Caledonia HOUSING GROUP

Business Plan 2026 - 2031

Shaping the Future

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About Caledonia Housing Group

Shaping the Future - Executive Summary

Our new Business Plan sets out a clear and ambitious direction for how we will deliver for our current and future tenants. *Shaping the Future* outlines our mission, our long-term vision, and the strategic priorities that will guide our organisation over the coming years.

We operate in a challenging environment. The social housing sector continues to be shaped by a difficult macro-economic climate: demand for affordable homes across the country is a priority, our existing housing stock requires sustained investment to meet modern expectations and strengthen energy efficiency, and rising costs continue to affect our tenants. At the same time, national policy priorities, including the Scottish Government's commitment to multi-year funding to support the delivery of new social homes and its focus on tackling child poverty, provide both opportunity and direction for the sector. Against this backdrop, our role and purpose have never been more important.

Shaping the Future sets out how we will respond to these challenges. We will continue to grow sustainably and deliver local services which have a significant and lasting impact, supporting the communities where we operate and improving lives – today and tomorrow.

Our strategic priorities over the next few years focus on **strengthening our services** to enhance the tenant experience, **building partnerships with purpose** that enable us to deliver new homes and community-focused services, and utilising our size, scale and expertise to **grow our impact and influence** in support of national and local priorities, to make a meaningful contribution to the social housing sector.

Our performance and delivery have been externally recognised, including Caledonia winning Housing Association of the Year at the 2025 Scottish Home Awards, alongside a national award for community contribution - reflecting our commitment to strong governance, service excellence and positive social impact.

We will continue to invest in our services to ensure they are reliable, responsive and easy to access. Improving the reactive repairs service is a central focus, alongside strengthening our approach to tenant engagement to ensure tenant voices are embedded in decision-making.

Our approach to asset management will direct investment where it will have the greatest impact. This includes modernising and future-proofing existing homes and improving energy efficiency. We will also deliver an ambitious new build programme to increase the supply of high-quality, affordable housing.

We will modernise our IT and digital infrastructure to reflect rapid advancement in technology and to support more efficient working, strengthen capacity and deliver improved services for tenants. Alongside this, we are committed to investing in our people, ensuring we have the skills, capacity and culture needed to deliver on our ambitions and provide the *"homes and communities that make lives better"*.

Who We Are – Our Purpose and Role

Caledonia Housing Group exists to provide more than housing. As a registered charity operating across eight local authority areas, our purpose is to create safe, affordable homes and strong, sustainable communities where people can lead secure and fulfilling lives.

The Group comprises Caledonia Housing Association and our subsidiary organisation, Cordale Housing Association. Our Group structure enables us to combine local knowledge and community-focused delivery with the strength, resilience and assurance of a large, responsibly managed organisation.

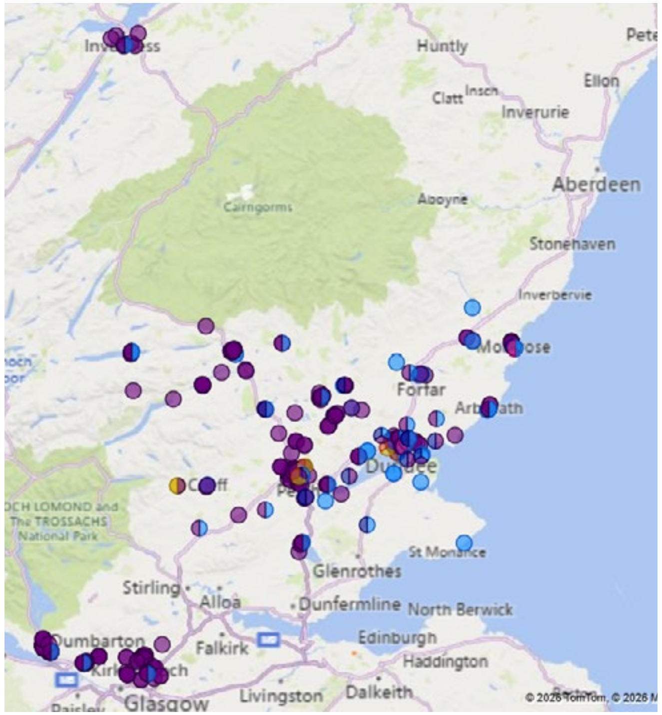
Together, we are financially strong, well governed and committed to investing to improve homes, services and neighbourhoods, and increasing the supply of much-needed affordable housing.

