

The main Coastline logo, consisting of a gold arc above the word "Coastline" in a large blue serif font.

Coastline

Group Procurement Strategy 2025-2027

Documentation Master Sheet

Amendments to this document are detailed below:

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Group Procurement Strategy

1.0 Executive Summary

1.1 This strategy has been developed to promote a coordinated and planned approach to Coastline's procurement activity in support of achieving the objectives of the strategic plans. It is designed to give colleagues sufficient information to make effective procurement decisions and ensure we achieve value for money.

1.2 The Regulator of Social Housing Value For Money Standard 2018 sets out strategic objectives that Registered Providers must:

- Clearly articulate their strategic objectives
- Have an approach agreed by their board to achieving value for money in meeting these objectives and demonstrate their delivery of value for money to stakeholders
- Through their strategic objectives, articulate their strategy for delivering homes that meet a range of needs; and
- Ensure that optimal benefit is derived from resources and assets and optimise economy, efficiency and effectiveness in the delivery of their strategic objectives.

1.3 The introduction of the Procurement Act (now planned for early 2025) provides clear targets in terms of procurement activity;

- Consolidation of Regimes: Combines the separate procurement regimes for public contracts, utilities, concessions, and defence and security into one overarching Act;
- New Objectives: Focuses on value for money, maximizing public benefit, and acting with integrity;
- Exclusion and Debarment: Introduces a new regime for excluding suppliers from procurements and a debarment list;
- Flexibility in Procedures: Allows contracting authorities greater flexibility in choosing procurement procedures and making changes to procurement terms; and
- Transparency and Accountability: Requires authorities to publish notices of unsatisfactory performance or breaches by suppliers, increasing visibility and accountability.

1.3 Sustainable Procurement is a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment.

1.4 Impact on the environment is affected by the way in which goods and services are procured and is now an area for development within all purchases. Our Environmental Strategy takes into account the wider environmental impact of Coastline and our activities, including procurement.

1.5 The purpose of this strategy is to:

- Ensure compliance with the 2023 Procurement Act;
- Set out the objectives for our procurement activity;

- Define the relationship between procurement and value for money;
- Assign responsibility for the implementation of the strategy;
- Embed sustainability within procurement activities; and
- Set out the link to corporate objectives.

1.6 Within our procurement we will be mindful of our responsibilities to help strengthen the Cornish economy and consider opportunities to use local skills and suppliers where possible in line with the procurement regulation requirements. In addition we will consider, on an activity-by-activity basis, the optimum balance between quality and cost, taking into account Whole Life Cost, future maintenance and eventual disposal of each product.

1.7 A simple procurement toolkit for colleagues supports this strategy and confirms levels of financial authority and contract procurement requirements across the business

2.0 Introduction

2.1 For the purposes of this strategy, procurement is defined as the process of the acquisition of goods, services and/or works from the initial assessment of a business need through to the end of the useful life of an asset or end of a service contract, including management of processes leading up to the signing of a contract.

2.2 Procurement involves acquiring goods, services, and works from initial need assessment to the end of an asset's life or service contract, including contract management. This strategy outlines Coastline's procurement decision-making process, applicable to all departments.

2.3 Customer involvement is crucial for large-scale projects like decarbonisation and early engagement helps understand project implications. Timely customer consultation is essential, especially when costs are charged to customers via Service Charges. Section 20 of the Landlord and Tenant Act 1985 mandates consultation for contributions over £250, ensuring transparency and cost recovery.

2.5 There is an additional need to consider supply chain interruption, specification of products from around the World and the fragility of supply of specific products. It is important that these factors are considered within future procurement activities.

2.6 Coastline's Business Plan allocates £131m revenue and £11.9m capital over four years, with £58m for maintenance and £36m for property-related activities. Proper administration and control of this expenditure are critical. New development works are expected to cost approximately £94m over four years.
It is critical that this expenditure is correctly administered, monitored and controlled.

3.0 Strategy Objectives

3.1 [The Coastline Plan "Great Futures" 2021-2025](#) sets out our approach to creating new homes to help challenge the housing crisis in Cornwall which will affect the way in which we purchase and procure properties and services. We will revise our procurement strategy regularly to ensure that our aspirations can be met and services delivered in line with the new Coastline Plan plan requirements when published in 2025.

3.2 In order to maintain our competitiveness as a service provider we must ensure that our costs are well controlled and comparable with, or better than our peers where possible. 'Corporate' plans, supported by the Business Plan and annual budgets set out our team and corporate efficiency targets, and good procurement decisions are key to helping us to

achieve them. We will benchmark our performance against similar providers and aim to be amongst the top performers where value for money is assessed.

