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Document Type	Key Policy		

Mergers and Strategic Alliances Policy

1.0 Introduction

1.1 The Board recognises that mergers and other strategic alliances can add value, and the Coastline Plan 2025-30 states '[w]e will actively look for strategic opportunities achieve the aims and objectives of the Coastline Plan, and will embrace partnership working, particularly where this will leverage additional funding into Cornwall.'

1.3 This Policy is intended to provide a framework for how Coastline will consider merger or strategic alliance opportunities, to ensure this is done in line with standards of good governance, the National Housing Federation (NHF) voluntary Merger and Strategic Alliances Code (2015), Coastline's values, and its statutory and regulatory duties.

2.0 Decision Criteria

2.1 The fundamental considerations for any potential merger/strategic alliance are:

- demonstrable customer benefit (service quality, safety, homes investment, complaints experience, TSMs);
- place based fit in Cornwall and associated systems (e.g. health, care, skills, net zero delivery);
- financial capacity (gearing, liquidity, covenants, stress headroom) and funding access/cost;
- culture and values compatibility (leadership behaviours, culture of governance, risk appetite);
- delivery of the Coastline Plan (specific objectives and KPIs);
- risk profile (programme, treasury, asset, regulatory, people/culture) and mitigations;
- Equality, diversity and inclusion (EDI) impact (customers, colleagues, Board/Committee diversity); and
- Regulatory compliance, including RSH notifications (see section 4.0).

3.0 NHF Merger and Strategic Alliance Code

3.1 Coastline adopted the NHF's voluntary Mergers and Strategic Alliances Code (2015) in March 2016. This remains the baseline guidance and a flowchart representing the recommended process is replicated at Appendix A.

3.2 The Code sets out ten principles for organisations to consider. The most significant for the organisation being approached are that the whole board is expected to consider any partnership working proposals, and that a decision on whether or not to move forward should be made in light of the best interests of the organisation taking into account the organisation's values and strategic objectives.

3.3 The mechanism by which the Board considers any approaches made to Coastline is set out in Section 5 below.

3.4 Any approaches being made by Coastline to other organisations will be made by either the Board or Executive Team as appropriate (see 5.1 and 5.2 below), and must be made in line with the NHF Code (where relevant).

4.0 Statutory and Regulatory duties relevant to mergers and strategic alliances

4.1 **Charity Commission and Charities Act**
As a registered charity, Coastline will ensure that any merger or strategic alliance is in the best interests of the charity and consistent with its charitable objects and public benefit. The Board will consider Charity Commission guidance on mergers, asset disposals, and changes to governance arrangements. This includes (but is not limited to):

- Coastline will register all mergers on the Charity Commission's Register of Mergers to protect legacy income.
- Any amendments to Coastline's governing documents required as part of a merger or strategic alliance will follow the statutory process under the Charities Act 2022, with Charity Commission consent sought for regulated alterations.
- Disposals of charity land will comply with the Charities Act 2022, including obtaining advice from a 'Designated Adviser' and providing the required compliance statement in property documents. The exception for disposals to other charities at less than best price will only apply where the disposal furthers Coastline's charitable purposes.
- Coastline will follow all relevant Charity Commission guidance, including CC36 (governing documents) and CC28 (land disposals).

4.2 **Companies House and Companies Act**
As a charitable company, Coastline will ensure that all mergers and strategic alliances comply with the Companies Act 2006 and related legislation. In particular:

- The Board and all directors will act in accordance with their statutory duties under the Companies Act 2006, including the duty to promote the success of the company for its charitable purposes, exercise independent judgment and reasonable care, and avoid conflicts of interest.
- Any actual or potential conflicts of interest will be declared, managed, and, where appropriate, authorised by the Board in accordance with the Articles of Association.
- All amendments to the Articles of Association or other constitutional documents required to facilitate a merger or strategic alliance will be properly approved by the Board and members, and filed with Companies House.
- Coastline will comply with all Companies House filing requirements, including timely notification of changes to directors, registered office, and other statutory information.
- The company will comply with the Economic Crime and Corporate Transparency Act 2023/24, including mandatory identity verification for directors and people with significant control.

4.3 **Regulator of Social Housing notification requirements**
Coastline will comply with the RSH Guidance for PRPs on notifications and successor body registrations and the Directions effective 1 April 2024. The Group Company Secretary is responsible for ensuring statutory and regulatory notifications are submitted on time with the required information, including any pre-resolution notifications and post-event confirmations.

4.4 **Social Housing Regulation Act 2023**
While the NHF code already expects stakeholder engagement, sector commentary since the new consumer regime emphasises earlier, clearer customer involvement in proposals that materially change landlord arrangements — including mergers or certain strategic partnerships.

Where a merger or strategic alliance could materially affect customers or services, Coastline will:

- complete a proportional assessment of impact on customers (benefits, risks, mitigations);
- provide early, accessible information to affected customers, balancing commercial confidentiality where required;
- seek and consider feedback (methods proportionate to scale and risk); and
- publish a short summary of themes raised and how we will respond.

4.5 **Care Quality Commission**
As Coastline is a CQC-registered provider, we would need to notify CQC of any merger or strategic alliance that affected our registration, control, or service delivery.

5.0 Mergers and Strategic Alliance Working Group

5.1 Any merger or strategic alliance proposals that are not delegated to the Executive Team by the Board, will be considered in the first instance by a Mergers and Strategic Alliance Working Group.