We own 5747 homes and provide factoring services to 2280 customers, supporting thousands of people across Scotland.

In recent years we have continued to grow and increase the supply of affordable housing. Our homes are organised into Neighbourhood Hubs, which enable our teams to work closely with local communities - listening to tenants, understanding local priorities and responding at a neighbourhood level.

Our size and scale provide resilience in a challenging operating environment, enabling us to remain locally focused, responsive and closely connected to the people and communities we support.

Through *Shaping the Future*, our objectives are centred on enhancing the customer experience and services, working with partners that align with our goals to realise positive outcomes and impact for our tenants and communities. Challenging what we do and how we do it to effect change. We will continue to grow sustainably, strengthening the organisation while staying close to our communities.



Vision, Mission and Guiding Principles

Our vision, mission and guiding principles set out why we exist, what we aim to achieve, and how we will work with tenants, communities and partners to deliver *Shaping the Future*.

Our vision

Homes and Communities that make lives better

Our mission

Quality housing, responsive services, sustainable communities

Quality Housing

Investing in existing homes and building new homes that are high quality, energy efficient and affordable.

Responsive Services

Placing the tenant voice at the centre of decision-making, using feedback and insight to shape the services and support we provide.

Sustainable Communities

Developing neighbourhoods that can flourish - socially, economically, and environmentally – now and in the future.

Our vision and mission are underpinned by a commitment to equality, diversity, inclusion and human rights. Access to a safe, warm and affordable home is a fundamental human right, and is integral to *Shaping our Future*. We are committed to ensuring our homes, services and community partnerships reduce inequality, build strong foundations, and deliver long term benefits for tenants and communities.

Our vision

Homes and Communities that make lives better

Strengthening our Services

Building Strategic Partnerships with Purpose

Grow our Impact and Influence

Our mission

Quality Housing • Responsive Services • Sustainable Communities

Guiding Principles

Keep it Simple

Provide clear, accessible and straightforward services by simplifying processes to remove unnecessary steps

Keep it Personal

Provide person-centred solutions by offering choice in how people contact us and access services.

Make it Right

Trust our staff to make decisions, take ownership and focus on achieving the right outcome for customers

Our Group Operating Model

References to "the Group" mean Caledonia Housing Group, comprising Caledonia Housing Association and its subsidiary, Cordale Housing Association.

Our operating model brings together shared governance, strategy and resources with locally informed, community-focused delivery through Neighbourhood Hubs. This approach ensures consistent standards and value for money, while responding to the differing needs of tenants and communities across our locations.

Housing Group in Numbers

History

Caledonia Housing Association established 2011

Cordale Housing Association established 1993

Group structure formed: Cordale joined Caledonia Housing Group 2014

Homes and services

128 new build homes completed in 2025/26

At least 500 new homes planned in next 5 years

5241 properties for rent - Caledonia

506 properties for rent - Cordale

2280 factored properties

87.3% overall tenant satisfaction

Place and reach

Providing homes and services across 8 local authority areas

Neighbourhood-based services delivered through 24 local hubs

40+ community grants issued during 2024/25

Climate

15% reduction in operational carbon emissions since 2019/20

Finance

Cordale turnover for 2025/26 - £3,955,594

Caledonia turnover for 2025/26 - £38,078,003

People and organisational strength

193 staff employed across the group

2-star Best Companies accreditation (Top 10 in Scotland and UK housing associations)

1:1 ratio of Mental Health First Aiders to staff

Winner of Housing Association of the Year and Community Contribution awards at the 2025 Scottish Housing Awards

Governance

10 Caledonia Management Board members

11 Committee members at Cordale Housing Association

Member of 6 Common Housing Registers

Understanding our Operating Environment

Understanding our Operating Environment

The world we live in is changing rapidly, and these shifts have helped shape the focus and priorities of this business plan. Increasing demand for affordable homes, rising costs, demographic change and climate commitments all influence the decisions we must take.

The operating environment is also influenced by political uncertainty, including forthcoming parliamentary elections and wider geopolitical factors, which may influence policy direction, funding arrangements and delivery priorities across the housing sector.

Shaping the Future recognises the need for long-term adaptability to continue to deliver our mission, meet the broad and diverse needs of tenants and support the policy objectives of the Scottish Government and our Local Authority partners.

Meeting the Growing Demand for Affordable Homes

The demand for quality and affordable homes has never been greater. Housing emergencies have been declared by local authorities across the country.

In response, we will work collaboratively – developing the partnerships needed to build new homes – to increase the supply of high quality, affordable housing, and play a leading role tackling homelessness and reducing child poverty.

