

# Introduction to Housing Association Finance in Wales (capital)

June 2020



The offices of Valleys to Coast Housing Association in Bridgend.

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## Introduction

This briefing paper considers the capital aspects of housing association finance in Wales. We have also published briefing papers on the revenue and technical aspects that may be of interest to readers.

## What is Capital Expenditure?

Accountants define capital expenditure as being on items that give a benefit and retain their value over several years. There is also an accountancy concept called 'materiality' that excludes items of small value from the definition. Capital expenditure in the private and public sectors is often financed by loan, firstly because resources are often not available 'up front' to finance it, and secondly so as to spread the cost of the capital expenditure across all the years during which the benefit is experienced.

The definition of capital expenditure in Housing Associations follows the GAAP (Generally Agreed Accounting Practice) definition. Examples of capital expenditure include:

- Constructing or acquiring a new dwelling unit
- Upgrading the rent category of an existing dwelling through improvement
- Reducing future maintenance costs through major repairs or renewals
- Extending the economic life of a dwelling through major repairs and renewals

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Housing Associations value their housing based on historic cost or 'Existing Use Value for Social Housing'. This recognises the fact that they hold their assets for a social purpose rather than a commercial one. 'Existing Use Value for Social Housing' is defined as the lower of replacement cost or the recoverable amount. Replacement cost is what it would cost to replace the dwelling. The recoverable amount is what it is thought another Housing Association would pay to buy the dwelling. It is usually calculated by taking the market value and reducing it by a proportion called the 'social discount'.

Dwellings owned by Housing Associations are treated as tangible assets rather than investment assets and so are usually depreciated over an assumed life of sixty years. However, the cost of land and the part of the scheme that is funded by grant is not depreciated.

Housing Associations sometimes reduce the value of their housing assets in the balance sheet because of 'impairment'. Impairment is where it is thought that the actual value of a dwelling is lower than the 'book' value that is calculated by depreciating the original cost. In these cases, the value is reduced as appropriate. Situations that may cause impairment include:

- Changes in the demand for housing
- Adverse statutory or regulatory changes
- Current or anticipated deficits on the income and expenditure account
- Changes in expectations making a building functionally obsolete (for example, sheltered schemes with shared facilities)

Component Accounting has been introduced as part of International Financial Reporting Standards with full implementation in the 2011/12 accounts of housing associations.

With component accounting, assets are 'broken down' into individual components and depreciated separately. Usually five to seven components are selected such as land, main fabric, roofs, windows and doors, gas boilers and fires, kitchens, and bathrooms. Each component is then depreciated according to its estimated asset life.

In the case of housing associations, component accounting has led to more major repairs being treated as capital expenditure rather than revenue expenditure thus increasing asset values on the balance sheet and increasing surpluses on the income and expenditure account.

### **The Welsh Housing Quality Standard**

'Better Homes for People in Wales' set out the Welsh Assembly Government's long-term vision for housing in Wales. Central to that vision was the expectation that all households in Wales will have the opportunity to live in good quality homes. To achieve this, the physical standard and condition of existing housing must be maintained and improved to the Welsh Housing Quality Standard.

The Standard has been developed to provide a common target standard for the physical condition of all housing in Wales and specifically to help local authorities to assess their housing stock against the Standard. Separate guidance has been issued to deal with Registered Social Landlords' stock and privately owned housing.

The Welsh Assembly Government recognises that the Standard represents a major challenge for the social housing sector in Wales, but believes that aiming for anything less than the standard would mean that they were content with second best for the people in Wales. The Assembly Government therefore expects all social landlords in Wales to adopt the Standard and to devise realistic programmes for bringing all their properties up to it by the end of 2012.

## Sources of Capital Finance

Housing Associations have access to a number of sources of capital finance as shown below:

- Social Housing Grant
- Private Loans
- Capital contributions
- Accumulated reserves
- Asset sales
- Revenue income

### Social Housing Grant

Social Housing Grant is distributed to Housing Associations by the Welsh Assembly Government. Social Housing Grant is considered in detail below.

### Private Loans

Private loans are a major source of finance. Usually loans are long-term at fixed rates of interest. Housing Associations across the United Kingdom typically borrow £6billion a year from the private sector, with 80% being provided by banks and building societies. Private Loans are considered in detail below.