3.3 The key outcomes from our procurement activity:

- Achievement of financial and non-financial performance targets;
- Compliance with procurement regulations current at the time of purchase;
- Procurement decisions based on a sound evaluation of the market opportunities available;
- Ensure that customers are provided with opportunities to play a part in procurement and the delivery of improvement projects;
- Efficiency evaluations embedded in all procurement decisions;
- Consider opportunities to combine with other purchasers to boost spending power through joint procurement initiatives;
- Reduced administrative waste in the procurement process;
- Ensure that customers and end users have products and services which are efficient and affordable to use;
- A comprehensive monitoring and reporting framework;
- Effective operational costs compared with our peers;
- Low environmental impact services and products;
- Improved environmental reporting and awareness;
- Commissioning managers and colleagues have the appropriate training and knowledge to make sound procurement decisions; and
- Good access for colleagues to financial information and widespread knowledge of procurement activity within the organisation.

4.0 Delivering The Strategy

4.1 Corporate Responsibility

4.1.1 Overall responsibility for implementing the strategy has to be at Executive level and sits with the Director of Development & Commercial Services. The Head of Innovation, Sustainability and Procurement will have lead responsibility for delivery of this strategy and to ensure that the Contract Register is maintained and shared with senior colleagues. Given that procurement covers all areas of the business Heads of Service will retain responsibility for their main areas of control with Executive Team and Board approval where required.

4.2 Selecting a Procurement Route

4.2.1 This strategy is designed to help us achieve our objectives by clarifying and coordinating our approach whilst empowering colleagues to make informed procurement decisions in line with our overall approach. Ultimately our decisions should favour low environmental impact, low carbon content, and locally sourced goods and services within an open, fair and competitive process.

4.2.2 Following adoption of this approach, all colleagues responsible for commissioning new work (commissioners) will be required to assess their purchasing decisions against the evaluation matrix detailed below. The aim is to ensure that commissioners ask the right questions with a view to selecting the most appropriate procurement route for maximum benefit to the

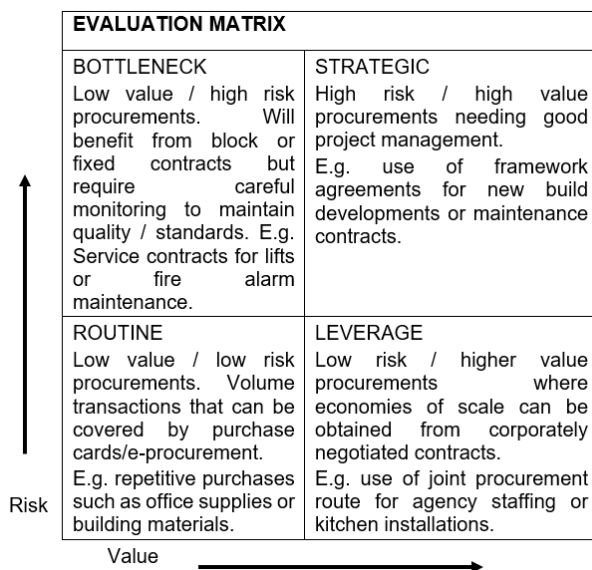
organisation. This may not necessarily be the lowest cost route where quality factors and other considerations may dictate the selection of alternative options, and the evaluation process should be recorded for the purposes of audit as part of the commissioning process.

4.3 Evaluation Matrix

4.3.1 In order to achieve our goals we have to embed good procurement practices throughout the organisation. We recognise that the optimum procurement route will vary depending on the type of activity involved, and rather than prescribing the procurement route to be taken in each case we will utilise an evaluation matrix to help set the context of the procurement activity, which commissioners should refer to when making procurement decisions.

4.3.2 The Contracts Register will also include how the service has been assessed in line with the evaluation matrix to provide clarity. Heads of Service are responsible to ensure that all contracts with value over £5,000 are added to the Contracts Register. The Contracts Register is dynamically linked to the Asset and Liability Register and all related contract document folders.

4.3.3 This matrix applies to individual procurement choices as much as corporate contracts. Each decision has to be taken on its own merits but by following the matrix, services can show that they have considered the main factors relating to the specific activity and have acted appropriately. The procurement style will vary according to the level of control needed. For example, repetitive low value purchases may not require a high level of appraisal, whereas, larger or higher value schemes will be subject to greater scrutiny including pre and post project evaluation.