Managing Rising Costs and Investment Pressures

The costs of construction, repairs and maintenance materials have risen significantly higher than general inflation in recent years. At the same time, the need for new affordable homes remains high, while an ageing housing stock requires ongoing, targeted investment to remain fit-for-purpose and to improve energy efficiency.

Responding effectively will require a coordinated combination of strategic, operational and financial measures to manage cost pressures, maximise investment and continue to keep rents affordable.

Emerging Technology Driving Change

Technological advancement will continue to reshape how housing associations operate, presenting both opportunities and challenges.

Realising opportunities and mitigating risks requires investment in IT and digital systems, cyber security, and staff skills, alongside a strong focus on digital inclusion so that no tenant is left behind.

Continuous improvement and innovation will support our ability to adapt to changing tenant needs, strengthen operational excellence and deliver reliable, efficient and future-ready services.

Meeting the Growing Demand for Affordable Homes

Managing Rising Costs and Investment Pressures

Adapting Homes and Services for an Ageing Population

Supporting Tenants Beyond Housing

Collaboration that Delivers More

Emerging technology driving change

Shaping the Future - Homes and Communities that make lives better

Supporting Tenants Beyond Housing

We recognise that sustaining a tenancy is influenced by far more than the quality of a home but also requires responsive services with targeted support. In a challenging economic environment, tenants may face financial pressures, health and wellbeing challenges, digital exclusion and barriers to community connection.

Our approach also aligns with the Scottish Government's Housing Emergency Action Plan, particularly in our commitment to partnership working, homelessness prevention and providing wider support that helps tenants sustain their tenancies and improve wellbeing.

Through tailored, preventative and partnership-based support, we will support tenants to remain secure in their tenancies, improve wellbeing and achieve better outcomes for themselves and their communities.

Collaboration that Delivers More

Collaboration is increasingly essential in an environment where resources are constrained and expectations continue to grow.

Through partnerships both locally and nationally, across the housing sector and beyond - we can pool expertise, increase capacity, share risk and deliver better value.

By working together, we can maximise our impact, improving outcomes for tenants through increasing the supply of new housing, enhancing and expanding services, and strengthening communities.

Adapting Homes and Services for an Ageing Population

Over one million people in Scotland are over 65, and this number will rise significantly in future years. This demographic shift towards an ageing population will shape how homes are designed and increase the demand for housing, support and services, that help people live safely and independently in their own homes, for longer.

Shaping the Future responds through a balanced, forward-looking approach. Our new homes will continue to be designed to be adaptable to changing needs, while our existing stock will be reviewed strategically to identify opportunities for adaptation, targeted investment and the use of technology that supports independent living, safety and connectivity.

We also recognise that homes alone are not enough. Through strong partnerships with health, social care and third-sector organisations, we will focus on prevention, early intervention and wellbeing, supporting tenants to remain independent, sustain their tenancies and thrive within their communities.


Caledonia
Cordale
Governing Body Strategy Day
18th November 2025

Our Strategic Priorities

Our Strategic Priorities

We have three strategic themes that underpin our vision:

Strengthening our Services

Improving the tenant experience and delivering clear value for money

Building Strategic Partnerships with Purpose

Developing partnerships to deliver new homes and meaningful community services

Grow our Impact and Influence

Expanding our ability to make a meaningful difference for communities

These three strategic themes provide the lens through which Shaping the Future will be delivered. Each priority, investment decision and improvement programme set out in this plan contributes to one or more of these themes - strengthening services for tenants, building partnerships that add value, and growing our impact and influence across the communities we serve and the wider sector.

Digital Transformation that Improves Services

Our IT and digital transformation programme will modernise our core systems to deliver reliable, responsive and accessible services that meet changing tenant needs in a rapidly evolving digital landscape. Replacing legacy platforms with integrated digital systems will improve efficiency, data quality and consistency across the tenant experience.

The implementation of a new Housing Management System, supported by strengthened cyber-security frameworks, will establish a resilient and agile digital foundation, enabling sustained service improvement and value for tenants and communities.

What we will do

- ✔ Replace legacy systems with integrated digital systems
- ✔ Implement new Housing Management System
- ✔ Strengthen cyber security fameworks

Why this matters

- ✔ Makes services easier to access and reliable
- ✔ Improves efficiency, productivity, data quality and decision-making
- ✔ Ensures operational continuity, drives continuous improvement and builds trust with partners and strengthens relationships

Developing people through change

Keeping our people at the centre of Shaping the Future commitments is essential to our long-term success. Strategic workforce planning will play an important role in continuing to build an agile, future ready organisation with the right skills, capacity, and adaptability to respond to shifts in policy, tenant needs, operational priorities, and the evolving digital landscape.

