

Building homes,  
independence  
and aspirations



## HOME GROUP SCOTLAND STRATEGY & BUSINESS PLAN – Year 4

### Strategy 2022 to 2027: Building Homes, Independence and Aspirations

#### 1.0 INTRODUCTION

This Business Plan is our core strategic planning document which sets out our business priorities for the next five years. It is approved by our Board each new financial year and should be read alongside the business-wide Home Group Strategy 2022-2027. We review and update this plan annually and this version was approved by our Board in May 2025, marking the end of year four of our five-year strategy.

This Business Plan aims to ensure that we achieve our strategic objectives and the long-term financial health and viability of the organisation. It is primarily an internal document and its purpose is to:

- help us understand our operating environment and place the work we do in context;
- clarify our strategic objectives and priorities and the actions we will take to achieve them;
- provide a framework for action and targets to be achieved and communicated to our staff;
- demonstrate that we have the required resources to deliver these actions;
- help us to identify and mitigate the risks we may face;
- provide a framework for monitoring our progress and measuring our success; and
- provide an overview of our strategy and plans and show the linkages between them.

***Our updated strategy is agreed, but the world we work in is subject to significant change.***

#### 2.0 OUR STRATEGY IN SCOTLAND

Our mission, our customers and our Customer Promise continue to be at the heart of everything Home Group does and stands for. Our Customer Promise sets out our commitment to making their lives better and easier.

As a devolved nation, Scotland is distinctive in its strategic and operating landscape. This Business Plan and Strategy covers the five years from April 2022 to March 2027, with a longer term outlook to 2040 and beyond. Our strategy contributes to policy drivers in Scotland, as set out in *Housing to 2040* and other key strategies including Scotland's 2025 *Climate Change Action Plan* and 2025 *Child Poverty Strategy*.

With a growing emphasis on the well-being of people and communities, building safety and sustainability, we set out how we will work in partnership with others to address the issues our customers (who include some of the most vulnerable members of society) face now and will face in the longer term. The strategy is informed by customers, and we will be working with customers on how best to deliver our priorities.

As of March 2025, we housed over 10,000 customers in over 4,800 homes across six local authority areas in Scotland (Dumfries & Galloway, Dundee, Edinburgh, Fife, Glasgow and West Lothian). We also managed over 700 factored properties in Scotland.

The Home Group strategy sets out the overall strategic direction for the organisation. This Business Plan and Strategy for Scotland aligns with the Home Group strategy, but has particular areas of focus relevant to customers and the distinctive landscape in Scotland.

Home Group Scotland delivers the Home Group Strategy through an annual Operational Delivery Plan approved by the Home Group Scotland and Home Group Boards.

Home Group Scotland will work alongside our local authority partners, the Scottish Government and other stakeholders to achieve our group-wide strategic goals.

### 3.0 MISSION STATEMENT, STRATEGIC GOALS AND VALUES

Our mission sits front and centre in our strategy: *Building Homes, Independence and Aspirations*. This mission is retained from our previous Home Group strategy (2016 to 2022). Our Customer Promise informs and underpins our strategy. The Promise was co-created with customers during 2019.

Our values have long been with us as an organisation and are a fundamental part of our culture. Our Mission, Customer Promise and values should be viewed as constants, representing how the strategy is about evolution, not revolution. They are set out in the image below:



Image 1: the constants of the Home Group Scotland strategy

Our strategic goals in Scotland represent a progression from our previous group strategy. They build in lessons learnt and reflection along the way, in response to external trends, policy and challenges and, critically, the views of our customers and our colleagues. They are as follows:

- **Delivering for our Customers and Communities**
- **Providing the Right Homes in the Right Places**
- **Creating a vibrant customer-focused organisation**

Home Group has an additional goal focused on the model of care and support. We do not currently have a care offer in Scotland therefore this goal is not relevant in 2025. .

