

**Rebecca Evans AC/AM**  
**Y Gweinidog Tai ac Adfywio**  
**Minister for Housing and Regeneration**



Llywodraeth Cymru  
Welsh Government

Ein cyf/Our ref MA - L/RE/0857/17

Simon Thomas AM  
Chair  
Finance Committee  
National Assembly for Wales

12 December 2017

Dear Simon

Thank you for your letter.

As requested, a breakdown of the total outstanding debt for each RSL is attached. The figures are as at 31 March 2016, the most recent available.

You also sought clarification whether an RSL's historical debt would transfer to the Welsh Government if it is declared bankrupt.

RSLs' historical debt does not automatically transfer to the Welsh Government in the event of bankruptcy.

The steps which will be taken in an event of insolvency are provided for in sections 39 - 50 of the Housing Act 1996.

The initial step will be a notice given to the Welsh Ministers by persons or organisations intending to enforce any security over land, or who intends to present a petition for the winding up of a landlord. Further notice must then be given once the action is actually taken.

This triggers a moratorium for a period of at least 28 days during which the landlord cannot dispose of any land, including homes, without the Welsh Ministers consent except for certain specified routine disposals such as lettings. This consent requirement is not affected by the Bill.

During the moratorium, which is for 28 days but extendable, the Welsh Ministers will work with the secured creditors to make alternative proposals for the future management and ownership of the land, the most likely of which would be to identify another RSL to take over the land by way of a transfer of engagements. A transfer of engagements means all assets

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

and liabilities of an RSL, including any historical debt, will be taken over by the transferee RSL.

The Welsh Ministers can appoint an interim manager to implement the agreed proposals and can empower the manager to do whatever is necessary to implement the proposals. The Welsh Ministers can give assistance to the RSL or manager for the purpose of carrying out the proposals, including lending staff and /or paying remuneration or expenses, as well as other reasonable financial assistance.

These insolvency provisions are not materially affected by the Bill. The provisions are in place to ensure the protection of tenants, social housing assets, and public investment by requiring early notice from any party of any intention to take steps which may result in insolvency, and providing for a moratorium period in which to determine and take those steps.

It should also be noted that issues which may indicate a risk of insolvency would be likely to be picked up through co-regulation, regulatory oversight and intelligence. The regulation team's initial response would then be to work with and support the RSL, along with the funders, to pro actively manage and resolve issues to attempt to avoid escalation to a potential insolvency situation.

Yours sincerely

A handwritten signature in black ink that reads "Rebecca Evans." The signature is written in a cursive, flowing style.

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Minister for Housing and Regeneration

Attachment - Breakdown of Total Outstanding Debt for Each Registered Social Landlord at 31 March 2016.

## Attachment

### Breakdown of Registered Social Landlord Outstanding Debt

Housing Association	Loan Balance Outstanding 31/03/2016 £'000s
Bro Myrddin	14,114
Bron Afon	73,915
Cadwyn	30,449
Cantref	30,019
Cardiff Community	72,029
Cartrefi Conwy	28,500
Coastal	152,427
Cynon Taff	25,197
Family	78,465
First Choice	17,214
Grwp Cynefin	92,686
Gwynedd	69,000
Hafod - Care	17,558
Hafod - Housing	82,847
Linc	98,446
Melin	78,029
Merthyr Tydfil	15,620
Merthyr Valley Homes	24,000
Mid Wales	40,965
Monmouthshire	19,400
Newport City Homes	63,000
Newydd	62,436
North Wales	58,267
NPT Homes	69,675
Pembroke	77,844
Pennaf - Clwyd Alyn	136,411
Pennaf - Ty Glas	9,279
Pobl - Catrefi	92,491
Pobl - Charter	145,300
Pobl - Derwen	20,322
Pobl - Gwalia	143,310
Pobl - Seren Living	4,866
RCT Homes	66,500
Rhondda	29,045
Taff	33,076
Tai Calon	71,500
Tai Ceredigion	21,400
United Welsh	177,090
Valleys to Coast	55,100
Wales and West	157,536
<b>Grand Total</b>	<b>2,555,329</b>