### Capital Contributions

Capital contributions are financial contributions to capital spending from a third party that have the same effect as a grant without technically being a grant. These mainly consist of payments under section 106 (planning gain) agreements.

### Accumulated Reserves

Housing Associations retain their revenue surpluses in reserves and these can be spent either on enhanced services or investment in new affordable housing. Effectively, Housing Associations set up 'sinking funds' including 'designated reserves' that are earmarked by the Board for specific purposes and 'restricted reserves' that have external restrictions (for example, because of the requirements of a funder).

### Consolidated Statement of Financial Position (Balance Sheets)

Balance sheets are now known as the 'Consolidated Statement of Financial Position'. An example of one from a Welsh Housing Association follows:

	£,000	£,000
Housing Properties (Gross Cost)	752,029	
Less Depreciation	<u>123,780</u> Cr	
Housing Properties (Net Cost)		628,249
Other tangible fixed assets		16,198
Homebuy & LCHO <sup>1</sup> Loans	11,434	
Other Investments	7,652	
Investments		19,086
Total Fixed Assets		<u>663,533</u>

<sup>1</sup> Low-Cost Home Ownership

	£,000	£,000
Debtors falling due within a year	11,822	
Debtors falling due after a year	28,718	
Cash & cash equivalents	<u>29,914</u>	
Current Assets		65,454
Creditors falling due within a year	25,251 Cr	
Grants falling due within a year	<u>2,701 Cr</u>	
Current Liabilities		27,952 Cr
Net Current Assets		37,502
Total Assets less Current Liabilities		<u>701,035</u>
Creditors falling due after a year		294,983 Cr
Grants falling due after a year		319,684 Cr
Defined Benefit Pension Liability		15,010 Cr
Provision for Liabilities		66 Cr
Net Assets		<u>71,292</u>
Capital and Reserves		<u>71,292 Cr</u>

The entries in the balance sheet are described in detail below:

#### Housing Properties

Housing Properties are valued at Gross Cost less Depreciation. Depreciation is charged because Housing Associations regard housing as an operational asset rather than an investment asset. Consequently, it is considered proper to make a charge to the Income and Expenditure account to reflect the value of the housing that is being provided to the tenants. Of course, the value of a house often appreciates but this is only recognised in the accounts of a Housing Association when a house is sold for more than its book value. Sometimes Housing Associations revalue their housing stock and increase the value shown on the balance sheet but when this is done the 'credit' is placed in a revaluation reserve rather than in the Income and Expenditure account.

#### Other Tangible Fixed Assets

Other tangible fixed assets include operational assets such as land, offices, depots, plant and equipment that is owned by the housing association.

#### Investments

This balance includes Home Buy Loans. The value of loans provided by the Association onwards to the purchasers of properties through the Low-Cost Home Ownership scheme is also shown here. Other investments include investments that the housing association has made for financial gain rather than for operational use.

#### Debtors

Debtors include tenants in arrears, income accrued on long-term contracts and insurance claims. A distinction is made between debts that fall due within the year and those that fall due after a year.

### Cash and Cash Equivalents

This is the value of cash held by the Housing Association in bank current accounts and cash in hand.

### Current Liabilities

Creditors to whom payment is due within a year are shown separately to those to whom payment is due after one year. The former is seen as current liabilities to be compared with current assets to see how easily the Housing Association can meet its liabilities as they fall due. The latter are a longer-term source of financing. Grants that are due to be repaid within the year are also shown as current liabilities.

### Long-Term Creditors

Creditors due after a year include: Housing Loans that have been taken out to fund long-term development and Recycled Grants.

Where Social Housing Grant is received to finance part of the cost of a new development it is shown on the balance sheet as a long-term creditor. This is because the Welsh Assembly Government can be seen to have acquired a part share in the house by providing Social Housing Grant and because if the house is sold the Social Housing Grant is potentially returnable.

Defined benefit pension liability arises because the housing association is a member of a pension scheme where the actuarial valuation has found that there are potentially insufficient funds invested to meet all future liabilities. This problem is addressed by member housing associations paying increased employer's contributions. However, the housing association's share of the total shortfall is shown on the balance sheet as a defined benefit pension liability.

If a housing association knows that it has a liability that it may have to meet in future, for example settlement of an insurance claim, it will show that as a provision for liabilities.

### Reserves

Revenue Reserves are the accumulated surpluses of the Housing Association.

