



**Strategic Plan
2024/25 – 2026/27**

Year 3

**Supporting a vibrant community by offering affordable, good
quality homes and services with people at the heart of
everything we do**

Foreword

Welcome to Cernach Housing Association's strategic plan for April 2024 to March 2027.

This plan details our strategy and provides a framework for the implementation and achievement of our strategic objectives during the period of the plan. This is complemented by a delivery plan and a resourcing plan, both of which will provide the 'how' of our strategic plan. This format has been in place at Cernach since 2022 following industry best practices shared via training at SHARE's Governance Conference. We also take account of the Scottish Housing Regulator's advisory Business Planning guidance, as well as results of an options appraisal carried out in 2024.

Due to changing our format, alongside economic climate in previous years, we had previously opted to have single year business plans. We planned to move to a longer cycle when economic and social conditions return to relative stability and believe that we are now in the position to be able to effectively plan for a three-year period.

Our focus over the length of this business plan is on maintaining and improving our stock and ensuring we continue to sustain a vibrant community within Drumchapel where people want to call home.

This document has been prepared on the basis of discussions held by the Management Committee at Committee meetings and strategy review events attended by staff and Committee over several years, but most recently in February 2026. We confirmed these discussions and decisions, including the KPI targets at the April 2026 meeting of the Management Committee.

Our collaborative approach to involving staff and Committee in agreeing our priorities and concentrating on the things that matter to Cernach, based on a thorough appraisal of our own situation, ensures a good understanding and ownership of our objectives.

This document should also be considered in conjunction with our asset management plan and long-term financial projections as all documents inter-relate to each other. Whilst this document is strategic in nature, it is supplemented by a comprehensive delivery plan and resourcing plan. The Association has a comprehensive system of operational workplans to supplement these, and ensure that each member of the staff team and all Management Committee Members can be clear on all roles and responsibilities to ensure the overall success of the business.

Summary

In addition to our established and continuing work in areas such as (i) keeping rents affordable, (ii) assessing and managing risks, (iii) protecting our main income stream via effective rent management and (iv) strong financial management, we have a range of activities which will receive increased focus over the coming twelve months. By the end of March 2027, we will:

- Focus on tenant and resident safety, ensuring compliance across gas safety, electrical safety, water safety, fire safety and asbestos, as well as progressing our work in relation to a proactive strategy to tackle damp, condensation and mould, and ensure landlord and tenant responsibilities are well promoted
- Continue work in relation to tenancy sustainment and cost of living activities, including sourcing funding for residents wherever possible, by working in partnership with others to deliver services which ensure value for money, particularly through third sector partners alongside evaluation of success of increased tenancy sustainment funds
- Investigate ways in which the Association can best address national homelessness targets and priorities
- Continue to promote staff visibility and attendance at community events, sector forums and wider role work as well as within our estates
- Consider new technologies and progress use of these within the year, including i) digital inspection tools ii) web based options for housing management system and iii) AI technology
- Keep up to date with changes to SHNZS and decarbonisation and make plans for the future
- Conduct a new stock condition survey and revise assumptions for future planned maintenance, review and implement our medium-term programme, ensuring best value for money within current economic conditions
- Carry out key procurement exercises including for i) ICT services and ii) ground maintenance
- Consider our approach to resident satisfaction and consider feedback throughout the year
- Consolidate recent changes in the staff structure; focus on delivering a consistent approach to staff training and carry out effective implementation and monitoring of hybrid working pilot
- Continue to develop the skills of our Management Committee members and review our approach to the induction of new members

Additional contextual information can be found in the remainder of this document and detailed information is included in the accompanying delivery plan and resourcing plan. We will update this section on an annual basis to reflect the relevant business year.

Background

The Association is celebrating its 35-year anniversary in 2026 and looks forward to continuing to provide an outstanding housing experience for the Drumchapel community.

Since being registered as a housing association in 1991, we have completed fifteen phases of improvement and new build development, including acquiring homes through various transfers from Glasgow City Council in our early years and a second-stage transfer from Glasgow Housing Association in 2010. Our most recent development phase was completed in 2021. We currently own 877 properties, all within a defined local area. We also carry out factoring services for 141 owners in the local area in addition to 16 properties in shared ownership.

As a Registered Social Landlord (RSL) in Scotland we are regulated by the Scottish Housing Regulator and, as a Registered Charity, we are regulated through the Office of the Scottish Charity Regulator (OSCR). We are governed by a Management Committee of up to fifteen members, most of whom currently are local residents who participate on a voluntary basis, and are ultimately accountable to our members, tenants and other stakeholders.