Effective leadership will guide teams through this change ensuring people, processes, and services remain aligned with our goals. By strengthening these foundations, we can deliver sustainable, long-term value for tenants and communities.

What we will do	Why this matters
✔ Deliver strategic workforce planning to ensure skills, capacity, and capability for the future ✔ Implement leadership development programmes to guide teams through change	✔ Ensures staff have the skills to deliver quality services ✔ Leader and management effectiveness is critical to organisational success ✔ Builds capacity for the future

Investing in Our Homes

Strong effective asset management underpins financial resilience, regulatory confidence, and the ability to deliver safe, high-quality homes that meet tenant needs. Adopting a strategic, data-driven approach also enables us to safeguard asset value, reduce operational risk, and target investment where it delivers the greatest benefit.

This discipline is central to our net zero ambitions and improving affordability, ensuring asset decisions align with our decarbonisation pathway, enhance energy efficiency and help reduce fuel bills for our tenants over the long term.

What we will do

- ✔ Review and develop a renewed Asset (Investment and Sustainability) Strategy incorporating asset management and development
- ✔ Improve reactive maintenance performance to enhance reliability and tenant satisfaction
- ✔ Deliver planned maintenance aligned to long-term asset investment objectives
- ✔ Support new-build development and regeneration activity to grow and modernise our housing stock

Why this matters

- ✔ Improves the safety, quality and comfort of homes
- ✔ Targets investment where it makes the greatest difference
- ✔ Supports energy efficiency and net zero commitments
- ✔ Helps reduce fuel costs, easing a key cost-of-living pressure

Delivering Reliable, Responsive and Affordable Services

Customer service actions will strengthen service delivery now and in the future.

By working closely with partners and keeping the tenant voice at the centre of decision making, we will shape services and collaborate with others to deliver outcomes that meet evolving tenant needs and support our mission to provide quality homes, responsive services, and sustainable communities.

Targeted improvements to customer service, alongside continued investment in digitising and modernising back-office functions, will enable frontline teams to address issues more effectively at first contact, enhancing the tenant experience.

This approach will also provide a robust foundation for harmonised rent and service charge structures, improving affordability and tenant financial wellbeing while supporting efficient, sustainable service delivery.

What we will do

- ✔ Complete the Very Sheltered Housing review to ensure appropriate provision of an affordable and financially viable service
- ✔ Support the replacement of legacy Housing Management system
- ✔ Undertake rent harmonisation to drive housing affordability, fairness and maintain financial sustainability
- ✔ Strengthen tenant engagement to ensure services are shaped by tenant insight

Why this matters

- ✔ Improves day-to-day service experience for tenants
- ✔ Supporting quicker resolution and more consistent service delivery
- ✔ Provides tenants with clarity and simplicity on rent charges, while supporting affordability and financial wellbeing
- ✔ Tenant engagement builds trust, transparency and accountability

How We Will Deliver

Tenant Engagement

Tenant engagement is central to how we operate and how we design, improve and deliver our services. Strong, meaningful relationships with tenants underpin our long-term success, sustainability and reputation.

Insights from our tenant engagement activities have reinforced the importance of clear, accessible and purposeful opportunities for tenants to have their voices heard, and for feedback to lead to demonstrable action.

Tenants want engagement to be straightforward, flexible and relevant to their everyday experiences, with clear feedback on how their views influence decisions.

As expectations rise around ease of access, reliability and responsiveness, we will work in partnership with tenants to ensure engagement directly informs service design, improvement and investment decisions.

Regulatory Alignment and Assurance

Our approach to tenant engagement is fully aligned with the Scottish Social Housing Charter and the enhanced regulatory expectations set by the Scottish Housing Regulator.

The Housing Charter requires housing providers to ensure tenants are treated fairly, listened to, and meaningfully involved in decisions that affect their homes and communities. Strong, constructive relationships with tenants underpin our long-term success, sustainability and reputation.

This includes tenant representation within our governance structures, alongside structured engagement activity, ensuring tenant insight informs strategic decision-making as well as day-to-day service delivery.

The Regulator's strengthened framework places greater emphasis on evidence of tenant influence on service delivery and decision making. In response, we will embed structured and consistent feedback mechanisms across the organisation - including regular surveys, tenant scrutiny activity, learning from complaints, and transparent "You said, we did" reporting through local newsletters and digital channels. This approach ensures tenant voices are not only heard, but demonstrably acted upon, driving continuous improvement and supporting compliance with regulatory expectations.