Housing associations sometimes have designated reserves. These have been designated for a particular purpose by the Board of the Housing Association.

## **Global Accounts**

The latest year for which the global accounts of Welsh Housing Associations are available is 2017/18. The consolidated balance sheet of all Welsh Housing Associations for that year is shown below:

	£million
Fixed Assets	
Housing Properties at Cost	7,382
Depreciation	<u>992</u> Cr
Net book value of housing properties	6,390
Intangible Assets	7
Commercial Property	94
Fixed asset investments	130
Other fixed assets	<u>133</u>
Total Fixed Assets	6,753

	£million
Current Assets	
Assets held for sale or stocks	21
Debtors due within one year	207
Debtors due after one year	728
Cash and cash equivalents	<u>326</u>
	1,282
Current Liabilities	
Short-term loans	166 Cr
Capital Grants	113 Cr
Other current liabilities	<u>260</u> Cr
Total current liabilities	539 Cr
Net Current Assets	743
Total Assets less Current Liabilities	<b><u>7,496</u></b>
Long-Term Creditors and Provisions	
Long-term loans	2,656 Cr
Capital Grants	2,906 Cr
Pension Liability	153 Cr
Other long-term creditors	<u>624</u> Cr
Total long-term creditors and provisions	6,339 Cr
Reserves	
Accumulated Surplus	1,074 Cr
Restricted Reserves	22 Cr
Revaluation Reserves	<u>62</u> Cr
	1,157 Cr
Total Loans and Reserves	<b><u>7,496 Cr</u></b>

Housing properties are originally included at cost. Where they are revalued this is shown separately as a revaluation surplus that is transferred to the revaluation reserve.

The variations between 2017 and 2018 were as follows:

	£million
Fixed Assets	
Housing Properties at Cost	422
Depreciation	<u>110</u> Cr
Net book value of housing properties	312
Intangible Assets	1 Cr
Commercial Property	5
Fixed asset investments	10
Other fixed assets	<u>3</u>
Total Fixed Assets	328
Current Assets	
Debtors due within one year	32
Debtors due after one year	21 Cr
Cash and cash equivalents	<u>12</u>
	23

	£million
Current Liabilities	
Short-term loans	56 Cr
Capital Grants	40 Cr
Other current liabilities	11 Cr
Total current liabilities	<u>107 Cr</u>
Net Current Assets	84 Cr
Total Assets less Current Liabilities	<u><b>244</b></u>
Long-Term Creditors and Provisions	
Long-term loans	62 Cr
Capital Grants	119 Cr
Pension Liability	13
Other long-term creditors	14
Total long-term creditors and provisions	<u>154 Cr</u>
Reserves	
Accumulated Surplus	92 Cr
Restricted Reserves	2
Revaluation Reserves	1 Cr
	<u>90 Cr</u>
Total Loans and Reserves	<u><b>244 Cr</b></u>

The increase in the net book value of housing properties was £312million. This was funded mainly by capital grant (£119million), increased surpluses (£92million), long-term loans (£62million) and short-term loans (£56million). Other variations totalled £17million.

Total fixed assets increased during 2017/18 to £6,753million, an increase of 5% from the prior period. Both traditional housing associations and sock transfer associations contributed to this increase. This demonstrates the commitment to developing more homes and ensuring the ongoing compliance with the Welsh Housing Quality Standard. Transfer associations invested £68million and traditional associations invested a further £38million in component replacements to ensure further compliance with the Welsh Housing Quality Standard during the year. During 2017/18 the sector continued to direct significant spending on development of new homes with investment for the period totalling £327million, an increase from £306million in 2016/17. Traditional associations make up the most of this investment, 82%, but there was also an increase in investment by transfer associations. Transfer associations have grown as businesses and with improving compliance against the Welsh Housing Quality Standard (about 86% of homes), the shift to building new affordable homes, alongside current stock maintenance, is beginning to gain traction.

Some of this development investment continues to be supported by grant whilst the rest is financed from banks and long-term institutional investors. The long-term debt level is now over £2.6billion, increasing by over £60million during the year. 79% of this debt belongs to traditional housing associations.

Rent Arrears have increased. Welfare reform is a cause for concern affecting tenant's ability to pay their rent. Many housing associations have invested in support for their tenants but there has still been an increase in rent arrears from 4.3% to 4.5% of turnover. As the roll out of Universal Credit continues, as well as any other welfare changes that may be introduced, associations may come under further pressure to secure collection of their rents.

