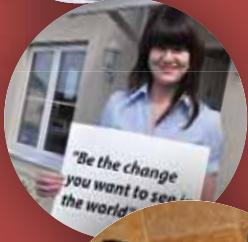


Coastal
Housing Group

Annual Review 2010 - 2011

change



changing pages . . .

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We believe in a culture of change



Some terms used in this report . . .

RSL

Registered Social Landlord

ARBED

The Welsh Government's ARBED scheme is designed to bring environmental, social and economic benefits to selected areas on Wales. It will coordinate investment into the energy performance of Welsh homes and is the largest programme of its type underway in the UK.

Code 4

The Code for Sustainable Homes has been developed to enable a step change in sustainable building practice for new homes

FSA

Registered Social Landlord



change . . . we won't stop changing

Coastal Housing Group operates in a challenging economic environment where there are cuts in public funding both for building new homes and delivering services. Despite these challenges the Group is focused on being a successful social business delivering high quality services, remaining a developing association and maintaining its position as the preferred partner of local authorities to deliver local regeneration.

The Group can do this because it has:

- ▶ redesigned services to meet customer needs at the point of demand
- ▶ expertise in developing sustainable mixed use and mixed tenure schemes
- ▶ area based expertise in managing housing and communities
- ▶ good knowledge of our area of operation and close relationships with people in the area
- ▶ good quality housing stock which will meet WHQS by 2012
- ▶ successfully developed homes for sale to people who could not normally afford to buy
- ▶ funding in place and financial strength derived from growth and economies of scope and scale as the result of merger

We undertook a self assessment of our performance during the year. The following sections explain how we think we are doing overall based on feedback from our tenants and stakeholders. The report covers areas where we want to expand and improve what we offer either by providing more homes, delivering more services, or delivering services differently.

Discussing Coastal's internet presence with tenants in Neath



28 flats and commercial units were built on the site of the former Vivian Park Hotel, Aberavon, Port Talbot



changing lives

customers

Putting the citizen first

The Group adopted lean systems thinking early on, re-shaping our services around proven value to our customers who can decide on priorities. The organisation is now more customer centred with radical changes in the way that it works, both in service delivery and internal management structures.

Tenant surveys show continuing improvement in satisfaction ratings, particularly around service areas directly under the control of the Group.

Services to tenants

This years Tenant Survey also shows the Group performing well above average in all areas of its work. Maintenance performance is particularly effective with average time for all jobs now down to 3.5 days. Tenants tell us that they are satisfied with the information they receive and their direct involvement in shaping services that they want.

Where tenants need extra support, this is flagged up at the application stage for both elderly and supported tenants and put in place. The group also provides a wide range of support services to existing tenants. Standards of caretaking are high, reflected in very high tenant satisfaction levels compared with other associations. Also our intervention in cases of anti-social behaviour and nuisance are rapid and effective.

During the year we held a number of focus groups with tenants to ask their opinions about services and issues. For example a survey of our sheltered housing tenants resulted in detailed feedback and the launch of our new "Independent Living" Service.

The 'get it right first time' approach has made it much easier for tenants to access the services they require. Coastal's flexibility and ability to deliver means that tenants and applicants are able to benefit from a very responsive service.

Margaret was born in Port Talbot, lived in Liverpool and London, and has recently moved to a brand new flat around the corner from where she was born.



Ty Twyn Teg was officially opened by the Countess of Wessex in March 2011. She toured the schemes extensive facilities including the IT suite (above)



Some of our Independent Living team
The service was set up to give Coastal's senior tenants help and guidance via their telephones



changing lives lettings

Lettings are focused on the needs of applicants with support from an early stage. The Group is active in providing homes for people with disabilities but we would like to be able to provide more family homes and we are actively looking at different ways of doing this, including providing homes for intermediate rent by way of lease from a joint venture initiative part-funded by the Welsh Government.

At the moment we have to charge the same rent for our older stock as for our newer stock. We would like to be able to offer a range or rents based on energy efficiency, distance from town and city centre locations, age of properties and other relevant factors. We are working with the Welsh Government to facilitate this new approach.