What we will do

- ✔ Implement our new Tenant Engagement Strategy, setting out a clear five-year delivery plan aligned with Shaping the Future and informed by tenant insight
- ✔ Embed a clear Tenant Engagement Framework across the organisation, ensuring tenant feedback consistently informs decision-making and service improvement
- ✔ Strengthen service delivery and feedback loops, using a range of engagement methods and clear "You said, we did" reporting to demonstrate the impact of tenant influence

Asset Management

Our commitment is to deliver sustainable, affordable housing and create thriving neighbourhoods where people and communities can flourish. Effective asset management is integral to achieving this ambition, ensuring that every home we provide is safe, well maintained and meets high standards of quality and sustainability.

Improving the quality of existing homes remains a cornerstone of *Shaping the Future*. We recognise that a quality day-to-day repairs service is critical to tenant satisfaction, and we will continue to develop, enhance and deliver a responsive, reliable service that meets rising expectations. Alongside this, our planned maintenance programme will focus on modern living standards, building safety and environmental sustainability.

As one of Scotland's leading providers of affordable homes, we will deliver at least 500 new homes during this business plan period. We will also develop, create and nurture partnerships across and beyond the sector to increase the supply of affordable housing in new and innovative ways. Beyond housing delivery, we will work collaboratively with contractors and suppliers through our community benefit plans to generate wider economic and social value, including job creation, apprenticeships and training opportunities that supports local communities.

To underpin this ambition, we will implement a scalable operating model that enables growth without a proportionate increase in overhead costs. This approach will create efficiency and capacity, maximising resources available for reinvestment in our housing stock and the expansion of housing supply. Our Asset Management Strategy will be reviewed to ensure it remains appropriate for the changing environment and that it is designed to respond to both current and future challenges. It ensures our homes remain safe, compliant and fit for purpose, while supporting informed, long-term investment decisions. In line with regulatory good practice, we take a holistic, data-driven approach to asset management, guided by the following key principles:

- **Strong governance oversight**
- **Comprehensive understanding of assets**
- **Understand value of assets**
- **Outcomes inform investment decisions and asset management strategies**

We will

- ✔ Ensure Tenant and Building safety remains our first priority, maintaining rigorous programmes for fire safety, gas safety, electrical testing, asbestos management, legionella control, and damp and mould prevention
- ✔ Maximise asset value and ensure all assets contribute positively to Shaping the Future, financial stability, and tenant satisfaction
- ✔ Strengthen operational resilience and manage risks associated with labour shortages, cost inflation, and supply chain pressures through effective planning, procurement and contractor management
- ✔ Enhance stock condition data through regular surveys, up to date data to inform strategic, operational and financial decision making
- ✔ Spend in excess of £30 million over the next five years on planned maintenance across the Group's housing stock
- ✔ In the same period, build 500 new homes, including 124 homes to complete our Bellsmyre regeneration programme in West Dunbartonshire

Integrating Environmental, Social and Governance (ESG) Across the Group

Our ESG approach is fundamental to how we operate and how we deliver long-term value as a responsible, sustainable and successful organisation. It provides a clear framework for balancing social impact, environmental responsibility and strong governance, while aligning with national priorities and regulatory expectations.

In 2025/26, we published our first ESG report, marking a significant step in embedding ESG principles across our organisation. This commitment goes beyond compliance, it supports informed decision-making, strengthens accountability and reinforces our role as a trusted housing partner delivering resilient, future-ready places and services.

Environmental

We will reduce carbon emissions and improve energy efficiency across our homes and operations, supporting Scotland's net-zero ambitions. Through our Climate Change and Sustainability Strategy, we will direct targeted, sustainable investment to ensure our housing stock is fit for the future, to reduce environmental impact and strengthen climate resilience.

Social

We will enhance our tenant engagement approach, support inclusive communities, and promote equality, diversity and wellbeing, underpinned by a commitment to human rights and reducing inequality across our communities. By investing in Giving Back and community value initiatives, we will tackle inequality, improve life chances and deliver social value that benefits tenants and the wider community.

Governance

We will maintain the highest standards of transparency, accountability and regulatory compliance, in line with the Scottish Housing Regulator's Standards of Governance and Financial Management and the Scottish Social Housing Charter. Strong and effective governance underpins trust, financial wellbeing and long-term sustainability, enabling us to deliver our *Shaping the Future* commitments with confidence.