## 4.0 BACKGROUND AND OPERATING ENVIRONMENT

For nearly 25 years, Home Group has proudly operated and invested in Scotland. We have a strong presence in Dundee, Glasgow and Edinburgh. We also have properties in Dumfries and Galloway, Fife and West Lothian. Our vision to provide more homes for Scotland continues. We own and/or manage over 5,500 homes and employ locally-based colleagues who understand the issues and nuances across our communities. Our plan is to invest further and develop new homes over a five-year period, demonstrating our long-term commitment to Scotland.

The 'cost of living crisis' refers to the fall in 'real' disposable incomes (that is, adjusted for inflation and after taxes and benefits) that the UK has experienced since late 2021. Rates of inflation reduced in 2024/25 but costs of key commodities have not returned to pre pandemic levels. Overall, the worst-affected households are those on low incomes with higher-than-average energy bills (for example if they have a large family or spend more time at home).

The pandemic and the cost of living crisis highlighted the vital need for affordable, safe and easy to heat homes. The Scottish and UK Governments and sector experts have acknowledged the pivotal role that the social housing sector will play in sustaining economic growth.

The 2025 Scottish Programme for Government was launched in May and identified four priorities: eradicating child poverty; growing the economy; tackling the climate emergency; delivering high quality and sustainable public services.

As a developer of affordable homes and a landlord in both the social and private sectors, Home Group Scotland has an important role to play in supporting both local and national governments to combat homelessness, increase the supply of high-quality affordable homes (reducing child poverty) and contribute to climate change priorities. We are working to deliver against a series of policy drivers in Scotland, as set out in *Housing to 2040*. Examples of how Home Group Scotland contributes to these national objectives are set out below.

**Homelessness and Equalities:** The Scottish Government's Homelessness Prevention Strategy Group has established a number of task and finish groups. The first of these has been set up to look at Prevention, following the recent consultation on Duties for Public Bodies to Ask and Act to Prevent Homelessness. The Scottish Government has included Ask and Act to Prevent Homelessness proposals in the Housing Bill, published in April 2024. This will include a duty on local authorities to act earlier to prevent homelessness. As a Registered Social Landlord in Scotland, this will have implications for practice. We have submitted a funding bid to the SFHA's homelessness prevention fund in May 2025 to provide tenancy support services to our customers in partnership with third sector agencies. We are committed to ensuring equality of access to housing for groups with protected characteristics. We work with specialist support agencies to provide routes into affordable housing for groups such as care leavers, refugees and survivors of domestic abuse.

**Independent Living:** Our homes must be flexible enough to enable customers to remain in their homes throughout their lives, including after life changing events. In addition, Home

Group's mission includes our commitment to 'building independence' of customers. This fits with the Scottish Government's expectation that homes must enable people with long-term conditions and disabilities to live independently. In autumn 2023, Home Group Scotland responded to the Scottish Government consultation on *Enhancing the accessibility, adaptability, and usability of Scotland's homes*, which is intended to replace the existing Housing for Varying Needs guidance. Government was expected to respond to the consultation by autumn 2024 but this has not yet been published. There was a significant cut in funding for aids and adaptations in 2024/25 but this has been reversed in 2025/26. Our funding allocation for 2025/26 has trebled and we have started working to complete a backlog of aids and adaptations needed to keep customers safe in their homes.

**New supply and Communities and Places:** The Scottish Government has set out ambitious targets for the new supply of affordable homes (110,000 affordable homes by 2032, at least 70% of which should be for social rent). These homes must be digitally enabled (ensuring 'no one is left behind'), and development should be focused on brownfield land where possible. New supply must adhere to the Place Principle, with an emphasis on community building and 20-minute neighbourhoods. Our strategy places a strong focus on communities and providing the right homes in the right places. The Government announced additional funding for new homes in 2024/25 and 2025/26 and Home Group Scotland benefitted from this and exceeded our target for completion of new homes in 2024/25. We are exploring different models to continue to deliver new homes in Scotland including shared ownership and institutional investment. This Business Plan assumes that Home Group Scotland will deliver five hundred new homes over the next five years.