The Committee is supported by a staff team of 19 individuals filling 18 full-time equivalent posts, led by the Director who provides a key link between the Committee and staff. Our staff team is based in a purpose-built office located in the centre of our community.

Looking forward

Our core responsibilities will always be to provide the best service possible to all of our customers whilst safeguarding the considerable assets over which we have stewardship on the community's behalf. In achieving this, we will have decisions to make on *big ticket* strategic priorities as well as more routine day-to-day matters. Discussions at our most recent planning events, for example, focus on improving our homes and ensuring affordability in the long-term for our tenants. We therefore do not have current plans to develop any more new build housing or acquiring additional stock in the short to

medium term as we see our top priority being the maintenance and improvement of our existing assets. That being said, we would look to evaluate any development opportunities on a case-by-case basis through a robust risk assessment and feasibility study process.

We hope that this document conveys the Committee's vision for the three year period of this plan, while setting the tone for the next five or so years and, together with the accompanying delivery plan and resourcing plan, outlines how we are going to achieve this. Because of the uncertainties around the cost-of-living crisis and the general global climate, and the impact these have on planning, we have focused specific detail mainly on what we will achieve over the next twelve months as we commence year three of the plan.

Mission statement and strategic themes

The Association's mission statement sums up our purpose which is enshrined into our strategic themes; our core values then determine how we function. At our planning events held in 2021 we reviewed our corporate aim and strategic objectives.

Flowing from this, operational objectives and key performance indicator (KPI) targets are agreed every year to support the strategic objectives, and broader plans for implementation of these are found in the delivery and resourcing plans.

We discussed our revised mission statement at the December 2021 planning event, there was then staff input during February 2022 prior to the Committee agreeing the final wording at the March 2022 Committee meeting. These are outlined below.

Mission statement

Our mission statement encapsulates all that we believe in a simple and straightforward way. Everything that we do can be linked back to the mission statement.

Supporting a vibrant community by offering affordable, good quality homes and services, with people at the heart of everything we do.

Strategic goals

We will achieve our mission statement by implementing our strategic goals.

The delivery plan and resourcing plan provide more detail on how each of these will be achieved, together with details of timescales, lead officers and, where appropriate, how each will be resourced. The goals are also cross-referenced to our risk matrices and this provides an additional layer of assurance, acting as an early warning system if any barriers to achieving the goals emerge.

The nine strategic goals are based around the three themes of:

- *Improving lives*
- *Investing in assets*
- *Engaging the community*

Improving lives

- 1) To provide quality housing management and advice services, rent account management, estate management, and maintenance services for the local community;
- 2) To help alleviate homelessness and provide high quality rented housing at affordable rents through appropriate long-term investment and future-proofing;
- 3) To invest in and develop our people to ensure that the Association is an employer of choice.

Investing in assets

- 4) To undertake a comprehensive planned maintenance programme to achieve secure, safe and sustainable homes which work towards carbon neutrality;
- 5) To meet and, where possible, exceed the Standards of Governance and Financial Management and the Scottish Social Housing Charter; alongside striving for full assurance in our Annual Assurance Statements;
- 6) To ensure the work of the Association is supported by effective governance and financial controls, and that staff and Committee are accountable to tenants, owners and others accessing our services.

Engaging the Community

- 7) To maximise community involvement and community spirit through continued involvement in the management of homes, provision of services and across wider role initiatives;
- 8) Foster positive connections and good practice sharing across a range of partners and stakeholders, including as a Community Anchor organisation;
- 9) Ensure equality, diversity and strong governance is reflected across all areas of our activity.

Operating environment

As part of the business planning process, the Association has conducted two environmental analyses – a SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis and a STEP (Social & cultural, Technological, Economic and Political and/or legal factors) analysis.

These were developed at the strategy away days in December 2021 and finalised following staff input. They were then further revised by the management team prior to specific discussion by Committee when agreeing this version of the strategic plan.

