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Welsh Government

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# Welsh Government Housing Regulation

Regulatory Judgement

Cadwyn Housing Association – L019

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

Cadwyn Housing Association (“Cadwyn” or “the Association”) is a traditional community based housing association and is registered under the Cooperative and Community Benefit Societies Act 2014 with charitable rules.

Cadwyn owns 1,447 homes and manages a further 641 homes, principally within the city of Cardiff. 78 of these homes are units of hostel accommodation for vulnerable single people and families.

‘CanDo Lettings’, a social letting agency set up by the Association in 2006, assists families and single applicants threatened with homelessness to access affordable private rented housing. The agency lets and manages properties on behalf of private landlords and provides property management solutions for tenants. The ‘Calon’ scheme, also within Cadwyn, provides temporary accommodation for homeless people where properties leased from private landlords are managed and let by the Association. ‘CanDo Contractors’ is Cadwyn’s in-house contractor and carry out almost all of their repairs and maintenance work, as well as planned maintenance and improvements and cyclical decoration.

Cadwyn has diversified into supporting the employability of its tenants and others in the local community through the ‘Realise your Potential’ scheme. The Association additionally provides refurbished furniture and goods for vulnerable people and those on low incomes, through ‘Nu Life Furniture’ project. Cadwyn has further diversified to develop ‘Four Walls’; an estate agency managing professional lettings, the managed units at the Mill and house sales.

## Key Financial Data

	Historical Data		Covenant Limit	Sector Average
	2017/18	2018/19		2017/18
<b>Performance</b>				
Operating surplus as % of turnover	17.6%	16.6%	n/a	20.1%
Surplus / (deficit) for the year as % of turnover	7.5%	7.2%	n/a	8.1%
Loss from empty properties and uncollected rent as % of rental income	2.9%	2.7%	n/a	2.1%
<b>Funding</b>				
Fixed borrowing as a % of total	70%	67%	n/a	75%
Gearing	37%	34%	50%	44%
Interest cover	212%	168%	110%	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 – 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.