**Rents and Affordability:** The new draft Housing Bill, which was informed by 'The New Deal for Tenants: Draft Rented Sector Strategy' was published in April 2024. The Scottish Government published their proposals for exemptions from private sector rent controls in April 2025. Home Group Scotland has engaged extensively on this issue and we are pleased to see a consultation to exclude Mid Market Rent homes from the rent controls. In relation to our socially rented homes, we are keen to contribute to a shared understanding of affordability. Home Group Scotland is the only landlord which is a member of the Scottish Government Affordability Working Group. The work of the group is coming to an end and we expect the final report to be published in 2025. We assess our rents for affordability for both existing homes and new supply. Home Group has been successful in 2024/25 with applications to HACT for fuel bill support and supplemented this with funding from our own Home Group Fund for white goods and food vouchers and our Scotland-specific cost-of-living support for households in rent arrears.

**Climate Change and Housing Standard:** The Scottish Government has proposed a new social housing net zero standard that focuses on fabric first improvements. This would replace the EESSH2 (the Energy Efficiency Standards for Social Housing 2). Home Group Scotland responded to the consultation in 2024 but details of the new standards and deadlines have not yet been published by the Scottish Government. This Business Plan sets aside sufficient resources to achieve the previous EESSH2 standards, in the absence of any other target from the Scottish Government.

Net Zero is a theme that cuts across the whole of our own strategy, from both the physical adaptations/investment needed, through to supporting our customers currently in fuel poverty. We are currently on site progressing our first retrofit project in Dundee, installing fabric improvements, solar panels and carbon free heating to 14 flatted homes.

## 5.0 KEY GOALS

Our key deliverables for 2025/26 are set out in our Operational Delivery Plan at Appendix A.

A summary of key projects is provided in the sections below.

### A. Delivering for our Customers and Communities

*Growing sustainable communities through meaningful impact.*

Our customers have told us they want us to focus on getting the basics right. This is a key priority identified by the Home Group Scotland Board. We will continue **to ensure our customers are safe, that their homes are well-maintained** and meet their needs. The new Scotland Team in our Customer Service Centre will support delivery of this strategy. We will deliver our Customer Promise and understand customers' aspirations better, recognising that these can change over time.

We will further invest in our **financial inclusion and fuel poverty work**, recognising the positive impact this has already had for our customers and on reducing arrears. Tenancy sustainment has long been recognised as a priority by the Home Group Scotland Board.

We will have a **best-in-class approach to anti-social behaviour**, with a strong emphasis on partnership working. This means being more proactive and active – both in prevention and in addressing the consequences.

As a Registered Social Landlord in Scotland, we are committed to working in partnership on ending homelessness and eradicating rough sleeping. We increased our allocation of homes to homeless households by one third in 2024/25 and have set an even more ambitious target for 2025/26. Our approach includes partnering with local authorities on exercising their homelessness prevention duty in forthcoming legislation. We have also engaged with the local authorities we operate within which have declared housing emergencies.

We will **strengthen the voice of customers** from all tenures and have created a new Community Connector role to support this. We will work closely with customers to increasing diversity of participation. Engagement will be more organic and dynamic, recognising that in order to engage as many customers as possible, we need to be much more flexible and bottom-up in our approach.

Where we have local communities facing challenges, we will work with other RSLs, customers, local authorities, and wider stakeholders - including partners from the third sector, charities, and voluntary organisations - to **develop and deliver mixed tenure local Community Plans** adding value and maximising social impact. We will actively seek out external funding to support delivery of community projects and initiatives emanating from the community plans. Our Community Connector post will also support this activity.