**Reserves** The total capital and reserves of Welsh housing associations have risen by 90m (£63m rise in 2017) to £1,157m as a result of the surplus recorded for the year. It should not be forgotten that reserves do not equal cash available, but the accounting value of the net assets within the sector. In broad terms it indicates the investment of association's own resources in the maintenance of their existing properties and the provision of new affordable homes.

Key messages from the global accounts for 2018 include:

- Housing fixed asset levels, before depreciation, are now shown at £7.4billion, an increase from £6.9billion from 2017 (7.2% increase).
- Increased borrowings - the total debt level is now £2.8billion, an increase from £2.7billion in 2017.
- The effective interest rate for borrowing was 4.55% for 2018 (4.78% in 2017).
- Sector gearing on 'Historic Cost basis' is 44%, the same as in 2017.
- Sector gearing on a 'Net Worth' basis is 61%, the same as in 2017.
- Capital and Reserves levels are now £1.16billion (2017: £1.07bn).

### **Low Cost Home Ownership**

The Low Cost Home Ownership scheme enables a purchaser to pay a Housing Association a specified proportion of the market value of a house with the remaining proportion of the value funded through a loan from the Housing Association. Interest is not paid during the life of the loan. When the property is sold, though, the Housing Association receives the equivalent proportion of the gross receipt as repayment of the loan plus interest. The Housing Association may, therefore, realise a capital receipt that is lower than the loan that was originally advanced.

### **Asset Sales**

Asset sales can provide a source of capital funding. In Housing Association accounts, social housing is regarded as a tangible fixed asset rather than an investment asset. The valuation is therefore based on economic usefulness and the asset value is depreciated. Capital receipts from the sale of former council houses are usually shared between the Housing Association and the local authority and since 2006 a significant reduction in the level of such capital receipts has been experienced.

### **Social Housing Grant**

Social Housing Grant is the main capital grant provided by Welsh Government for the provision of affordable housing. It is used to fund housing schemes that meet local housing need and priorities as identified by Local Authorities. Local Authorities are responsible for choosing their Housing Association partners, who are paid Social Housing Grant to develop, own and manage the affordable housing. Housing Finance Grant 2 supports the Social Housing Grant programme to provide funding for affordable housing. It is allocated and used for the same general purposes but paid as an annual revenue stream to assist with the repayment of borrowings.

Local Authorities are required to submit Programme Delivery Plans on a quarterly basis in line with the relevant guidance. They are an essential monitoring tool for Local Authorities, housing associations and Welsh Government providing key information on the timescales for delivering Local Authority strategic priorities; and are monitored closely to ensure programme delivery with particular focus on Local Authorities achieving a smooth spend profile to avoid back-loading of the programme. They are fluid documents that need regular updating. Housing associations provide Local Authorities with timely and accurate information to ensure they can submit their Programme Delivery Plans to Welsh Government by the required due date.

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Schemes submitted for Social Housing Grant approval must be included in the Programme Delivery Plan main programme and may be:

- Social Rent, Intermediate Rent or in some instances Tenure Neutral.
- To meet a variety of needs including general needs, older persons, wheelchair adapted, supported housing, extra care, home buy or mortgage rescue.
- New build, rehabilitation (or a combination) and existing dwellings/empty properties.
- A variety of procurement routes ranging from conventional tender, design and build and package deals to off the shelf projects.

The scheme delivery process applies to all Social Housing Grant & Housing Finance Grant funded affordable housing schemes included in Local Authority Programme Delivery Plans. It covers

- Technical scrutiny, including scheme design and post completion review.
- Scheme approval and grant payment.

While each process is separate, they are inextricably linked. The scheme delivery process focusses on:

- Early design review and 'sign off' prior to detail planning approval.
- Streamlined grant approval and payment processes.
- Continual value for money consideration by housing association partners.

Between 2017/18 and 2019/20, Housing Finance Grant 2 supported the Social Housing Grant programme to provide funding for affordable housing. Housing Finance Grant 2 is allocated and used for the same general purposes but paid as an annual revenue stream to assist with the repayment of borrowings. Schemes submitted for Social Housing Grant approval must be included in the Programme Development Plan main programme and may be:

- Social Rent, Intermediate Rent or in some instances Tenure Neutral
- To meet a variety of needs including general needs, older persons, wheelchair adapted, supported housing, extra care, home buy or mortgage rescue
- New build, rehabilitation (or a combination) and existing dwellings/empty properties
- A variety of procurement routes ranging from conventional tender, design and build and package deals to off the shelf projects.