Embedding ESG principles throughout the Group boosts organisational resilience and credibility - supporting lender confidence, attracting investment and enhancing reputation.

Its impact is reflected in meaningful outcomes that matter to tenants and communities: lower environmental impact, inclusive and resilient neighbourhoods, and strong, effective governance. Together, these outcomes support our long-term vision of creating thriving, inclusive communities and delivering homes where people can live well and feel part of their neighbourhood.

ESG is not an add-on; it is integral to *Shaping the Future*, informing how we make decisions and deliver sustainable, long-term value.

What we will do

- ✔ Strengthen governance structures to ensure transparency and alignment with the Sustainability Reporting Standard for Social Housing
- ✔ Implement planned investment programme to prioritise energy efficiency, reduce reliance on fossil fuels and support the Caledonia Housing Group to achieve net zero by 2045
- ✔ Enhance building safety and quality standards, including increasing the frequency of fire safety inspections and improving repairs performance (including damp and mould)
- ✔ Increase the impact and influence of Tenant Voice through the implementation of a new Tenant Engagement Strategy
- ✔ Enhance resident support services, including tenancy sustainment, wellbeing initiatives, and partnerships with local providers

Governance, Risk and Assurance

Strong governance is the foundation of our success, ensuring we continue to deliver good outcomes for tenants, and the interest of stakeholders are protected.

We are committed to maintaining the highest standards of leadership, accountability and transparency in line with the Scottish Housing Regulator's Regulatory Framework. Our governance policies and practices ensures that decision-making is robust, evidence based and aligned with our *Shaping the Future* objectives supporting long term sustainability and confidence.

Governance

The **Caledonia** Board provides clear strategic leadership and oversight, supported by the **Cordale** Management Committee, a strong and effective sub-committee structure, and a skilled senior leadership team. Governance arrangements are kept under regular review to ensure compliance with Scottish Housing Regulator's Regulatory Framework and to reflect evolving regulatory expectations and good practice.

Risk Management

We adopt a strategic risk management framework that identifies, assesses and mitigates risks across all areas of our business, including external, operational, financial, reputational and compliance risks.

Operational risks are reviewed monthly by managers and by staff across front line and support services, with any prominent or escalating risks reported to the Senior Leadership Team for further assessment, remedial actions and consideration for inclusion in the Strategic Risk Register, which captures the Group's most critical business risks.

The Audit and Risk Management Committee undertake a quarterly review of the critical business risks, including those related to delivery of the Business Plan, and provides assurance to the Caledonia Board and the Cordale Management Committee. This includes highlighting any risks that sit outside the Association's risk appetite and the actions in place to mitigate them

The Board also regularly reviews risk appetite, including the scale and type of risk we are willing to take to deliver our Business Plan objectives.

Our approach is proactive and dynamic, enabling us to respond effectively to emerging challenges such as economic uncertainty, regulatory changes and environmental obligations.

The Caledonia Board, Cordale Management Committee and Audit and Risk Committee, provide oversight and constructive challenge, ensuring mitigation actions are in place and subject to ongoing scrutiny.

Assurance

We operate a robust annual assurance programme to provide a comprehensive assessment of compliance with the relevant requirements of the Scottish Housing Regulator's Regulatory Framework. This is managed in line with the Regulators Annual Assurance Statement guidance, ensuring a consistent and transparent approach.

The annual review also considers regulatory focus areas and key risks and incorporates tenant perspectives. The Caledonia Board is responsible for self-assessing compliance across the Group, identifying areas for improvement, and submitting the statement to assure stakeholders, particularly regarding key risks identified by the Regulator such as tenant safety. Our Annual Assurance Statement confirms compliance with statutory and regulatory requirements and provides assurance to tenants, stakeholders and the Regulator.

A comprehensive internal audit plan provides additional scrutiny and confidence which is overseen by the Audit and Risk Management Committee. Performance at **Caledonia and Cordale Housing Association** is also benchmarked against sector standards, supporting continuous improvement and strong governance outcomes.

People and Culture

Our people are our greatest asset. The strength of the Group lies in the commitment, expertise and professionalism of our staff and governing bodies. Together, they provide the foundation for delivering quality, affordable homes and services that make a meaningful difference to tenants and communities.

We are proud to have been recognised as a Best Company to Work For since 2023, reflecting our commitment to creating a positive, supportive and inclusive workplace.