4.3.4 Ultimately the budget holder must choose the best procurement method to protect our interests and provide value. The evaluation and selection process should be documented for each contract for audit and tracking purposes, and for the annual procurement review. The commissioner should also record expected value for money gains. Procurement activities should align with corporate plans, strategies, the Business Plan, and annual budgets to meet performance targets.

4.3.5 Underpinning the strategy we have a number of specific objectives when procuring goods and services from suppliers. We aim to:

- Obtain the best value for money. Where applicable value for money will take account of the whole life of the project or product, rather than just the initial capital cost;
- Encourage contractors and suppliers to adopt The Living Wage for their staff;
- Ensure value for money includes optimal use or deployment of resources in line with our charitable objects;
- Encourage and support the use of locally based companies, services and products where appropriate;
- Buy products that meet high levels of environmental standards as demonstrated by third party accredited technical labels and standards;
- Take into consideration the environmental impact of goods and services within our procurement processes;
- Buy from suppliers that operate sound environmental, diversity and ethical policies, that accord with Coastline Group's own values;
- Ensure that proposed suppliers monitor their carbon dioxide emissions, have a process in place to confirm annual environmental information and a plan to reduce this;
- Use suppliers who demonstrate the most positive approach to using sustainable processes through innovation and practice;
- Develop strategic partnerships and alliances to provide a high level service to Coastline Group and its customers;
- Enable us to meet legislative requirements in relation to service charges; and
- Use the collective bargaining power of RPs where possible to secure economic advantages.

4.3.6 Given the range of different procurement options available it is important to select the most appropriate route to suit the type of project in hand. The inherent risks associated with the different procurement methods must be examined and managed accordingly. Risk assessment is undertaken as part of all major scheme appraisals but this does not necessarily include an evaluation of the risks associated with the procurement method. Where beneficial to Coastline a Partnership route will be appraised and may be adopted

4.3.7 When using a competitive selection process, commissioners must appoint firms offering the best service for a project or group of projects. This selection can occur at the start of an arrangement or on a project-by-project basis. For multiple projects with the same contractors or consultants, we must ensure each project continues to deliver the expected benefits. This may involve benchmarking or independent audits, with results included in the annual procurement review.

4.3.8 Commissioners must evaluate the effectiveness of goods and components, especially high-cost items with long life expectancies, using life cycle costings. Periodic evaluations should ensure these items deliver expected benefits and costs, with results informing future procurement decisions.

4.4 **Commissioning Costs and Frequency**

4.4.1 The procurement decision should take into consideration the cost and frequency of re-tendering contracts. These decisions are made in line with our Financial Regulations and Standing Orders which confirm levels of authority and approval requirements.

- 4.4.2 In situations where there is likely to be minimal gain by carrying out a full market testing exercise, for example through an open tender, then there should be a separate evaluation as to the cost/benefit of continuing or re-tendering a contract.
- 4.4.3 Circumstances under which re-tender of a contract may not represent good value for money:
- The costs involved in the tender are likely to outweigh any gains from the re-tender of the contract – for example this may arise because specialist expertise has to be bought in to advise on the contract;
 - Market conditions suggest that there are unlikely to be significant gains by re-tendering the contract;
 - Global or local financial and / or supply pressures may dictate that extension of existing arrangements by negotiation provide more favourable outcomes;
 - The Whole Life Cost, future maintenance and eventual disposal of a product does not provide best value to Coastline; and/or
 - The contract can be re-negotiated and extended with the existing supplier at more favourable rates.
- 4.4.4 The commissioner must justify decisions and demonstrate value for money. If market testing is not done, it must be clearly documented. Contract renewals need approval per Standing Orders, which outlines financial authority levels and tendering requirements, regardless of the procurement method.
- 4.4.5 The annual review of procurement activity will precipitate a wider evaluation of contract renewal decisions by Executive Team and Heads of Service to ensure the optimum timing or contract renewal.
- 4.5 **Monitoring**
- 4.5.1 The Head of Innovation, Sustainability and Procurement will ensure that the SLT has access to procurement information and is able to monitor the methods for the selection of contractors, consultants and suppliers.
- 4.5.2 A Contracts Register, reviewed at least annually by the SLT, will be used to confirm when each existing contract was let, value of services, is due for renewal or retendering and when new activities are due to be tendered.
- 4.5.3 Information from all areas will be collated and presented to the Property and Investment Committee (PIC) as part of the annual review of procurement activity by Coastline. The annual report will include a review of performance against the annual objectives and in particular will cross reference to value for money targets and the relationship between procurement activity and efficiency gains.
- 4.5.4 SLT will look at procurement activity as part of the annual review to confirm that decisions have been made in line with the strategy. The review will incorporate details of the amount of work undertaken by each contractor, consultant and supplier. It will also include an assessment of the procurement route used and the decisions that led to its selection.
- 4.5.5 The Approved Contractor and Supplier List is reviewed at least annually and existing companies are required to provide updated information relating to their business, certificate, insurance and changing in management. The list is now held electronically and features alerts and reminders for SLT in terms of renewal dates of contracts and agreements.