We will continually improve and invest in our maintenance service. Building upon the contracts and partnerships we have in place already, we will monitor Key Performance Indicators and manage contractors to drive improvements to the entire customer journey,



especially in the areas we know are important to customers, such as making and keeping appointments and getting it 'right first time'. As our key maintenance contract will come to an end in 2027, a key priority for the coming year will be to consider the most appropriate model to deliver high-quality, cost-effective maintenance services in the future.

We will start collecting quarterly customer satisfaction data from April 2025 which will be reported to our Home Group Scotland Board. This will allow us to understand and respond to changing customer perceptions outside of the three yearly formal customer satisfaction survey process.

## B Providing the Right Homes in the Right Places

*Affordable and sustainable homes, co-designed with customers.*

Net Zero targets for Scotland are more ambitious than for the UK generally. All new homes in Scotland are to be Net Zero by 2026, and significant investment is required to adapt and retrofit existing homes to decarbonise and increase energy efficiency.

In the absence of Net Zero targets from the Scottish Government, this Business Plan sets sufficient resources aside to meet the previous target of EPC B by 2032.

We understand the importance of doing things more sustainably and will take a lead on rolling out fabric first thermal efficiency before changing heating systems, albeit we expect a mix of approaches across the estate. In developing a more sustainable approach we will work in partnership with customers. As new tried and tested technologies emerge, we will work with partners to ensure we implement proven, easy to use, sustainable, and affordable heating solutions for our customers with established maintenance systems and support in place. We have applied for further funding in the May 2025 wave of the Scottish Government's Social Housing Net Zero Fund to deliver fabric improvements to traditional family housing in Dumfries and Galloway.

We will build mixed tenure homes predominantly for social rent, but also for mid-market rent where we are able to do so, to ensure increased choice of affordable homes for key workers.

We understand the importance of increasing affordable housing in Scotland and will therefore engage with stakeholders to explore different delivery and management models including cross subsidy from open market sales, shared ownership and institutional investment. We will actively engage in discussions following the publication of the Government's Housing Investment Taskforce in 2025.

Following the publication of the draft new Housing Bill in Scotland, we will ensure our activity contributes to this. Within our strategy, we are committed to ensuring that the homes we develop, regardless of tenure, are 'affordable' to existing and new customers.

New homes investment will focus primarily on where we have existing concentrations of stock and infrastructure to deliver services to customers. We will focus on Glasgow and Edinburgh city regions and Dundee.

The Scottish Government's National Planning Framework 4 (NPF4), the national spatial strategy for Scotland, was adopted in February 2023. It requires future places to support local liveability to improve community health and wellbeing by ensuring people can easily access services, greenspace, learning, work and leisure locally. It states projects returning former industrial or derelict sites to community use will be more likely to be approved. It specifies a preference for the regeneration of city and town centres to help them adapt to economic change. These principles will be considered as part of Home Group Scotland's investment and development plans.

The Home Group archetype will be semi-detached, detached and terraced homes. We will ensure we tailor archetypes to local needs in particular areas and communities, e.g. city centres. In certain circumstances and where there is demonstrable demand, low rise flatted developments may be appropriate. Our homes must be flexible enough to enable customers to remain in their homes throughout their lives, including after life changing events. This fits with the Scottish Government's expectation that homes must enable people with long-term conditions and disabilities to live independently.

Our development will focus on brownfield land, where possible. Our commitment to communities will work in tandem with the Place Principle, and will contribute to the development of 20-minute neighbourhoods. We will celebrate the heritage and positive cultural aspects of existing places and promote equality, diversity and social cohesion with tenure blind design which creates thriving mixed, and multi-generational communities. Examples of this include our development at The Meat Market in Glasgow and the regeneration of Mill-O-Mains in Dundee.

Although not yet law in Scotland, Awaab's Law improvements for the management of damp and mould will be rolled out for Home Group Scotland customers in Autumn 2025.

A key priority for 2025/26 will be developing an Asset Management Strategy/Plan for Scotland. This will set out how we will appraise asset performance and take action to address poorly performing properties and ensure we have the Right Homes in the Right Places. This Plan will build on early successes achieved in 2024/25 bringing empty properties back into use and developing plans to rationalise properties in mixed tenure blocks.

