported housing and sheltered accommodation places. There are also 32 Intermediate rented properties and 6 at market rent, and it provides services to a further 149 sold properties. The Group is active in Ceredigion and Powys local authority areas in Wales, and also Shropshire in England with general needs.

Mid-Wales Housing has built 23 new homes in 2016/17, re-purchased a further 2 existing properties and is committed to building 37 new homes during 2017/18.

For the year ending 31 March 2017, the Group's turnover was £8.5m (2016: £8.1m), its retained surplus was £1.0m (2016: £0.9m) and it employed 73 staff (2016: 71).

## Key Financial Data

	Historical Data		Covenant Limit	Sector Average
	2015/16 Restated	2016/17		
<b>Performance</b>				
Operating Surplus as % of Turnover	32.5%	32.1%	n/a	19.1%
Surplus for the year as % of Turnover	10.8%	11.9%	n/a	8.7%
Loss from empty properties and uncollected rent as % of Rental Income	2.0%	1.5%	n/a	1.6%
<b>Funding</b>				
Fixed Borrowing as a % of Total	82%	76%	n/a	74%
Gearing	60%	54%	65%	68%
Interest Cover	137%	136%	115%	153%
Current cash balances and undrawn facilities are sufficient for the Group to complete its 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.