5.2 The core membership of the Working Group shall include:

- Board Chair (chair of the Group)
- Board Vice Chair
- Chair of Audit and Risk Assurance Committee
- Chief Executive

Other executive or non-executive directors may be invited to the group in an advisory capacity.

5.3 The Working Group will meet as and when required to consider any approaches made to Coastline, or any approaches that Coastline itself may consider making to others.

5.4 The Working Group is responsible for 'triaging' any merger and strategic alliance approaches or opportunities to determine whether:

- The proposal is rejected;
- Further information is required from the organisation making the approach; or
- The proposal is taken forward to the Board for consideration and decision.

5.5 Meetings of the Working Group would be minuted and its activityreported to the next Board meeting, or sooner should there be a need for urgency.

5.6 The Working Group is able to make use of Group resources to assist it in its decision making process. This could include for example utilising the CEO's Executive Assistant to organise and facilitate meetings, the Group Company Secretary to provide governance advice, or the Director of Finance (or other members of the Executive Team as appropriate) to provide business/financial analysis. The Working Group is also authorise to commission any relevant legal advice.

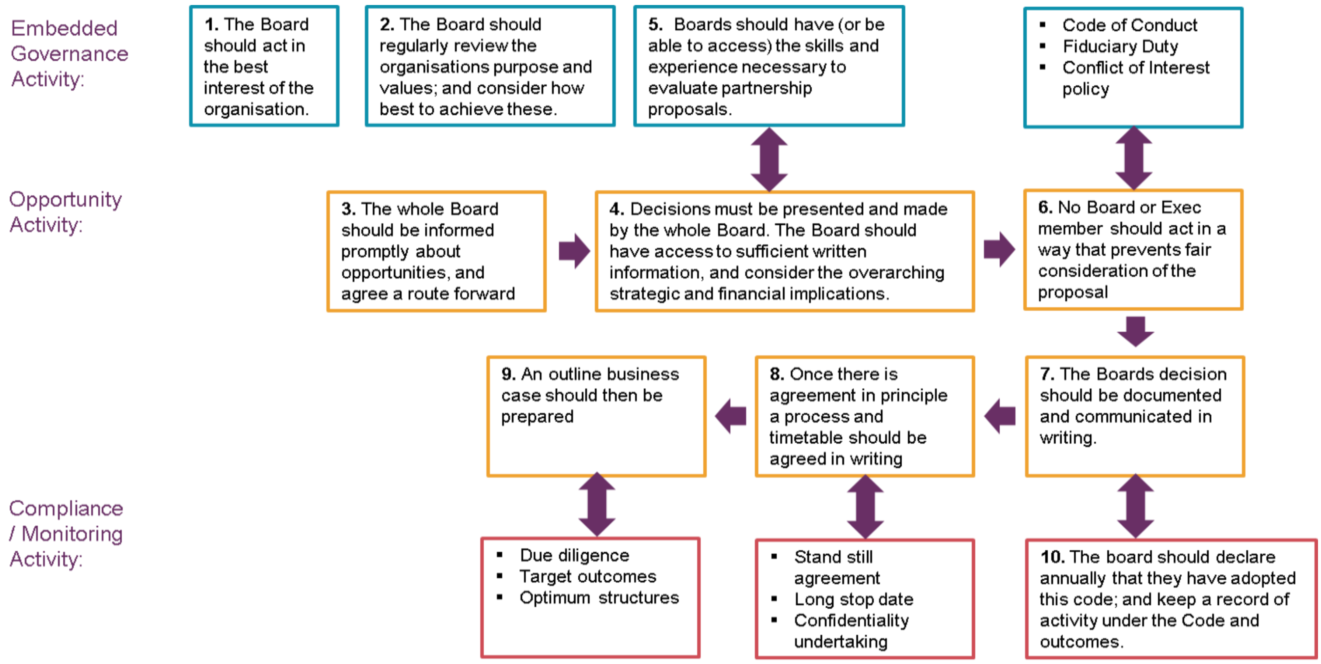
5.7 The Working Group, supported by the Group Company Secretary, will maintain a confidential log of approaches considered and outcomes, and provide ARAC with a summarised annual report of activity and lessons learned.

5.8 Should the Board decide to proceed with detailed consideration of any proposal, the general assumption is that the Executive Team will be informed and asked to input into the process as appropriate. This is to ensure that any work undertaken makes best use of the knowledge, skills and experience within the Coastline Group.

6.0 Interaction with other Group Governance Arrangements

6.1 This Policy has been drafted to be consistent with Coastline's Governance arrangements and key governance documents. In the light of any conflict or uncertainty, the Group's Standing Orders and Articles of Association of the companies take precedence, in the context of the relevant statutory or regulatory obligations.

Appendix A: NHF Merger and Strategic Alliances Code Flow Chart



Appendix B: RSH Notification Checklist and Timeline

With effect from 1 April 2024, the Regulator of Social Housing (RSH) issued refreshed guidance for private registered providers on notifications and successor body registrations, and associated Directions.

Stage	Action	Responsible	Notes
Pre-resolution	Identify if proposal triggers RSH notification (restructure, constitution, change of control)	Group Company Secretary	Refer to RSH Guidance/Directions
Pre-resolution	Prepare and submit notification to RSH	Group Company Secretary	Include required information/forms
Pre-resolution	Factor RSH response into timeline	Group Company Secretary	May affect Board decision timing
Post-event	Submit post-event notification(s) within directed timescales	Group Company Secretary	Includes successor body registration if applicable
Post-event	Retain records of notifications and RSH responses	Group Company Secretary	For audit and assurance