Welsh Housing Partnership

Coastal, together with three other RSLs from across Wales, are working together to create change with the aims of

- ▶ stimulating the housing market (first time buyers)
- ▶ Reducing waiting lists for traditional social housing
- ▶ Testing the viability of intermediate rents

The Welsh Government approved the principle of the scheme in March 2011

Jubilee House in Port Talbot was built on the site of a disused public house.

The scheme features photo voltaic cells to power facilities such as automatic gates, door entry, communal lighting. Coastal also provided a roost especially designed for the bats that made their home in the previous building.



The family homes at Cwmfelin are in great demand. The mix of homes to rent and homes to buy have resulted in creating a vibrant community.



initiating change procedures

Living public sector values

The Group is a very open organisation, based in and heavily involved with the communities within which we work, and making a large contribution to the local economy. A Welsh Government report on our governance said:

"There is a strong culture throughout the organisation which concentrates on the delivery of service rather than internal procedures. The staff group are highly committed to the organisation and the values that it expresses. Tenants are well represented at Board and Committee level and there are a wide range of methods to express their views and initiate change. The Group is effectively managing strategic risks, with a clear planning process."

Engagement with others

We have strong relationships with a very wide group of stakeholders including our Local Authority partners, the Welsh Government, our lenders, and our contractors. Coastal is knowledgeable about the areas in which it works and aims to spend its money locally to help and support local businesses and employment. We are actively engaged in joint ventures, particularly around area regeneration, both physical improvement and developing communities, through improving the social mix.

Bob Lewis of contractors Leadbitters and Laura of Coastal at Parc y Bont in Pontardulais - family homes for rent and sale in an area with a developing local economy.



Stockhams Corner development in Neath includes a popular fish and chip shop which has become an informal meeting point for the community.



small steps big changes

We aim to be innovative in finding ways of financing existing and new activities. We are finding alternative sources of funding by obtaining grants from different sources such as Arbed monies for energy efficiency improvement works, Welsh Government grants for Strategic Regeneration Area funding, and sourcing a low interest £15m loan from the European Investment Bank. We are exploring new ways of delivering our maintenance services including employing and also training people to deliver maintenance services directly and we are looking at setting up a Development Company which will enable us to make VAT savings. Finally we launched Pennant Homes and sold 80 homes during the year.

Next steps

- ▶ We want to be able to improve and expand housing supply within our geographical area of operation so that we can offer more types of properties and tenures.
- ▶ We will let homes at intermediate rents and explore partnership opportunities with private landlords.
- ▶ We want to be able to offer more low cost family housing, and to provide housing solutions that meet the needs of older owner occupiers.
- ▶ We will build on the successful start by Pennant Homes to provide between 80 and 100 homes a year without grant to people unable to afford to buy on the open market.
- ▶ We want to be able to spend as much of our money as possible locally so that we help maintain and grow locally based businesses and employment opportunities.

Starting the home buying process at Pennants show home in Coastal's popular development at Cwmfelin in central Swansea



In their first year of operation Pennant homes have sold a variety of quality new homes across Swansea and Neath Port Talbot.

changing places development

New Homes

The group has a very large development programme and has built many regeneration schemes based in the town or city centre. Over the last five years our partnerships with our contractors have resulted in much better understanding of how costs are built up, and as a result we are better able to work with contractors to reduce the Group's exposure to contract cost changes.

All our new schemes are of a high standard and are designed to meet government environmental standards Code 4 and we are redesigning the construction process to meet the Code as cost effectively as possible. We are making our grant go further by increasing our involvement in the low cost home ownership market using planning gain to our advantage, and by putting together combined rent, sale and shared ownership schemes. We have had a successful year and sold over 80 homes in the period. We are also beginning to explore directly managing the construction of smaller schemes to reduce our cost base further.

Crane Index

The idea of a "crane" index is a long-established one - that the number of cranes on the skyline indicates economic activity and confidence.

Pictured on the right are three cranes in use on Coastal developments that have graced Swansea's skyline in the past year.