### C. Creating a vibrant, customer-focused organisation

We will place a strong emphasis on 'growing our own' colleague base rather than recruiting externally. This will build on our current 'Brilliant People' ethos. We will invest in recruiting customers and apprentices from our communities in Scotland, enabling them to grow and flow through the organisation. This will ensure fairness and a growth in reputation as an employer of choice.

We will shift away from traditional organisational structures where the only way to progress is through managing other people. There will be a balance of technical specialists and those who are great people managers. A full understanding of skills gaps is required to understand development needs and where we need to source expertise.

Our 'Grow our Own' programme will focus on internal recruitment and development planning for all colleagues to maximise the talent we have and enhance career opportunities.



Colleagues will be more open to collaboration and partnership working to improve our delivery and to address shared challenges. We will also improve colleagues' networking skills and be known widely as an organisation to do business with at all levels.

We want to be an exemplar in all aspects of Equality, Diversity and Inclusion (EDI), recognising, for example, that we need to make more progress in representation and support for disabled colleagues and customers.

In 2024/25 we clarified that we should be known as Home Group Scotland and rolled out customer communication and new branding. This will be consolidated with a legal name change at a Special General Meeting planned for September 2025.

We will have a clear digital first (not digital only) culture and we'll ensure that this will be inclusive and tailored for accessibility purposes and varying customer needs. Customer experience using digital should be easy and seamless. Colleagues should be able to do everything they need from a hand-held device, including accessing all our systems and accurate data.

Digital interactions in Scotland continue to grow, with 3036 customers now signed up to a MyHome account, representing 45% of our customers and a significant increase since the start of this business plan. We launched a new Home Group Scotland section of our website in 2024/25 and will continue to develop this during 2025/26. This contains key organisational information and practical support for customers, such as explaining how to access our housing in different locations and the service offer customers can expect. Scotland was also the first region to launch digital sign-up (customers can digitally sign their tenancy agreement) with increasing numbers of customers now signing up via this channel.

For colleagues, the key improvement project is rolling out Salesforce across the business. In 2024/25 Scotland has been the best performing region in terms of Salesforce adoption and we look forward to rolling out future phases.

## 6.0 FINANCIAL SUMMARY

The key assumptions underpinning our five year financial plan (5YFP) and 30-year forecasts were set out in detail to our Home Group Scotland Board in May 2025. A summary of our forecast financial performance over the next five years is shown below.

Income & expenditure account £m	2025	2026	2027	2028	2029	2030	5 Year Total
Total turnover	31.9	33.4	35.1	37.1	38.9	40.4	185.0
Total operating costs	(16.3)	(17.5)	(18.5)	(20.0)	(21.6)	(22.4)	(100.0)
<b>Operating surplus</b>	<b>15.6</b>	<b>15.9</b>	<b>16.6</b>	<b>17.2</b>	<b>17.4</b>	<b>18.0</b>	<b>85.0</b>
Existing property sales surplus	0.1	0.2	0.1	0.1	0.1	0.1	0.5
<b>EBITDA</b>	<b>15.7</b>	<b>16.0</b>	<b>16.6</b>	<b>17.2</b>	<b>17.5</b>	<b>18.1</b>	<b>85.5</b>
Depreciation & amortisation	(5.3)	(6.0)	(6.5)	(6.8)	(7.2)	(7.3)	(33.8)
Interest	(4.9)	(5.2)	(4.8)	(6.1)	(6.9)	(7.8)	(30.9)
<b>Surplus before tax</b>	<b>5.5</b>	<b>4.8</b>	<b>5.3</b>	<b>4.4</b>	<b>3.4</b>	<b>3.0</b>	<b>20.8</b>

2024 5YFP SBT	4.4	3.7	4.5	4.2	3.7	2.8	19.0
Variance to 2024 5YFP	1.1	1.0	0.8	0.2	(0.4)	0.2	1.8

The 5YFP delivers a similar level of surplus before tax to the previous year's plan. However, as a result of peaks and troughs in development spend leading to liquidity pressures at certain points in the plan, net development spend is reduced by £22.2m compared to the previous year's 5YFP. This drives a slightly reduced growth in EBITDA across the plan period from new handovers, however this is more than offset by a reduction in interest costs from lower borrowing requirements.