Staff

In an era of rapid technological advancement and automation, we recognise that the human touch - the ability to connect, listen and build strong relationships - remains essential to delivering the support and services that define us. Our staff live our mission and guiding principles every day, and are central to the tenant experience, ensuring that services are responsive, reliable, and delivered with care and empathy.

We invest in leadership, staff development, wellbeing and engagement, recognising that a motivated, skilled and continuously learning workforce is essential to Shaping our Future and achieving the best possible outcomes and results for tenants and our communities.

Governing Body

The Caledonia Board, as the parent body with overall responsibility for the Group, provides clear strategic leadership and effective oversight, ensuring that decisions reflect our guiding principles and long-term vision.

The Board sets the tone for a culture of integrity, transparency and continuous improvement, and through strong governance and active engagement, ensures the Group remains financially sustainable, compliant with regulatory standards, and focused on outcomes that matter most to tenants.

Culture that Enables Strategy

We recognise the importance of people and culture as strategic drivers of success. A positive, equitable and inclusive culture enhances performance, attracts and retains talent, and builds trust with tenants and stakeholders.

By aligning our organisational culture with *Shaping the Future*, we create an environment where staff and Board members work together effectively, supporting innovation, accountability and lasting impact.

Driving change through Digital Transformation

As part of this *Shaping the Future*, we will progress a significant change programme focused on digital transformation. Investment in system improvement will modernise how we work, improve operational efficiency and enhance the tenant experience through accessible, reliable services.

Digital transformation will require new skills, new ways of working, and an agile and resilient culture that embraces continuous improvement. Our staff and governing body will play a critical role in leading and supporting this change - ensuring technology is used not just to streamline processes, but to strengthen relationships, improve decision making and deliver better outcomes for tenants and staff.

Financial Planning, Treasury Management and Value for Money

Our finance team underpins the long-term financial sustainability of the Group by managing budgets, funding, cash flow and regulatory compliance. It provides the financial insight needed for informed strategic decision-making, manages financial risks, and ensures resources are used effectively to support investment in homes, services and communities.

Strong financial planning, treasury management and a focus on value for money form the foundations for delivering our *Shaping the Future* priorities, ensuring our rents remain affordable, while maximising the resources available to invest in homes, services and the communities we support.

Financial Planning

Our financial planning is aligned with *Shaping the Future* priorities and wider strategic objectives. It is underpinned by robust multi-year forecasting, stress testing and scenario planning, alongside prudent and responsible budgeting.

This approach ensures we strike an appropriate balance between maintaining rent affordability for tenants and sustaining investment in both new and current homes, while remaining resilient to changing economic conditions and maintaining the long-term financial health of the Group.

Financial Oversight

We closely monitor the Group's financial performance through the production of regular budget monitoring reports and quarterly management accounts and make recommendations to the governing bodies as to any requirement to alter the Group's financial plans based on performance relative to budget and any emerging economic trends.

Our recently implemented business partner model ensures finance staff are embedded within the business, adding value both through financial analysis and challenging the Group to generate efficiencies and savings.

Treasury Management

The Group currently has a mixture of variable and fixed rate private funding made up of traditional bank borrowing in the form of both term loans and revolving credit facilities, bond finance and a private placement arrangement.

Our Treasury Management policy and strategy are fully aligned with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code and sector best practice to safeguard social housing assets and ensure long-term financial viability.

We proactively monitor covenant compliance, liquidity and funding requirements across our 30-year financial plan, supported by regular reporting to the Caledonia and Cordale governing bodies.

Sensitivity analysis and stress testing assesses potential impacts on cash flow, borrowing capacity and covenant positions, enabling early risk identification and timely mitigation.

As financial markets remain challenging and uncertainty around interest rates persists, it is essential that we continue to manage our cash and loan balances with discipline to ensure we maintain sufficient, yet not excessive, liquidity.

The Finance directorate works closely with the Development Team to enhance the accuracy of cash flow forecasting, particularly in relation to development expenditure, which represents our most variable major cash flow item. This disciplined approach will support the Group's financial stability while enabling sustainable growth and the continued delivery of high-quality services.

With robust treasury arrangements securing the resources we need, our Value for Money approach ensures those resources are used efficiently and deliver maximum benefit for tenants and communities

Value for Money

Delivering and driving continuous improvement in Value for Money is fundamental to achieving our *Shaping the Future* ambitions.

Our approach focuses on delivering the right services, in the right way, at the right cost, ensuring that resources are used effectively to safeguard and promote the interests of tenants, future tenants and other service users.

Value for Money is assessed from the perspective of tenants and service users, and we are committed to clearly demonstrating how this is delivered, both internally and to our tenants through transparent reporting and open communication.

