



Llywodraeth Cymru
Welsh Government

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Welsh Government Housing Regulation

Regulatory Judgement

Hafan Cymru – J096

July 2019

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.

<https://gweddill.gov.wales/topics/housing-and-regeneration/publications/regframeworkhousingassoc/?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

Hafan Cymru (“Hafan” or “the Association”) is a registered charitable housing association established in 1989 and is registered under the Cooperative and Community Benefit Societies Act 2014 with charitable rules.

The Association has 149 bedspaces, owns 96 properties and manages 29 properties for other organisations. Hafan Cymru operates across Wales via a number of key projects and provides housing support and specialist services to women, men, children and families across 14 of the local authority areas in Wales.

Key Financial Data

	Historical Data		Covenant Limit	Sector Average
	2016/17	2017/18		
Performance				
Operating surplus as % of turnover	1.5%	9.4%	n/a	20.1%
Surplus/(deficit) for the year as % of turnover	(2.9)%	9.2%	n/a	8.1%
Loss from empty properties and uncollected rent as % of rental income	12.5%	5.9%	n/a	2.1%
Funding				
Fixed borrowing as a % of total	n/a	n/a	n/a	75%
Gearing	17%	18%	45%	61%
Interest cover to gross rental income	9,329%	6,832%	150%	n/a
The Association has sufficient forecast levels of cash to meet its future loan repayment requirements.				

Regulatory Judgement – Co-Regulation Status

Co-Regulation Status – July 2019

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.