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Document Type	Key Policy		

Value for Money Framework

1.0 Aim / Purpose of the Framework

1.1 Coastline Group has both an ethical and regulatory responsibility to ensure optimal use of resources in the pursuit of our stated charitable aims.

1.2 There is no separate Value for Money (VfM) strategy, because it is essentially the Coastline Plan and related key strategies.

- Coastline Plan
  - Housing Communities and Customer Experience Strategy
  - Asset Management Strategy
  - People, Culture and Communications Strategy
  - ICT Strategy
  - Environmental Strategy
  - Development Strategy

Each strategy has an annual implementation plan which is considered and monitored by a committee with the most significant elements being reported as part of the Coastline Plan targets to Board at least three times in any 12-month period.

1.3 Supporting the overall VfM Framework, the Group Performance Management Procedures are included as an appendix to this document.

1.4 Coastline will prioritise VfM in our decision making, implementation processes and lesson learning. This framework aims to serve as a comprehensive guide for integrating these responsibilities into Coastline strategic and daily operations.

1.5 To deliver value for money, Coastline must continuously evaluate how resources are utilised to enhance organisational operations. Value for money is not a standalone activity; it is integral to all core activities and decision-making processes. While there is no single policy or strategy dedicated to achieving value for money, its principles are woven throughout the Coastline plan, with a strong link to performance management and improvement processes.

2.0 Background / Introduction

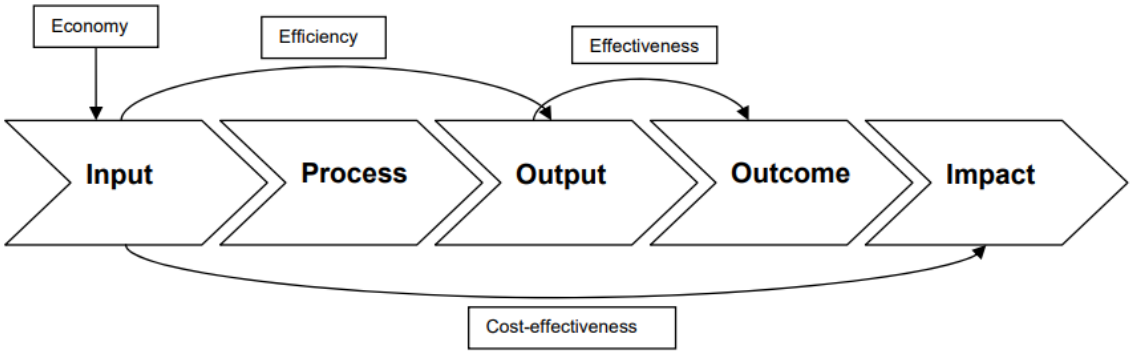
2.1 The Regulator of Social Housing's Value for Money (VfM) Standard, effective from 1 April 2018, clearly sets out our Board's responsibility for overseeing the delivery of value for money, and for demonstrating to stakeholders how we meet the Standard. Our Board recognises that value for money plays a vital role in achieving our strategic objectives, and in supporting both our ongoing viability and our future growth. The economic, effective and efficient delivery of services is a fundamental part of our business planning and governance framework

2.2 This framework articulates our value for money, setting out the strategic approach used by our Board and the Executive Team for achieving value for money in meeting our objectives

3.0 Legislation, Statutory Regulatory duties & references

3.1 In line with the VfM Standard, we consider that achieving value for money includes achieving economy, efficiency and effectiveness in all areas of activity, taking into account the outputs achieved as well as input costs. These are defined as:

- Economy – minimising the cost of resources used while having regard to quality;
- Efficiency – the relationship between the output from goods or services and the resources to produce them;
- Effectiveness – the extent to which objectives are achieved, and the relationship between intended and actual impacts.



3.2 Whilst not a requirement of the Value for Money Code of Practice we will strive to deliver equitable outcomes, being fair and reasonable to all customers, providing accessible services, and balancing the needs of other stakeholders, while minimising our environmental impact.