SWOT analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> ➤ Rent levels compare well with other RSLs ➤ Strong performer across KPIs in comparison with other RSLs ➤ Sound financial management and financial strength ➤ Well maintained and managed housing stock that is in high demand ➤ Effective and supportive Management Committee; well qualified and experienced staff team 	<ul style="list-style-type: none"> ➤ Unknown requirements and costs to bring stock up to SHNZS ➤ Increased tenant H&S reporting requirements resulting in higher costs ➤ Post-war housing stock infrastructure ageing – eg paving slabs, fencing ➤ Maintenance cost increases and reduced availability of contractors, particularly in relation to planned maintenance ➤ Mixed tenure blocks complicating repairs
Opportunities	Threats
<ul style="list-style-type: none"> ➤ Wider access to funding as a result of charitable status and community anchor ➤ Partnering arrangements with DRUMCOG ➤ Access to funding via green agenda for stock improvement ➤ Ability to secure financial gains to tenants through in-house Welfare Rights Service ➤ Improved technology offering more opportunities to engage with stakeholders and optimise workflows 	<ul style="list-style-type: none"> ➤ Increased, but unknown, costs in relation to SHNZS ➤ Cost of living – high costs and insufficient supply following Brexit and global instability ➤ Steeply rising costs – energy, basic food items and National Insurance ➤ Welfare reform/Universal Credit ➤ Reduction in services from Glasgow City Council

STEP analysis

Social and cultural factors	Technological factors
<ul style="list-style-type: none"> ➤ Homelessness – including pressures around tenancy sustainability ➤ Ageing population ➤ Poor health and well-being; including mental ill health, greater prevalence of chronic illness (physical and mental), difficulties around addiction, increasing long-term sick population ➤ Communication and engagement challenges – need to pinpoint demand for translation and alternative formats ➤ Incidence of violence, domestic abuse, anti-social behaviour and neighbour disputes 	<ul style="list-style-type: none"> ➤ Increased use of ICT, email and internet by customers, staff and partner agencies ➤ Increase in AI use ➤ Increasing skills gap of ICT literacy ➤ Cyber threats including attacks, data loss and malicious software ➤ Digital exclusion ➤ Data protection/security ➤ Internet – online benefit claims and receipt of other services ➤ Benefits and drawbacks of social media
Economic factors	Political and/or legal factors
<ul style="list-style-type: none"> ➤ Increasing numbers of people unable to afford food, utilities and other basic items ➤ Ageing housing stock needing increased investment against higher prices across construction industry ➤ Reliance on benefits – benefit levels reducing through welfare reforms and real decreases ➤ Personal debt rising, including high-interest pay-day loans ➤ Poverty and deprivation indices high in our area of operation ➤ Volatile inflation levels 	<ul style="list-style-type: none"> ➤ Brexit impact ➤ Global conflicts ➤ Political instability ➤ Social Housing Net Zero Standard (SHNZS) ➤ Sustained cuts in benefit levels; more people facing benefit sanctions ➤ Continual reduction in spend for housing capital grant and adjacent related services → more pressure on RSL to pay for services

The above analyses were agreed following group work by staff and Committee. They represent what we consider to be the main strengths, weaknesses, etc, facing the Association at the time of writing. During the group discussions, other factors were highlighted but we have limited the number under each heading as this allows us to have an appropriate focus on the areas that require most consideration.

Going through these exercises provided a mechanism for systematically thinking through the extent to which the Association can cope with its operating environment and the many factors it has to manage, and this allowed us to then consider and balance the opportunities against the skills present within the Association.

We have retained details of all strengths, weaknesses, etc that were discussed at the planning event and we will regularly review the above tables to ensure that they remain accurate and relevant. Together with any new factors that emerge, any events that could change the above will be noted as part of the quarterly review of risks. This is particularly important where the impact is negative.

SWOT and STEP are useful and popular tools and, indeed, are endorsed by the SHR as good practice. However, it should be borne in mind that they are also subjective. By approaching this via group exercises involving Committee and staff, we would hope to minimise subjectivity.

Risk management

Risk management is embedded into the culture of Cernach Housing Association. The Association's strategy for managing risk is contained within the risk management policy (methodology) and matrices (practice). During 2023/24, we reviewed the risk management methodology policy and updated our approach to noting risks and tracking mitigating actions we take to address and minimise risk, as well as confirming the Association's risk appetite which could generally be categorised as risk averse. We therefore believe we have a robust system in place.

This framework links the identification of risk throughout the business planning process. The key external and operational risks arising from our business plan objectives and our operating environment are identified and an assessment made of the likelihood of those risks occurring. This, together with our action to mitigate this risk and the potential impact they would have on our business if they did occur, is scored on our risk register.

Flowing from this, risk matrices are prepared and an action plan drawn up to improve the risk score (where practicable). This includes the identification of specific actions aimed at mitigating, managing or transferring the risk. The risk register is reviewed quarterly by the Assurance Sub Committee (ASC) and on an ongoing basis by senior staff.

