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Welsh Government Housing Regulation

Regulatory Judgement

Newport City Homes Housing Association – L149

October 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.

<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

Newport City Homes Housing Association (“Newport City Homes” or “the Association”) is a Registered Social Landlord, which was created following a large scale voluntary transfer of properties from Newport City Council in March 2009. The Association is a registered society under the Cooperative and Community Benefits Societies Act 2014, with charitable rules.

Newport City Homes owns and manages 8,867 properties; predominantly general needs homes which includes 93 commercial properties. It provides management to 647 leaseholders and 141 shared ownership homes all within the city of Newport.

Currently the association has committed plans to develop new homes, whilst continuing to regenerate some of the most deprived areas of Newport. The Association achieved Welsh Housing Quality Standard compliance at the end of 2015.

Key Financial Data

	Historical Data		Covenant Limit	Sector Average
	2017/18	2018/19		2017/18
Performance				
Operating surplus as % of turnover	7.7%	11.3%	n/a	20.1%
Surplus / (deficit) for the year as % of turnover	2.3%	7.1%	n/a	8.1%
Loss from empty properties and uncollected rent as % of rental income	2.6%	3.2%	n/a	2.1%
Funding				
Fixed borrowing as a % of total	100%	100%	n/a	75%
Association borrowings £million	63.0	63.0	112.5	n/a
The Association has sufficient secured loan facilities in place in order to fund its forecasted spending on property maintenance and improvements, and it has sufficient income generating ability to service and repay such borrowings.				

Regulatory Judgement – Co-Regulation Status

Co-Regulation Status – October 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.