3.3 The Regulator of Social Housing published new Consumer Standards, effective from 1 April 2024. Although there are no changes to the VfM Standard, some of the changes to the Consumer Standards create additional specific expectations in relation to value for money and the information we provide to tenants to allow them to hold us to account. These changes include:

<u>Safety and Quality Standard</u>

- Registered providers must ensure that the delivery of repairs, maintenance and planned improvements to homes and communal areas is informed by the needs of tenants and provides value for money.

<u>Transparency, Influence and Accountability Standard</u>

- Diverse needs – Registered providers must ensure that communication with and information for tenants is clear, accessible, relevant, timely and appropriate to the diverse needs of tenants.
- Performance information – Registered providers must provide tenants with accessible information about how income is being spent, and their directors' remuneration and management costs.

4.0 VfM Framework Objectives, Expectations and Outcomes

4.1 Framework objectives:

- Develop our use of business intelligence to inform our decisions better - understanding our cost drivers, how these relate to performance and compare to others;
- Integrate value for money principles within existing governance, management, strategic and operational planning and review processes and minimising our impact on the environment;
- Ensure all staff understand what value for money is and how this can be achieved and are enabled and encouraged to seek value for money as part of their routine activities;
- Improve our approach to procurement and obtain maximum benefit (including, where relevant, enhanced social value) from goods and services procured;
- Promote and embed a culture of continuous improvement and value for money;
- Actively demonstrate our commitment to value for money to all stakeholders;
- Consider the impact of business investment or divestment decisions on customers with protected characteristics or vulnerabilities.

4.2 Expectations and outcomes

Our Board ensures that transparent, adequate and appropriate reporting of performance is produced:

- Enabling stakeholders to understand our performance against value for money targets and any metrics set by the regulator, and how that performance compares to our peers;
- Sets out measurable plans to address any areas of underperformance, including clearly stating any areas where improvements would not be appropriate, and the rationale for this;
- Reports directors' remuneration and management costs relative to our size;
- Ensures value for money reporting is more visible and accessible to customers and other stakeholders by separate publication and promotion of our ESG (Environmental, Social and Governance) reporting, Annual Report to Customers and Annual Impact Statement. This suite of reporting along with the Statutory Accounts in combination being our holistic VfM Self-Assessment;
- Includes a range of measurable outcomes and progress against targets in the Coastline Plan, with these being reported three times a year to the Board and Annually to stakeholders as part of Annual Report to Customers as well as through a summary within the Strategic Review in the Statutory Accounts;
- Performance against regulatory VfM Metrics and commentary is included in the statutory accounts and business plan on an annual basis;
- Operational strategies have annual targets or work packages which have progress reports to Board, Committee and Executive Team as appropriate; and
- Key dynamic measures are reported and commented on as part of the Group Finance and Performance report which is reviewed by the Senior Leadership team and reported to Board

4.3 Strong and effective management is integral in the process of delivering and improving business productivity. For Coastline this aim is embedded within the Coastline objectives through the expectation of increased growth in units with limited expectations of staffing increases. A key part of this is achieving continuous improvement and excellence in running the business, essentially improving 'value for money'.

4.4 Value for money contributes to both sustaining financial viability and maintaining and improving customer and stakeholder satisfaction. Value for money can also release resources for future investment in new homes and a range of related services. This is particularly relevant as the social housing sector continues to experience significant changes in the way it is both funded and regulated against a backdrop of continuing economic uncertainty, increased risk and increased market competition, particularly (but not exclusively) for those organisations with an active development programme like Coastline and for those providing

care and support services such as Homelessness, Extra Care, Older Persons Accommodation and wider community based initiatives.

4.5 To deliver value for money, Coastline must continually look at how resources are used to improve how the organisation operates. When viewed in this way, it is clear that value for money is not a standalone activity, but something that is intrinsic to all core activities and decision-making processes. There is no single policy or strategy that sets out how value for money will be achieved, although the various threads are pulled together in the corporate plan, and there is a particularly strong link with performance management and improvement processes.

