



Llywodraeth Cymru
Welsh Government

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Welsh Government Housing Regulation

Regulatory Judgement

Cardiff Community Housing Association – L035

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 Community Housing Association Limited (“CCHA” or “the Association”) is a traditional community based Registered Social Landlord. It is registered under the Co-operative and Community Benefit Societies Act 2014 with charitable rules.

The majority of the Association’s activity arises from its 2,924 general needs homes. The Association currently has over 100 staff.

CCHA built 80 social rented homes and 85 homes for sale or market rent during 2019/20.

Key Financial Data

| | Historical Data | | Covenant Limit | Sector Average |
|--|-----------------|---------|----------------|----------------|
| | 2017/18 | 2018/19 | | |
| Performance | | | | |
| Operating surplus as % of turnover | 24.9% | 14.1% | n/a | 20.1% |
| Surplus/(deficit) for the year as % of turnover | 21.5% | 7.3% | n/a | 8.1% |
| Loss from empty properties and uncollected rent as % of rental income | 1.6% | 2.9% | n/a | 2.1% |
| | | | | |
| Funding | | | | |
| Fixed borrowing as a % of total | 65% | 64% | n/a | 75% |
| Gearing (net worth) | 45% | 43% | 60% | 61% |
| Interest cover | 251% | 325% | 115% | 165% |
| 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 – March 2020

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.