A strong and effective Value for Money approach enables the Group to maximise investment in homes and service improvement while importantly maintaining rent affordability and long-term financial health.

We measure and demonstrate Value for Money by focusing on the outcomes that matter most to tenants and stakeholders. This includes:

- ✔ Service performance and improvement including reliability, quality and tenant satisfaction
- ✔ Effective use of resources, ensuring investment decisions deliver clear benefits for tenants and communities
- ✔ Benchmarking performance and costs against sector peers to inform improvement and efficiency
- ✔ Transparent reporting to tenants, partners and governing bodies, including how income is reinvested in homes, services and communities

A key focus of *Shaping the Future* is investing and harnessing digitalisation to transform how we operate and deliver services. By establishing a scalable and future-ready operating model, this programme will unlock organisational capacity over the life of the Business Plan, strengthening our ability to increase investment in our homes and enhance services for our customers.

Compliance with the Scottish Social Housing Charter and the Regulatory Standards provides assurance that we are achieving Value for Money, ensuring services and investment decisions remain aligned with the needs of our tenants and service users, sector expectations and regulatory requirements.

Success is reflected in affordable rents, continued improvement of services, well-maintained homes and clear evidence that tenant income is being used effectively to deliver positive outcomes.

Delivery Plan – 2026/27

A more detailed supporting delivery plan is available on request.

IT and Digital Transformation

Key Actions	Strengthening Services	Strategic Partnerships with Purpose	Growing Impact & Influence	Timeline
HR, Payroll and Finance Systems	Implement modern, integrated digital systems to improve efficiency, data quality and service delivery.	Strong vendor relationships enhance system performance and value.	Supports future scalability and evolving workforce models.	Year 1–3
Housing Management System	Deliver new system to improve customer service, efficiency, reporting and accuracy.	Shared data and cloud-based services enable integration with partner platforms.	Improved information supports outcomes for tenants, decision-making and strategic planning.	Year 1–4
IT and Cyber Security Frameworks	Strengthen digital resilience and safeguard the secure operation of IT services.	Accredited standards and security practices increase partner confidence and improve information sharing.	Scalable, secure, efficient processes create capacity for growth and innovation.	Year 1–3

Workforce & Leadership

Key Actions	Strengthening Services	Strategic Partnerships with Purpose	Growing Impact & Influence	Timeline
Strategic Workforce Planning	Embed workforce planning; ensure digital capability; review roles; strengthen succession planning.	Employer reputation supports talent attraction and collaboration.	Agile staffing and development models support organisational adaptability and scalability.	Year 1–2
Leadership Development	Leaders support adaptive thinking, collaboration and continuous service improvement.	Partnerships provide expertise in digital leadership, finance and organisational change.	Strong leadership pipeline enables sustainable growth.	Year 1–5

Asset Management & Development

Key Actions	Strengthening Services	Strategic Partnerships with Purpose	Growing Impact & Influence	Timeline
Reactive Maintenance Service	Responsive, reliable, and strengthened asset performance while delivering value for money.	Contractor frameworks enhance customer experience and support digital transformation.	Improved satisfaction, scalability and reputation.	Year 1–3
Planned Investment in Homes	Implement sustainable, future-focused asset investment strategy.	Partnerships secure funding, expertise, and reuse empty assets.	Reputation as a sustainable, innovative landlord.	Year 2–3
Development	Review financial viability modelling to support a large, sustainable and scalable development programme.	Collaborate with funders, government and partners to unlock opportunities.	Balanced stock portfolio meeting housing needs; stronger growth pipeline.	Year 1–5

Customer Services & Affordability

Key Actions	Strengthening Services	Strategic Partnerships with Purpose	Growing Impact & Influence	Timeline
Very Sheltered Housing Review	Financial sustainability and consistent service delivery.	Work with authorities and service providers to maintain and evolve services.	Develop innovative models influencing policy and best practice.	Year 1–3
Housing Affordability	Harmonise rent levels; ensure transparent service charges.	Consistent charging models support sustainable reuse of empty assets.	Supports scalable asset management and sector best practice.	Year 2–5
Tenant Engagement	Strengthen engagement; ensure tenant voice informs service design.	Partnerships support sustainable communities and shared learning.	Greater contribution to tenant voice forums and sector engagement.	Year 1–2

Caledonia HOUSING GROUP

Accessible information

We want everyone to be able to access this information. If you would like this document in another format or language, please contact us and we'll be happy to help.

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