4.5.6 The finance team subscribes to a service for updates on companies' financial ratings and conducts periodic checks on larger contractors, especially development companies due to higher risks. Smaller companies, like local SMEs, often lack the financial transparency for this approach. Therefore, contract managers should maintain good relationships with smaller contractors to identify and support any financial stress early.

4.6 Main Procurement Activities

4.6.1 A Contracts Register will be maintained which will identify all contracts, partnerships and agreements and procurement details. The register will also provide information to confirm annual value, existing contractor, contract term and future retender dates.

4.6.2 The Head of Innovation, Sustainability and Procurement will have responsibility for leading and monitoring procurement progress within the register.

4.7 Objectives

4.7.1 The Head of Innovation, Sustainability and Procurement will develop an annual report to Coastline Property and Investment Committee which will:

- Evaluate our performance against this strategy;
- Confirm new or renewed contracts; and
- Review procurement activity within the year.

In addition we will:

- Encourage colleagues to look at efficiency opportunities when making procurement decisions;
- Ensure that the environmental impact of goods and services are considered prior to procurement commencing;
- Continue to develop Partnership and consortium procurement by working with others;
- Report to the Board efficiency gains in relation to Value For Money and Carbon Reduction targets; and
- Identify opportunities for resident involvement in the procurement process and embed within our procedures.

4.7.2 Indirectly, our performance against our budgetary and corporate targets will also be an indicator as to whether our procurement decisions are effective or not.

5.0 UK Procurement Directives

5.1 When deciding the most appropriate procurement route, careful consideration must be given to the procurement regulations in conjunction with our financial standing orders. At present all Housing Association procurement is currently governed by European Union directives and The Public Contract Regulations 2015 (moving to and the Procurement Act when released in 2025).

5.2 This strategy is underpinned by Coastline's Financial Regulations and Group Contract Standing Orders which confirm the financial authority levels and threshold requirements under the Procurement Act. A Contracts Register confirms existing contractual expenditure levels, helping to identify which contracts are likely to fall into specific thresholds should they be procured similarly in future.

6.0 e-Procurement

- 6.1 e-procurement is the electronic management of procurement activities and encompasses e-tendering, e-ordering/invoicing and the use of e-marketplaces, e-auctions and business portals. It is recognised that the use of e-procurement tools can deliver both cashable and non-cashable efficiencies i.e., better information on spending patterns will facilitate better contract terms, and streamlining procurement processes will free up resources to be used on more value added activities.

7.0 Risk Management

- 7.1 Coastline Group will manage procurement risk in accordance with the organisation's risk management strategy to ensure that procurement decisions are balanced to include risk as well as cost, quality and service issues.

8.0 Framework Agreements

- 8.1 Coastline can use consortia and framework agreements to efficiently procure goods and services. These agreements help manage the supply chain, develop long-term relationships with contractors and suppliers, and save time and costs. However, mini competitions may still be needed within some frameworks.
- 8.2 Framework consortia are typically able to offer added value to members by offering additional services such as subsidised training or local employment and regeneration initiatives. Membership also offers the opportunity for further collaborative working with other members.
- 8.3 Framework Agreements can cover goods, works and services although they are particularly suited to new build development activity, maintenance and repair contracts, and stock improvement work. Their use will be considered for these programmes of work where it is considered advantageous to do so.

9.0 Centralised Purchasing

- 9.1 One of the aims of this strategy is to provide information and guidance for colleagues as to what corporate purchasing opportunities are in place so that they can take advantage of the best or most appropriate contracts available to the organisation. These are presented as a schedule of procurement agreements in place throughout the organisation with external consortia such as, but not limited to, Advantage South West and Procurement for Housing. We will communicate clearly with colleagues to ensure that they refer to the corporate procurement agreements when considering any purchases.

10.0 Consulting Stakeholders

- 10.1 Where relevant, the relevant member of SLT will ensure that stakeholder groups are formed relating to the works, goods or services that are to be procured. The stakeholder group will be asked for input into establishing the current situation, Coastline's future requirements, creating the specification and will also play an active role in all the key procurement decisions (proposed acquisition route, tender list, recommendation for award, service level agreements and performance reviews, etc.).