Urban Village - central Swansea



Barons Court - central Swansea



Harbour Quay- SA1 development, Swansea

The final phase of Stockhams Corner included photo voltaic panels on the roof.



changing places

Housing stock & maintenance

The housing stock of the group is generally of very high quality, and much of it has been recently completed. It is geographically concentrated and is in attractive locations. Where properties are older or more remote we are looking to be able to charge rents that are lower than those for newer more centrally located properties once the Welsh Government's revised rent setting process is approved.

We have some older rehabilitated properties which were improved between 20 and 30 years ago and do not meet modern standards. A strategy has now been developed for these properties where we are selectively selling some of them and re-investing the monies to improve the remaining homes.

Green Meadow Court was built on the site of a disused



Although the location is central and convenient, the houses and apartments at Cwmfelin benefit from a tranquil atmosphere



A purpose built home for tenants needs in a quiet ares in the north of Swansea



making a change staff

Our staff team reached 168 in 2010/11, with growth in areas such as Housing Services, Caretakers, Business Development, Digital Inclusion and Pennant Homes. This is a result of our business adapting to the climate in which we work and the challenges that face us.

Staff retention is high and we are fortunate that we haven't lost any staff to stock transfer organisations, proving that staff have voted with their feet and appreciate the benefits of working for Coastal.



On the flip side, a significant and long standing member of our team has retired - Geoff Pettifor, our former Development Director. He leaves behind him a track record of prominent and innovative developments in the Swansea and Neath Port Talbot areas. Geoff also left a highly skilled and capable team, who will ensure the continual development of a high standard of homes for our customers.

Staff feedback is very important to us. To gauge employees' views on their work experiences we participated in the Sunday Times Best Small Companies to Work For. As part of a Michelin Star style award system, we achieved Two Stars – 'Outstanding' for the second year running, demonstrating a high commitment to staff engagement. Only 2 other Welsh Housing Associations achieved the Two Star status. Coastal was acknowledged above all for its best practice in health and wellbeing.

We continue to manage our operations differently to most RSLs, particularly in areas such as targets, performance management,

A Hoopathon in the courtyard of Coastal's offices held to raise funds for Comic Relief - Coastal provides hoops for staff use as well as encouraging participation in sporting activities



standards and supervision. Ongoing challenges for the year ahead include delivery of an outstanding service to our clients, furthering staff engagement, development and succession planning to be flexible and adaptable in a changing environment.



Changing jobs Lauras story . . .

"After 5 years in the housing field I started working for Coastal in May this year.

What's changed? Everything! Above all management culture - we're encouraged to use our initiative to improve the lives of tenants. No need to get approval for everything I want to do. Any problems get sorted out really quickly. Repairs get done properly. Homes and grounds are maintained to a high standard.

The best changes? Having a brand new estate to manage and getting lots of training especially in the areas of rents and being a housing professional in the judicial process.

Socially there's always something going on and lots of help to reduce stress levels, even holistic therapy.

And I love being trusted and getting listened to!"



spare change!