In developing the financial forecasts, we have included £84.9m of investment in existing homes over the period of the 5YFP to ensure homes are safe, maintained to a good standard and improved to deliver more energy efficient homes for our customers to live in.

Investment - £m	5 Year Financial Plan			30 Year Forecast		
	Current year	Prior year	Movement	Current year	Prior year	Movement
Current values before inflation:						
Investment in existing homes - capital	34.0	28.2	5.8	230.4	219.9	10.6
Investment in existing homes - revenue	50.9	46.0	4.9	364.4	318.7	45.8
Inflated values in forecast:						
Investment in existing homes - capital	36.4	30.2	6.2	330.7	318.0	12.7
Investment in existing homes - revenue	54.9	49.0	5.9	521.5	453.9	67.6

## 7.0 BENCHMARKING

We benchmark using Annual Return of the Charter (ARC) data, comparing our outcomes with that of our peer group and the overall Scotland averages. We have developed our own peer group of 12 other Registered Social Landlords of either a similar size or within the same local authority area.

We rate each indicator red, amber, or green, as can be seen in the table below. In addition, we identify those indicators in the bottom quartile where improvement is required. For these indicators, we develop a plan and include actions in our Operational Plan. The reporting on outcomes and progress of the Operational Plan is shared with the Home Group Scotland Board every six months

As we assess new property developments, we use the rent affordability tool developed by the Scottish Federation of Housing Associations (SFHA) and HouseMark to test affordability, based on assumed household sizes and income and our competitiveness against other local social housing providers.

The table below sets out key benchmarked performance results from 2023/24, the latest data available.

Measure	Our Score	RSL Average	Difference	Performance
Overall satisfaction	77%	88%	11%	
Average emergency response times	1.9 hours	3.6 hours	1.7 hours	
% tenants satisfied with quality of the home	86%	85%	1%	
Tenants satisfied that their rent is good value for money	75%	82%	7%	
Complaints received per 100 homes	7.4	8.6	1.2	
Percentage satisfied with repairs service	75%	87%	12%	
Average days to complete approved adaptations	23 days	47 days	24 days	
Average weekly rent	£110.26	£99.71	£10.55	
Average rent increase applied in 2024/25	7.7%	6%	1.7%	

The regulator also publishes summaries of the Annual Financial Statements for each Social Landlord and - as with ARC - we benchmark against Peer Group and Scotland averages.

## 8.0 VALUE FOR MONEY (VfM)

It has never been more important to ensure that we are providing and receiving value for money. It is crucial that the services we provide are as good as they can be to ensure that every pound spent by our customers and ourselves can be accounted for and has added value. We will focus on new strategies and good practice for reviewing services on a value for money basis, looking at where we spend money, how much we spend and whether we can make efficiencies across our business on the delivery of services.

Rental income from our customers is our main source of income and it must be sufficient to meet all our costs including operational overheads, investment in our stock, and repayment of our private loans.

Our rent and service charge levels are reviewed annually. We keep our rents as low as practically possible, whilst maintaining services and investment in current and existing homes. We consult with our customers on rent increases each year before our Board make a final decision. Our rent assumption for medium and long term financial planning is the Consumer Price Index (CPI) + 1%. In response to exceptional inflation in 2022-2023, we

deviated from this approach in 2023/24, with an increase that was considerably lower than CPI. We returned to CPI+1% for 2024/25 with an increase of 7.7%. In March 2025 we again increased our rents by CPI + 1% (2.7%).