In 2024/25, we identified a series of ‘golden rule’ trigger points across our main financial indicators to provide an early warning system of any areas which may be problematic. These will continue to be discussed at Management Team meetings and escalated where appropriate to the Management Committee. We do anticipate that given our low level of borrowing and high degree of headroom in relation to loan covenants, these will seldom come into consideration.

In 2025, an internal audit was conducted on the Association’s approach to risk management. This audit gave a rating of ‘substantial assurance’ which is the highest available grade. There were several good practice recommendations which will be implemented in line with agreed timescales and monitored, as are all internal audit recommendations, by the Assurance Sub Committee.

Finally, we have incorporated risk management into the Committee training plan – with risk being identified as a popular choice for further training in the Committee training plan following the appraisal process in 2025. The last training session was conducted by the Association’s internal auditor in January 2026.

The most recent review of the risk matrices was completed at the December 2025 Management Committee meeting following input from frontline staff and the management team. The key risks identified are noted below:

Increases in costs for goods, services, works, putting pressure on short and medium-term cash flows and projections, requirement to stretch key activities over longer period ie planned works, inability to progress some activities, threat to asset management integrity

Care in the Community properties not being allocated timeously, resulting in increased void loss. While funds for these properties remain in a positive balance, there are two long term void properties which could result in these funds being exhausted if not managed carefully.

Economic aspects of Brexit, such as increases in cost of living, energy prices, unemployment/reductions in hours, potential volatility of Sterling, increases in the Association’s operating costs.

Supply aspects of Brexit, such as shortages of labour and materials. This could cause costs to rise significantly and/or impact our ability to progress works.

Welfare reform leading to real reductions in benefits, prevalence of low/zero hours contracts and increased unemployment. All of these impact tenants' ability to pay rent, heat their homes and buy essential goods, meaning not only an increase in rent arrears but a negative impact on health and well-being.

Low Management Committee numbers that could lead to breaches in Rules, inquorate meetings, poor decision making, lack of experienced members and lack of succession planning capability

Failure to manage tenant health and safety requirements potentially resulting breaches in legislation, poor service, poor living conditions, tenant physical safety compromised

Failure to have appropriate office bearers in place in line with rules and standing orders potentially resulting in poor governance and resulting SHR intervention. While not currently likely, this remains a high risk due to the community based voluntary nature of the Association's Management Committee.

The likelihood of most risks occurring is outwith the Association's control. Our mitigation is therefore concerned with (i) preventive action in relation to impact and (ii) ongoing monitoring of any movement on these events.

Risks in relation to Care in the Community, low Management Committee numbers, or office bearers, and tenant safety are what the Association considers to be 'Operational' risks which can be largely managed and influenced by the Association's actions. There are therefore key mitigation actions which are closely monitored in order to minimise the likelihood of the risk occurring.

To support the Assurance Sub Committee and the Management Committee, the whole staff team has a day-to-day contribution to make to ensure that we manage the risks effectively as possible; frontline staff devise and deliver the preventive actions and the management team monitors overall movement.

Audit

Internal audit

The Association operates a robust internal audit programme. Programmes are agreed in advance by the Management Committee and the senior management team and the service is delivered by a suitably qualified independent company. The Scottish Federation of Housing Associations' (SFHA) guidance underpins our internal audit activity.

Internal audits to be conducted are generally of a mix of operational housing management and maintenance functions, governance, finance, risk, equality and diversity and major contract management. They are done on a rolling basis, ensuring an interface with the risk matrices. Also included in each internal audit programme is an audit of any allocations to connected persons that have occurred since the previous audit. Internal audit procurement was conducted in 2022/23 in line with good practice.

The internal auditor attends the Management Committee annually to present findings and discuss recommendations; once presented and agreed, all recommendations are input into one of our operational trackers and progress reported to the Assurance Sub Committee on a quarterly basis. The internal auditor also attends ASC meetings.

External audit

The external audit is conducted annually following the financial year end, with the on-site part of the audit normally taking place in June each year. External auditors are re-appointed by share members at the AGM. Procurement for external audit was last conducted in 2022/23 in line with good practice. An audit summary report is presented to the Management Committee at the end of each audit and the audited financial statements are presented to members at the AGM, normally held in August or early September each year.

Mini audit

In addition to audits conducted by external organisations, the management team conducts in-house mini audits at regular intervals on operational functions. Feedback from these are made to all staff operationally involved to ensure any issues are picked up quickly and internally.