11.0 Market testing & benchmarking

- 11.1 Coastline will undertake market benchmarking where appropriate to seek advice on method, capacity, innovation and to ensure that we are buying competitively. In particular these aspects of competitive procurement are utilised within membership of Advantage

South West procurement Consortium through which all major maintenance elements are purchased.

12.0 Partnering & continuous improvement.

12.1 Coastline acknowledges the importance of partnerships in delivering services and will explore all options that can provide the high quality services required now and in the future.

13.0 Social Value and Impact

13.1 Procurement will play an active role in helping our residents back to work and Coastline currently requests that apprenticeship and job opportunities are considered directly by our suppliers as part of the tender process. Our procurement activities have grown to include the potential for negotiated discounted rates for a variety common goods and services that our residents could benefit from (for example; energy, home contents insurance, mobile telephones, and energy efficient electrical white goods).

13.2 Social Value is an essential part of our procurement processes and an area which we should continue to develop. We are more likely to achieve our goals and customer support if we are clear from the outset what benefits we are trying to secure on their behalf. A large part of social value for Coastline is about creating communities in which people want to live, enjoy and spend their time. Our aims are to create sustainable local areas that cover every need, providing access to all the necessary services and resources, and promoting greater wellbeing and satisfaction.

13.3 As part of our Approved Supplier and Contractor application process we will include questions relating to Modern Slavery and Living Wage Commitment to ensure that all suppliers align payment structures with Living Wage and meet their responsibilities under the Modern Slavery Act 2015.

14.0 Environmental Responsibility and Sustainability Objectives

14.1 Coastline will carry out procurement activities in an environmentally responsible manner by ensuring that the procurement process takes into account environmental sustainability issues where possible to allow Coastline to deliver its Environmental Strategy and comply with all relevant legislation.

14.2 Coastline will reduce the impact of products purchased on the environment by sustainable procurement ensuring that materials are responsibly sourced, have low carbon impact, and adopt a preference for recycled or reused materials where practicable. Products with high Global Warming or Ozone Depleting Potential will be avoided. .

14.3 We will prequalify new suppliers based on sustainable procurement selection criteria in line with Cornwall Council strategies;

- Use local suppliers and contractors wherever possible to minimise the environmental impact associated with transportation and contribute to the local economy;
- Ensure all suppliers, manufacturers and contractors comply with Health and Safety and Environmental legislation;
- Proactively develop relationships with its suppliers to ensure that any adverse impacts are minimised;
- Promote improvements in products, such as the reduction of packaging, through ongoing liaison with suppliers and manufacturers; and

- Evaluate procurement of materials to ensure that over-ordering and wastage is reduced.
- 14.4 Coastline will always promote ethical sourcing during procurement and contract management;
- Undertake ongoing investigation into suppliers and manufacturers and their supply chains to ensure that products and materials are ethically sourced;
 - Not knowingly purchase any products which have used child labour in any stage of the supply chain; and
 - Where products are being sourced from developing countries, the expects suppliers to demonstrate that they are meeting labour standards in line with UN standards, through the Universal Declaration of Human Rights.
- 14.5 We will require that our suppliers and contractors specifically endorse key ethical trading requirements:
- Employment is freely chosen;
 - Working conditions are safe and hygienic;
 - Child labour shall not be used;
 - Working hours are not excessive;
 - No discrimination is practised;
 - Regular employment is provided; and
 - No harsh or inhumane treatment is allowed.
- 14.6 The Living Wage Foundation is a campaigning organisation in the United Kingdom which aims to persuade employers to pay a living wage. Coastline has made a commitment to the Living Wage Foundation and is keen that this ethos is supported by our contractors and suppliers. We will continue to work with partners to better understand the implications of the legal minimum National Living Wage and consider what support can be provided.
- 15.0 Relation to other strategies**
- 15.1 This Strategy supports the delivery of our overall Coastline Plan strategic plan and the strategies supported including the Environmental Strategy, Asset Management Strategy and Development Strategy. The strategic approach taken to procurement is driven by these strategies, as an example our approach to insourcing vs outsourcing.
- 16.0 Feedback, monitoring and evaluation**
- 16.1 The Head of Innovation, Sustainability and Procurement has overall responsibility for the Procurement Strategy with other teams contributing towards the successful implementation of the Strategy objectives.
- 16.2 The Procurement Strategy will be considered every three years, or sooner when significant governmental changes are made, to ensure that Coastline is able to take into account legislative changes and the impact on the Business Planning. Any revisions will be undertaken by the Executive Team, reviewed by the Property and Investment Committee and approved by the Board.