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Welsh Government Housing Regulation

Regulatory Judgement

Trivallis – L143

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.

<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

Trivallis (“the Group”) was formed as a result of the transfer of housing stock from Rhondda Cynon Taff County Borough Council in December 2007. The Group owns 10,221 homes on 60 housing estates, mostly general needs but including 22 sheltered schemes. In addition, the Group is responsible for 642 leasehold properties. The Group is a Community Mutual with in excess of 1,100 members. It is registered under the Co-operative and Community Benefit Societies Act 2014 with charitable rules.

The Group has a number of unregistered subsidiary companies – Porthcwlis, Porthcwlis Homes and Bellerophon Project 1 LLP.

Key Financial Data

	Historical Data		Covenant Limit	Sector Average
	2016/17	2017/18		2017/18
Performance				
Operating surplus as % of turnover	11.1%	15.8%	n/a	20.1%
Surplus for the year as % of turnover	6.9%	9.6%	n/a	8.1%
Loss from empty properties and uncollected rent as % of rental income	4.1%	3.6%	n/a	2.1%
Funding				
Fixed borrowing as a % of total	52%	54%	n/a	75%
Group borrowings £ million	68.3	65	118.3*	n/a
Current cash balances and undrawn facilities are sufficient for the Group to complete its committed development programme.				
*In December 2018, the Group reduced its loan facility as part of a restatement of the original loan agreement. The Group has loan facilities of £85.3m following this change.				

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.