Our Board consider our rent affordability using the SFHA affordability assessment annually. We have increased our support for customers through our financial inclusion offer and our approach to customers in arrears is much more focused on ensuring tenancy sustainment.

In 2024, we worked with our Viewpoint team to select key performance indicators to include in a Value for Money Statement in the annual Charter Performance Report. Also in consultation with the Viewpoint team, we included greater analysis on VfM and cash flow in our rent consultation newsletter using accessible interactive technology. This year we changed our approach to rent consultation and significantly increased the number of customers responding.

We also recognise the increasing importance of Environmental, Social and Governance (ESG) to our funders and other stakeholders. This Business Plan demonstrates our commitment to being an even more sustainable business in the future. Home Group is an early adopter of the Sustainability Reporting Standard (SRS) for Social Housing and we published our first group-wide report under this standard in 2021 and first Scotland report in 2023. This provided an opportunity to report on our environmental and social impact and how we are governed, and was very well received by stakeholders. We plan to publish our third Scotland report under SRS in 2025.

## 9.0 GOVERNANCE AND RISK

As a subsidiary, the Home Group Scotland Board has a responsibility to influence Home Group strategy for Scotland. As the governing body of a Scottish RSL, the Home Group Scotland Board is responsible for setting the strategic direction and agreeing the business plan for Home Group Scotland. Our Chair is a member of the Home Group Board and we have representatives from the Home Group Scotland Board on our Audit, Health & Safety and Governance and People Committees. We introduced a new approach to conducting board meetings in 2023. This resulted in an increase in the number of meetings as well as a new hybrid meeting format. At least three meetings a year are dedicated to an in depth review of one of our strategic objectives and are held in person in different areas of our operation. The Board set the strategic direction for Home Group Scotland and had a deep involvement in shaping and review of this strategy for Scotland.

Our strategic performance indicator targets for 2025/26, our 2025/26 operational delivery plan and the 2025/26 budget were approved by the Home Group Scotland Board in March 2025,

Together, these three documents set the framework for how Home Group Scotland Board oversees performance and compliance of Home Group Scotland against customer expectations, regulatory requirements and Home Group strategy throughout 2025/26.

Performance against key targets and the budget is reported to Home Group Scotland Board quarterly. Performance against the Operational Delivery Plan is reported every six months.

In 2025, we are working with Altair to complete a review of Home Group Scotland Board effectiveness and we will capture the subsequent recommendations in the 2025/26

Governance Effectiveness Plan, with progress reported to the Home Group Scotland Board every six months.

A new approach to the Board assuring themselves of compliance with the Regulatory Framework was introduced in 2024/25. A working group of Home Group Scotland Board members will meet to consider assurance with key elements of the Regulatory Framework in July 2025 and customers were involved through Viewpoint in a workshop in January 2025. Home Group Scotland Board considered revisions to the HGS Rules in March 2025. The purpose of the changes are to streamline processes around shareholding members and appointment of Board members, plus increasing borrowing limits to reflect future requirements. These changes are due to be approved at a Special General Meeting in September 2025.

Our current Chair's term of office will end in 2026 and succession planning is underway.

## STRATEGIC RISKS

Our strategy is ambitious and our strategic risk register identifies associated risks, as well as the controls and actions we have in place to mitigate these.

Risk management is well embedded throughout the Group. Risks are identified, evaluated, monitored and reported in line with our Risk Management Framework which is reviewed and approved by Home Group Board and Audit Committee every 2 years. The existing Risk Management Framework was approved in March 2022 and we will be working with external consultants during 2025/26 to consider our approach to risk strategy and management across Home Group and this scope will include consideration of how to effectively oversee Scotland-specific risks.

Our financial forecasts are subject to rigorous stress testing against several scenarios, including a 'perfect storm' to break the business. The scenarios are agreed with the Home Group Scotland Board, and our stress testing is applied to our Five Year Financial Plan with the results reported to our Board in May 2025.