In its draft budget for 2020/21, published in December 2019, the Welsh government pledged an extra £133million to support affordable housing delivery, including £48million for Social Housing Grant and £50million for loans. The Social Housing Grant budget for 2020/21 is therefore £223million, an increase of £35million when compared with the budget for 2019/20. This is intended to ensure that the Welsh Government delivers their commitment of an additional 20,000 affordable homes between 2016 and 2021. All schemes are required to comply with Welsh Government Development Quality Requirements and grant is paid at a fixed rate of 58% for Social Rent and 25% for Intermediate Rent.

## **Treasury Management**

Treasury Management is the activity of managing the Housing Association's cash flows so that the Housing Association remains in funds and can afford to meet its liabilities as they fall due. Specifically, Treasury Management:

- Provides the financial resources necessary for the Housing Association to achieve its purposes
- Manages the associated risks (organisational and financial) that might threaten its ability to achieve these objectives
- Manages the financial assets in a way that ensures that they maintain their value.

- Manages the financial liabilities in a way that ensures that they remain affordable

A Housing Association agrees a Treasury Policy Statement that includes:

- The limits of the approved treasury management activity
- How the financial management strategy is formulated
- The approved methods of raising capital finance
- Approved sources of finance
- Policy on interest rate exposure
- Policy on external cash managers
- Delegated powers
- Review and reporting arrangements

The success of the cash management strategy depends on balancing the need to optimise the position on paying or receiving interest with the need to have sufficient funds available to finance transactions. Housing Associations normally borrow at a margin over a reference rate such as the London Inter Bank Offer Rate (LIBOR).

### Loan Finance

Loans are a major source of finance for housing associations. Usually loans are long-term at fixed rates of interest. Loan covenants related to gearing are common in the loan agreements of housing associations. They are calculated in several different ways. All calculations measure the proportion of debt to equity in a provider's financial structure. A common definition is to measure loans as a proportion of the sum of grant and reserves. Most loan agreements that use this definition set a maximum gearing level of between 60% and 80%.

In planning and managing their loans Housing Associations pursue a mix of objectives including:

- Cheapness – low interest rates
- Certainty – fixed interest rates
- Coherence – matching of cash flow with debt servicing
- Renewability – seeking options to extend loans
- Redeemability – seeking options to cancel loans
- Security – seeking a balanced portfolio in terms of loan types and terms

In negotiating loans Housing Associations consider their legal and managerial competence including powers to borrow, ability to service debt and the relationship of new loans to loans already outstanding. Lenders usually seek 'covenants' – that is, conditions regarding the financial performance of the Housing Association. Housing Associations also consider matters including collateral and cover ratios – the links between assets and income flows, the relationship between fixed and floating charges and the interest cover ratio.

An example of a Housing Association's debt portfolio is shown below:

Funder	Borrowing £million	Rate %	Fixed/ Variable	Maturity	Total Facility £million
<b>Loan Facilities</b>					
Royal Bank of Scotland	10.0	6.45	F	2035	10.0
Nationwide	5.0	6.15	V	2020	5.0
Nationwide	5.0	5.99	F	2022	5.0
Royal Bank of Scotland	5.0	5.96	F	2022	5.0
Royal Bank of Scotland	2.2	4.46	V	2030	20.0
<b>Total</b>	<b>27.2</b>	<b>6.06</b>			<b>45.0</b>

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It will be seen that the portfolio of loans includes fixed and variable loans of different loan periods with staggered repayment dates. Furthermore, of a total loan facility of £45.0million, only £27.2million has been taken up.

An example of cover ratios is shown below:

	Minimum Cover %	Valuation Required £,000	Actual Valuation £,000	Margin %
Year One	105%	25,410	29,150	14.7%
Year Two	105%	27,510	30,490	10.8%
Year Three	105%	29,085	34,370	18.1%
Year Four	105%	33,285	37,800	13.5%

It will be seen that the funder requires the Housing Association to maintain a minimum cover such that assets are valued at 105% of loans. In practice the Housing Association has maintained a position whereby asset values exceed that required by margins of between 10.8% and 18.1%.