Finance and accounts

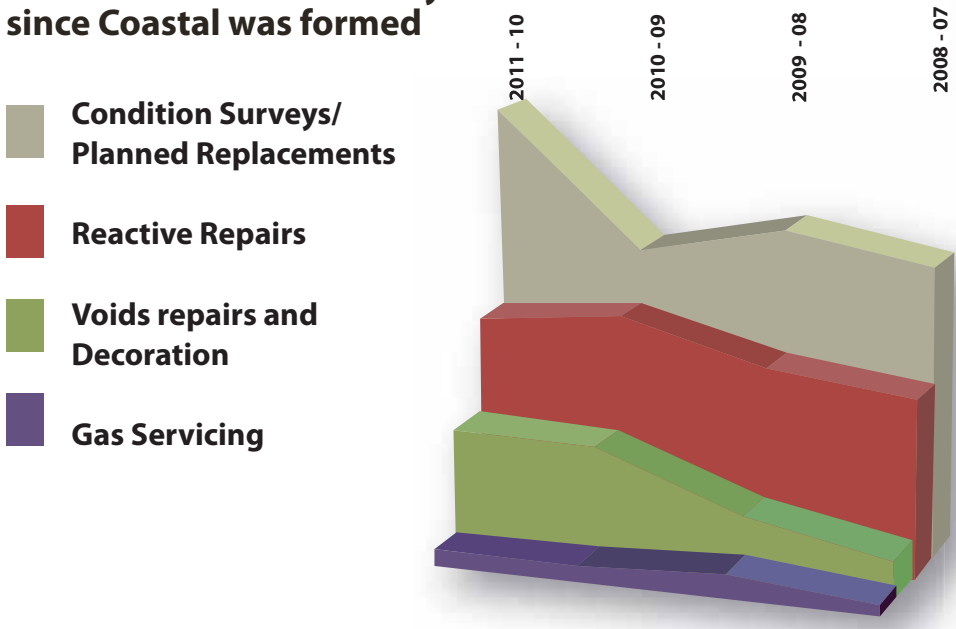
Review of the year and future plans

This report and the financial statements cover a very successful third year of Coastal Housing Group's activities. Income was boosted with 130 new units coming into management and better than predicted voids and arrears performance. We also successfully sold properties in a difficult housing market, including eighty low cost home ownership units through our subsidiary Pennant Homes. Efficiencies were achieved in relation to staff and maintenance costs and we benefited from low interest rates throughout the period. This was the first year in which we received a financial viability judgement from the Welsh Government under the new regulatory regime. The judgement as at 31 March 2011 was a Pass on the basis that the Group has adequate resources to meet current and future business and financial commitments.

During the year we successfully negotiated major tranches of additional private finance; we drew down £15m from the European Investment Bank in November at a very competitive fixed rate, and we have agreed a new facility with Lloyds of £25m.

Coastal at a glance

Maintenance costs in the years since Coastal was formed



adding it up

Coastal's year in numbers

The Group achieved a surplus for the year of £3,4m (2010 £5.4m). The revenue reserve now stands at £26.7m (2010 £23.3m).

Housing Properties

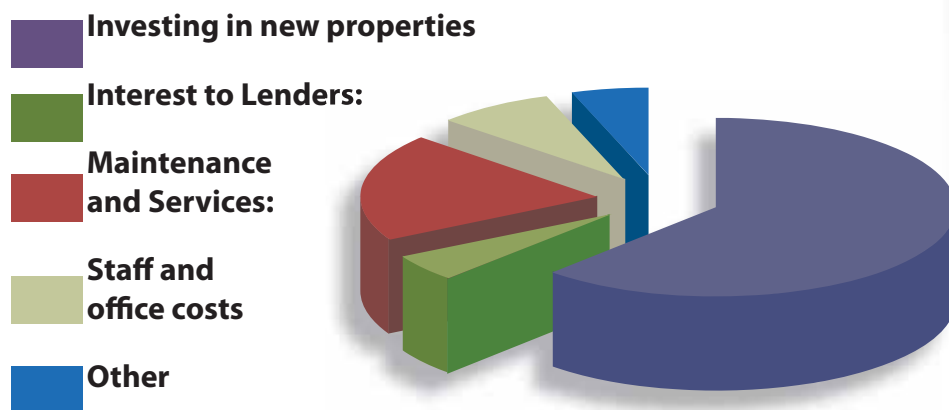
The Group spent £38.2m (2010 £24.8m) on the acquisition and development of housing property. When disposals of £721k (2010 £9.7m) and transfers to investments of £1.2m (2010 £6m) are brought into consideration, the net cost is increased to £307.8m (2010 £271.5m). Social Housing Grant also increased by £15.3m to £187.6m (2010 £172.3m). Long term loans in relation to the Association's housing properties increased in the year by £23.2m to £109.6m (2010 £86.4m).