4.6 This framework therefore does not aim to duplicate what is already in place in other parts of the organisation, for example the Group Performance Management Procedures (appendix A). Rather the focus is on how Coastline ensures that appropriate data is available (to inform improvement and to evidence results) and on how value for money thinking can continue to be embedded across the organisation, being "part of the day job", with board members, managers and staff continually looking at ways to target resources more efficiently and effectively.

5.0 Assessment of VfM and Reporting expectations

5.1 Registered providers are required to publish evidence in their annual financial statements explaining their performance against the Value for Money Standard. We will seek to meet best practice requirements as well as those of the regulator, and to make our reporting concise, transparent, and accessible to stakeholders

The information published must enable stakeholders to understand the provider's performance against its own value for money targets and any metrics set out by the regulator, and how that performance compares to peers (Standard reference 2.2a). We will include in our financial statements:

- Our actual performance against the Value for Money Metrics and our own targets,
- Our previous year's performance against the Value for Money Metrics,
- A forecast of the Value for Money Metrics based on our latest approved business plan,
- A comparison of our performance to the sector as a whole,
- A comparison of our performance to our regional peer group,
- All of our high-level performance indicators with actual performance against our targets

5.2 The regulatory requirement to report on the VfM metrics is a minimum expectation and the Board approach to VfM is led at a strategic level via the following:

- Setting specific measurable targets within the Coastline Plan
- Linking the Coastline plan targets to financial metrics and performance expectations in the Business Plan
- Setting annual targets for performance and delivery as part of the annual budget and performance target setting exercise improvement plan
- Linking key operational strategies to delivery of elements of the Coastline Plan

5.3 Performance and progress towards meetings the targets outlined above is reported to Board and Committee with the following as a minimum to gain assurance on delivery:

- Coastline Plan progress – reported three time a year to Board and reported annually in Statutory accounts as part of the Board's chosen metrics for measuring VfM

- Financial and operational performance – reported quarterly to Board and annually as part of the statutory accounts
- Business Plan review – update reported to each Property and Investment Committee
- Operational strategies – reported as appropriate to Board and Committees

5.4 We consider that good performance against the Regulator's value for money metrics (above median for the majority of measures) indicates that the organisation continues to deliver value for money through its operations.

5.5 Social value

We seek to maximise social value and invest in services and projects which achieve strategic objectives for customers and communities. Social value is not related to cash flow; it instead measures the impact of activities on our customers and local community. We undertake a number of activities, funded in part through our Crisis Support Fund, and other external funding, which are targeted at supporting customers, improving economic, environmental and social sustainability and generate significant social value. These include:

- Providing employability support for customers and communities,
- Supporting community-based projects that help older and vulnerable customers,
- Embedding community projects that promote good financial wellbeing and inclusion,
- Working with relevant partners to promote social, environmental and economic wellbeing in our communities,
- Procuring goods and services with social value considerations to provide assurance and deliver long-term impacts.

5.6 Through our Annual Report to Customers, we report the total social value achieved through social, economic and environmental interventions in our communities and how successful we have been in securing external funding for communities to ensure our investment goes as far as possible and attracts other investors. Social value calculators use economic valuation techniques to estimate the value generated by activities in monetary terms and can be used to communicate the social effect of these activities to our tenants, communities and other stakeholders. We will continue to monitor the social value that we generate using the HACT Social Value Tool, and where appropriate expand impact reporting to other services.

5.7 Procurement

Our approach to procurement ensures tenders are designed to include social value commitments for potential suppliers and their ability to deliver on our policy commitments to customers (i.e., considering vulnerabilities). When completing a tender bidders must state how they will deliver on policy commitments and social value and where successful this becomes a contractual commitment, further enhancing our approach to social value. Procurement will play an active role in helping our customers back to work and Coastline currently requests that apprenticeship and job opportunities are considered directly by our suppliers as part of the tender process.

5.8 On an annual basis (programmed to be Q2 each year) the Executive Team will provide a summary report to the Property and Investment Committee on levels of spend by contractor and by type where possible. This information will also be linked to the Contracts Register and used to assist in developing and delivering the Group's strategic approach to procurement.