



Llywodraeth Cymru
Welsh Government

www.wales.gov.uk

Welsh Government Housing Regulation

Regulatory Judgement

Cadarn Housing Group – L025

June 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

The Cadarn Housing Group (“the Group”) provides homes and services to their tenants. Working in nine local authority areas, the Group has approximately 3,011 homes and includes five sheltered housing schemes.

The Group has around 92 staff and main offices in Cardiff and Newtown. The Group was founded in 1974. The Cadarn Housing Group is registered in England and Wales with non charitable rules and under the Co-operative and Community Benefit Societies Act 2014.

The Group has two subsidiary companies; Newydd Housing Association (1974) Ltd (Newydd) and Living Quarters (Lettings and Sales) Ltd (Living Quarters). Newydd is registered in England and Wales with charitable rules and under the Co-operative and Community Benefit Societies Act 2014. Living Quarters is an unregistered company limited by shares.

Key Financial Data

	Historical Data		Covenant Limit	Sector Average
	2014/15 Restated	2015/16		2015/16
Performance				
Operating surplus as % of turnover	19.8%	29.9%	n/a	19.1%
Surplus/(deficit) for the year as % of turnover	3.9%	13.1%	n/a	8.7%
Loss from empty properties and uncollected rent as % of rental income	1.9%	1.6%	n/a	1.6%
Funding				
Fixed borrowing as a % of total	68%	68%	n/a	74%
Gearing	52%	55%	75% *	69%
Interest cover	133%	133%	115%	153%
Current cash balances and undrawn facilities are sufficient for the Group to complete its committed development programme.				
* One facility at 60%, at final stages of facility restatement to 75%.				

Regulatory Judgement – Co-Regulation Status

Co-Regulation Status – June 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.