Other Fixed Assets

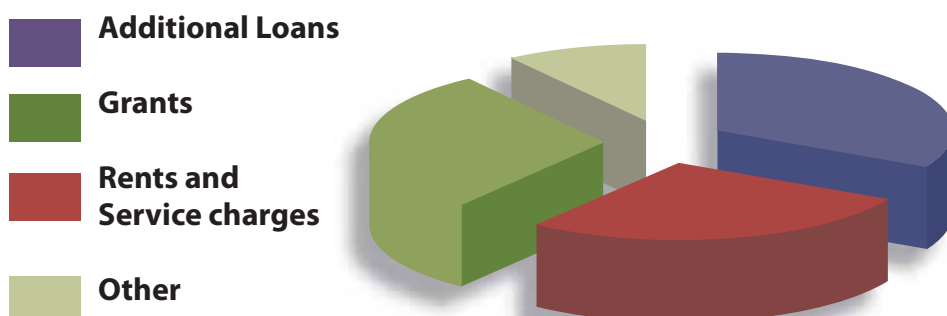
After taking into consideration depreciation and disposals other fixed assets in the group decreased to £3.12m (2010 £3.26m).

Coastal at a glance

What we did with our money in 2011



How we paid for it



accounts

Balance Sheet and Income & Expenditure

Balance Sheet

For the year ended 31st March 2011

	2011 £000's	2010 £000's
The costs of what we own:		
homes and property	319,445	283,439
equipment	1,190	1,311
money in the bank	14,252	10,016
money owed to us	2,934	1,742
LESS money we owe	-10,165	-11,458
TOTAL	327,656	285,050

Was paid for by:

government grants	190,736	174,858
loans & provisions	110,166	86,876
reserves	26,754	23,316
TOTAL	327,656	285,050

Income and Expenditure

For the year ended 31st March 2011

	2011 £000's	2010 £000's
Our money came from:		
rents and service charges	17,552	16,641
other income	5,573	7,568
interest on money in bank	40	72
TOTAL income	23,165	24,281

Our money went to:

interest paid to lenders	2,865	2,756
providing services	3,947	3,120
maintaining homes	7,545	6,718
other staff & office expenses	4,610	5,578
supported housing	703	703
TOTAL expenditure	19,670	18,875

This gives a surplus:	£3,495	£5,406
which is taxed	£57	£1
leaving a surplus after tax	£3,438	£5,405

These accounts are summarised. If you would like a full set, please contact us.

contacting Coastal

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www.coastalhousing.co.uk

Swansea Office 11 Wind Street, Swansea, SA1 1DP

Neath Office 26 Windsor Road, Neath, SA11 1LU

If you would like more information about Coastal Housing Group, please contact us.

Voluntary Board and Operational Committee Members at March 31st 2011

Francis Jones	Board + Audit, Housing Services (Chair)	Pennant
Kay Howell	Board + Audit, Housing Services (Vice Chair)	Pennant
Ioan V Evans	Board + Audit, Housing Services	Pennant
Carol Hill	Board + Audit, Housing Services	Pennant
Kirsty Ellis	Board	Pennant
Patricia Heywood-Jones	Board + Audit, Housing Services (tenant)	
Michael Burr	Board + Audit, Housing Services	Pennant
Sandra Jones	Board + Audit, Housing Services (tenant)	Pennant
Elizabeth Finn	Board + Audit, Housing Services	
Clive Owen	Board + Audit, Housing Services (tenant) (Chair)	Pennant (Chair)
Natalie Morgan	Board + Audit	Pennant
Mike Ward	Board + Audit, Housing Services (tenant) (Chair)	
Roger Owen	Housing Services (tenant)	Pennant
Carl Reynolds	Housing Services (tenant)	Pennant
Clive Thomas	Housing Services	

Coastal Housing Group is registered with the FSA as an Industrial and Provident Society (I&P Act 1965) registration no. 30438R and with the Welsh Government, registration no. L146. VAT registration no. 587913781



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This report is also available in Welsh, please download a copy from our website or just ask us. Mae'r adroddiad hwn ar gael yn Gymraeg; lawrlwythwch gopi o'n gwefan.



LanguageLine

Coastal Housing Group provides a telephone interpreting service for more than 150 languages through Language Line