Funders often require that Housing Associations operate within certain covenants. An example of financial covenants is shown below:

- Gearing: Private Loans as a proportion of Housing Grant and Reserves
- Ratio of net operating surplus to net interest paid
- Total borrowings as a percentage of value of housing properties
- Total borrowings as a percentage of tangible net worth

Housing Associations also make a quarterly report to their funders including a range of financial and operational information. An example follows:

- Quarterly Summary
- Cashflow
- Financial Covenants
- Income and Expenditure Account
- Analysis of Expenditure
- Balance Sheet
- Housing Stock – Analysis
- Right to buy performance report
- Arrears and Void performance information
- Quarterly indicator summary sheet

### **Loans Since 2008**

Bank lending is still fragile because of the financial crisis of 2008. However, nothing has fundamentally changed in the housing association sector. There is still government support, regulation, and robust cash flows; and banks have not made losses in the sector. However, this has not stopped banks from leaving and re-entering the housing association market. Those banks that remain in the market though have increased their margins, reduced the terms over which they are prepared to lend and are looking to renegotiate loans.

Key lenders have stayed in the market. However, whereas before 2008, most housing association loans were at rates of interest only 0.4% above the London Interbank Offer Rate, banks are now looking to charge interest at about 1.5% above this rate. This is still below the level of interest on most commercial loans. This affects the ability of housing associations to afford loans for developments and improvements.

Banks have moved from long-term loans to short-term loans. Banks will generally now only lend for a five- or ten-year term and insist on re-pricing options even when they are willing to lend for a longer term. Large housing associations with large debt portfolios can cope with shorter term loans. However, short-term financing can be problematic for stock transfer associations as they are looking for a large loan to fund a long-term project. Covenants can contain a provision that new loans cannot be entered into without approval and some banks are using this as an opportunity to increase rates of interest on existing loans when a housing association wishes to take out a new loan.

In assessing the credit worthiness of a housing association, a bank will pay attention to governance. The nature of the Board and Executive team play a big part in the bank's analysis of a housing association. This affects the credit rating and the price. The quality and robustness of the business plan and its assumptions and sensitivities are also factors as are the quality of financial information and the condition of the stock.

Banks are reluctant to lend for shared ownership mortgages as there is insufficient volume. It is considered that a large market is needed to justify a product.

## **Bonds**

Housing Association Bonds are becoming an increasingly important source of finance. They became more competitive after 2008 when mark-ups on traditional loans increased. Associations are now seeking to diversify sources of funding. Bonds are now meeting 37% of capital financing needs compared with 5% before 2008.

## **Loans outstanding in 2018**

In 2018, Welsh housing associations had loans outstanding of £2,814million. Most of these loans were with major high street banks as shown below:

	£million
Barclays	469
National Westminster / Royal Bank of Scotland	312
Nationwide	288
M & G Investments	282
Lloyds / HBOS	272
The Housing Finance Corporation	265
Individual Public Bond	160
Santander	154
Principality Building Society	146
Affordable Housing Finance	101
Other	<u>365</u>
Total	<u>2,814</u>

During 2018 £391million of new debt facility was arranged, a 76% increase from £222million in 2017. 40% of this new debt included a public bond issuance of £160million for one housing association. Along with this individual public bond the other new entrant into the sector was Standard Life with a facility totalling £26million. Other notable new facilities include Barclays (£71million), The Housing Finance Corporation (£42million), M&G Investments and BAE Systems pension Fund, both with new facilities of £25million each. Increases in facilities from traditional banks are generally shorter term, with the sector continuing to seek alternative modes of longer term funding through Bond finance / institutional investors that can be attractive to associations in respect of term, flexibility and overall cost of funds.

The net rise in total amount of drawn and undrawn facility in 2018 was £172million, increasing from £3,242million to £3,414million, with the top four funders supporting just over 50% of total debt. The sector arranged £391million of new facilities meaning the net position is that the sector has repaid £219million of older debt. These payments are a combination of profile settlements of loans, or repayment of loans as part of re-financing exercises.