The majority of strategic risks affecting Home Group Scotland are applicable across the Group and are therefore considered and reported via the Audit Committee at Group level. Strategic risks unique to Scotland are reported to Home Group Scotland Board and are summarised below.

### *Grant funding reduced or withdrawn in Scotland*

This recognises that Home Group Scotland is dependent on grant funding to develop new homes, deliver adaptations to existing homes, and from time to time to provide additional support to customers. Controls around this risk include horizon scanning and pre-empting funding changes, together with influencing Scottish Government policy, both individually and working with sector bodies.

### *Inability to repay loans*

This recognises that we need to maintain strong cash and profitability metrics to achieve our strategy. Stress testing and liquidity modelling is performed for Home Group Scotland to ensure it operates within available financial capacity and covenants.

## *Non-compliance with the Scottish Housing Regulator's and other regulatory bodies' standards and frameworks*

This risks includes actions and controls relating to compliance monitoring and reporting leading up to the annual statement of assurance each year. Failure to manage this risk may lead to regulatory action and difficulty in obtaining funding.

Home Group has a comprehensive internal audit programme. Home Group Scotland Board has the opportunity to feed into the Internal Audit Programme on an annual basis and the outcome of relevant audits are reported to the Home Group Scotland Board every six months. Detailed consideration of Internal Audit reports and oversight of resultant actions is discharged by the Audit Committee on behalf of Home Group Scotland.

The formal internal audit programme is supplemented by a programme of compliance deep dives delivered by the Regulatory Compliance Team at Home Group. Home Group Scotland activities are included in this programme. Programme development and progress is overseen by the internal Regulatory Compliance Group.

## 10. OUR CUSTOMERS' VOICE

Central to achieving our mission is delivery of our Customer Promise, as well as customer involvement and co-creation of products and services – placing customer experience at the forefront of design. We launched our new Customer Promise in 2019. This was developed with customers and colleagues. The Customer Promise includes the following elements:

- A safe place to live
- A reliable repairs service
- People who care about you
- Helping communities grow
- Telling you where your money goes
- Working together with customers and partners

The Customer Promise is complementary to our work in delivering on the Scottish Social Housing Charter outcomes. We have consulted with customers in Scotland to ensure that the Promise reflects their expectations of the service we deliver.

We have a Scotland-specific Customer Involvement Strategy refreshed in 2024. Our Viewpoint team develops and agrees the involvement priorities each year and we work with these customers to monitor progress and outcomes throughout the year. Our strategy delivers a range of customer involvement activities which includes our customer scrutiny of services through our Customer Promise Assessment.

In 2025/26 we will create a new post of Community Connector who will lead on engaging with a more diverse range of customers, using non-traditional methods such as digital-first communication and community events.

Our three-yearly customer satisfaction survey was concluded in late 2023 and reported to colleagues and the Home Group Scotland board in early 2024. A customer experience action plan was developed for 2024/25 and progress was reported to our Board in February



2025. In 2025/26 actions to improve customer experience have been incorporated into the Operational Delivery Plan.

We will start collecting quarterly customer satisfaction data from April 2025 which will be reported to our Board. This will allow us to understand and respond to changing customer perceptions, outside of the three yearly formal customer satisfaction survey process.

The Home Group Scotland Board hears customers' voices through a range of reporting and interactions including:

- Attending site visits and estate walkabouts with customers;
- Receiving reports on customer survey outcomes.
- Considering customer feedback on key issues, such as Regulatory Assurance and the annual rent consultation.

### Related Documents

- i. 5 YFP assumptions & Board reports
- ii. Operational Plan 2025/2026
- iii. Strategic Key Performance Indicator Targets for 2025/26
- iv. Customer Involvement Strategy 2024-2027
- v. Home Group and Home Group Scotland Risk Registers
- vi. Internal audit and deep dive programme