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Welsh Government Housing Regulation

Regulatory Judgement

Pembrokeshire Housing Association – P072

June 2017

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

Pembrokeshire Housing Association (“Pembrokeshire Housing” or “the Group”) owns and manages over 2,625 homes within Pembrokeshire and Carmarthenshire local authority areas. Established in 1981, it is registered under the Co-operative and Community Benefit Societies Act 2014 and has charitable rules.

Pembrokeshire Housing provides general needs homes for social rent, two Extra Care schemes and 18 supported housing projects managed by partner agencies.

The Group comprises Pembrokeshire Housing, the parent company, and two subsidiaries:

- ❖ Mill Bay Homes Limited - an unregistered subsidiary which develops new homes for sale; the profits of which are reinvested in Pembrokeshire Housing’s rented development programme.
- ❖ West Wales Care and Repair Limited – a registered subsidiary which supports elderly and/or disabled owners and private tenants to remain in their own homes.

Key Financial Data

	Historical Data		Covenant Limit	Sector Average
	2014/15 Restated	2015/16		2015/16
Performance				
Operating surplus as % of turnover	34.2%	36.1%	n/a	19.1%
Surplus/(deficit) for the year as % of turnover	18.8%	22.2%	n/a	8.7%
Loss from empty properties and uncollected rent as % of rental income	0.8%	0.4%	n/a	1.6%
Funding				
Fixed borrowing as a % of total	61%	63%	n/a	74%
Gearing	62%	72%	80%	69%
Interest Cover	224%	212%	110%	153%
Current cash balances and undrawn facilities are sufficient for the Group to complete its committed development programme.				

Regulatory Judgement – Co-Regulation Status

Co-Regulation Status – June 2017

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.