**Adrian Waite**  
**June 2020**

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## **Webinar: Introduction to Housing Association Finance in Wales**

We are holding webinars entitled 'Introduction to Housing Association Finance in Wales' in July 2020. These webinars give an introduction and overview of this important subject and are fully up to date with all developments. There are three webinars:

- Introduction to Housing Association Finance in Wales (revenue) - 16th July 2020 at 2pm
- Introduction to Housing Association Finance in Wales (capital) - 21st July 2020 at 2pm
- Introduction to Housing Association Finance in Wales (technical issues) - 30th July 2020 at 2pm

Each webinar will last about an hour and costs £30 plus value added tax (a total of £36).

These webinars are comprehensive and are designed for people who are not experts in housing association finance in Wales, but who need to understand the basics and achieve an overview of what is going on. They are suitable for board members, housing managers, tenant representatives, finance staff who have limited experience of housing association finance and others who realise that an understanding of housing finance can place them at an advantage!

Introduction to Housing Association Finance in Wales (revenue) refers to: Accounting basics; Trends in Welsh Housing Association Finance; Statements of Comprehensive Income (formerly known as Income & Expenditure Accounts); FRS102 and Component Accounting; Cash Flow; Welsh Government Rent policies, plans, trends & affordability; Bad Debts & Arrears; Service Charges; Management & Maintenance costs; Remuneration & Pensions; Major Repairs; Capital Financing costs; Supporting People; Housing Benefit & Universal Credit; United Kingdom Government's Welfare 'Reforms'.

Introduction to Housing Association Finance in Wales (capital) refers to: Statements of Financial Position (formerly known as Balance Sheets); Capital Programmes; Welsh Housing Quality Standard; Development & New Build; Asset sales; the end of 'Right to Buy'; Associated Rights (Wales) Act 2018; Affordable Housing Supply Programme; Innovative financing models; Housing Supply Pact; Private Loans including availability and conditions; Gearing; Treasury Management; Borrowing Strategies; Regeneration; Stock Transfer.

Introduction to Housing Association Finance in Wales (technical issues) refers to: The Political, Economic, Social & Technological Context; Financial Structures & Governance; Role & expectations of the Welsh Government; the Economic Impact of Social Housing and links with health; Business & Financial Planning; Value for Money; Performance Management; Risk Management, Sensitivity Analysis and Stress Testing; Asset Management; Performance Management; Potential Impact of Coronavirus and 'Brexit'; Roles of Board Members.

All the webinars are fully up to date.

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**Managing Director: Adrian Waite MA CPFA CIHM FInstLM. Registered office: c/o Butterworths Solicitors, 3 Walker Terrace, Gateshead, Tyne & Wear, NE8 1EB. Company Number: 3713554. VAT Registration Number: 721 9669 13.**

The presenter will be Adrian Waite, who is well known for his ability to explain complex financial matters clearly. [To view his biography, please click here.](#)

It is possible to ask questions during and after the webinar. Each webinar is also accompanied by a very useful briefing paper that will be emailed to participants after it has finished alongside a copy of the presentation used. Participants will receive a CPD certificate. A recording of the webinar is also available after it is completed.

For further information or to make a booking, please click here: <https://awics.co.uk/introduction-to-housing-association-finance-in-wales>

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## About 'AWICS'

'AWICS' is a management consultancy and training company. We specialise in providing support in finance and management to clients in local government and housing in England, Scotland and Wales. We are well known for our ability to analyse and explain complex financial and management issues clearly.

Our mission statement is 'Independence, Integrity, Value'. We therefore provide support to clients from an independent standpoint that is designed to help the client to achieve their objectives. We are passionate about working with the utmost integrity. We believe that we offer the best value for money that is available today!

For more information about our services and us please visit our website at [www.awics.co.uk](http://www.awics.co.uk) or contact Adrian Waite at [Adrian.waite@awics.co.uk](mailto:Adrian.waite@awics.co.uk). Services that we offer include:

- Management Consultancy – <http://www.awics.co.uk/ManagementConsultancy.asp>
  - Interim Management – <http://www.awics.co.uk/interimmanagement.asp>
  - Regional Seminars - <https://awics.co.uk/seminars-2020>
  - In-House Training - <http://www.awics.co.uk/inHouseCourses.asp>
  - Webinars - <http://www.awics.co.uk/webinars.asp>
  - Independent Residents' Advice – <http://www.awics.co.uk/IndependentTenantAdvice.asp>
  - Technical Books - <http://www.awics.co.uk/publications.asp>
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