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Welsh Government

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# Welsh Government Housing Regulation

Regulatory Judgement

Aelwyd Housing Association – L108

March 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

Aelwyd Housing Association (“Aelwyd” or “the Association”) is a Christian based Housing Association registered in March 1991, following the transfer of properties from the Baptist Housing Association and a partnership with the United Reformed Church in Wales and the Presbyterian Church of Wales.

Aelwyd is a Registered Social Landlord and a registered society under the Co-operative and Community Benefits Societies Act 2014.

Aelwyd owns and manages 246 homes across South Wales in 10 local authorities, including 223 sheltered homes and 23 general needs homes.

For the year ending 31 March 2017, the Association’s turnover was £1,259,730 (2016: £1,266,851). Its surplus prior to re-measurement of pension liability was £158,411 (2016: £193,777) and it employed the equivalent of 12 full time staff (2016: 12).

## Key Financial Data

	Historical Data		Covenant Limit	Sector Average
	2015/16	2016/17		
<b>Performance</b>				
Operating surplus as % of turnover	20.6%	18.1%	n/a	19.1%
Surplus/(deficit) for the year as % of turnover	15.3%	12.6%	n/a	8.7%
Loss from empty properties and uncollected rent as % of rental income	1.7%	1.6%	n/a	1.6%
<b>Funding</b>				
Fixed borrowing as a % of total	55%	57%	n/a	74%
Gearing (historic cost)	12%	11%	35%	44%
Interest cover	527%	491%	100%	153%
The Association has adequate funding to meet its current and forecasted future commitments.				

## Regulatory Judgement – Co-Regulation Status

### **Co-Regulation Status – March 2018**

#### **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.