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Welsh Government Housing Regulation

Regulatory Judgement

Family Housing Association – L002

December 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

Family Housing Association (“Family” or “the Association”) is a Registered Social Landlord which was established in 1975. It is registered under the Co-operative and Community Benefit Societies Act 2014 with charitable rules.

The Association owns and manages 2,802 homes, including 373 sheltered homes, 320 extra care homes and 167 supported homes. It operates in Swansea, Carmarthenshire, Neath Port Talbot, Pembrokeshire and Ceredigion local authority areas.

For the year ending 31 March 2018, the Association’s turnover was £21m (2017: £19.9m). Its surplus (after tax) was £2.06m (2017: £1.1m) and it employed an average of 252 staff (2017:259).

Key Financial Data

	Historical Data		Covenant Limit	Sector Average
	2016/17	2017/18		
Performance				
Operating surplus as % of turnover	28.6%	31.4%	n/a	21.3%
Surplus for the year as % of turnover	5.5%	9.8%	n/a	6.5%
Loss from empty properties and uncollected rent as % of rental income	3.7%	1.9%	n/a	2.0%
Funding				
Fixed borrowing as a % of total	96%	96%	n/a	74%
Gearing	38%	37%	41%	61%
Interest cover	123%	147%	110%	172%
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 – December 2018

Governance and Service Delivery - 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.