Assurance

We are an RSL with a £5.13 million turnover and responsibility of safeguarding a significant asset base – not only in terms of the £32 million worth of housing assets, but we are mindful that these are people’s homes. Failure to undertake our responsibilities in a prudent, transparent and accountable manner could therefore have a detrimental impact on people’s lives and the overall stability of the community.

It is therefore important that we are able to provide assurance to our tenants, other customers and stakeholders that we are acting appropriately. We have an established track record at Cernach of self-assessment in relation to the Standards of Governance and Financial Management and the Scottish Social Housing Charter and we have always taken assurance seriously. We carried out independent assessments of these standards 2022, and since October 2019, we have issued an Annual Assurance Statement – this was introduced by the Scottish Housing Regulator and is a useful way of the Management Committee (as the governing body) making an explicit public statement on assurance each year. We will once again complete independent assessments in 2026.

To date, we have published seven Annual Assurance Statements, each time being able to state that there are no areas of material non-compliance with any part of the assurance framework.

In 2021, we overhauled our approach to developing the AAS and have continued this approach since then. Staff and Committee members participated in a series of meetings which considered our performance across all of our operational and governance activities. In 2023, we also included tenant and resident feedback on key points to gain further assurance and enhance tenant voice within the process. We considered a significant evidence bank and used the SFHA’s toolkit to help come to a view on each separate element. At the end of the 2021 process, we invited an external specialist to conduct a wrap-up session and carried out an internal audit on the process. These exercises confirmed good practice which the Association had in place, as well as providing suggestions for improvement moving forward.

The Head of Corporate Services leads on the Association’s approach to assurance generally, supporting the Director and other senior staff in delivering overall strong governance and a proactive approach to self-regulation.

Operational infrastructure

Management Committee

The Management Committee has overall responsibility for the work of the Association, leading and directing the organisation to achieve its stated objectives in accordance with the Standards of Governance and Financial Management and the Scottish Social Housing Charter. It benefits from having a good mix of people with the skills and knowledge it needs to be effective.

The Management Committee operates a devolved structure with an Operations Sub Committee and an Assurance Sub Committee. The Management Committee meet ten times each year (one of which is a short meeting immediately following the AGM) with the Assurance Sub Committee and Operations Sub Committee meeting quarterly. This format was agreed by the Management Committee in March 2025. Additionally, we had a special meeting in November 2022 and November 2023 to consider the 2023/24 rent review to which all staff members and our finance agents were invited. This worked well and, while not necessary in 2024 or 2025, the Management Committee will review whether this is required in future depending on the operating context at the time.

We reviewed the Committee standing orders and remits in 2025; at this point we do not envisage any change to the two-tier structure. This review delegated more powers to the Sub Committee, thus allowing more specialist discussion on a range of (mainly operational) activities whilst freeing up time at the full Management Committee to focus more on matters relating to strategy, governance, financial management and financial strength. We will review the effectiveness of this again in 2026 based on feedback from Management Committee, with a view to increasing the business able to be covered at each Sub Committee.

Committee succession planning

The Management Committee has a training needs analysis completed on a regular basis which helps identify areas of interest or areas in which members feel their knowledge could be strengthened. This has historically been carried out jointly with our partners in DRUMCOG, however the Management Committee have opted to refresh this approach over the past few years with additional sessions. These sessions have primarily been short, immediately before or after Management Committee or Sub Committee meetings, and delivered by our staff team or consultants wherever possible to give a Cernach-specific perspective – as well as to be reactive to changing best

practice or legislation. Both attendance and feedback from these sessions reflect a preference for this style of delivery, therefore the Association will continue this practice within the lifespan of this business plan.

An annual review of Management Committee member performance and individual Committee members' effectiveness review has been undertaken and was last completed in 2023 internally.

To help meet regulatory requirements, a review meeting with long standing members (nine years' continuous service) who are standing for election at the AGM is held as required to confirm that objectivity, independent challenge and continued effectiveness can be demonstrated. At the time of the 2026 AGM, we will have four members with nine years' service who will therefore participate in a review interview. All other members have less than nine years' service.

To help meet the long-term requirements of an effective chair, as well as adherence to the 'five-year-rule', we also seek to further develop office bearers and Sub Committee chairs so that there is a range of candidates where vacancies and gaps may arise. We have an experienced chairperson currently in post, and we are looking to develop other members of the Committee to prepare to take on the role when required. This is a key priority within the Association's workplan and risk register.

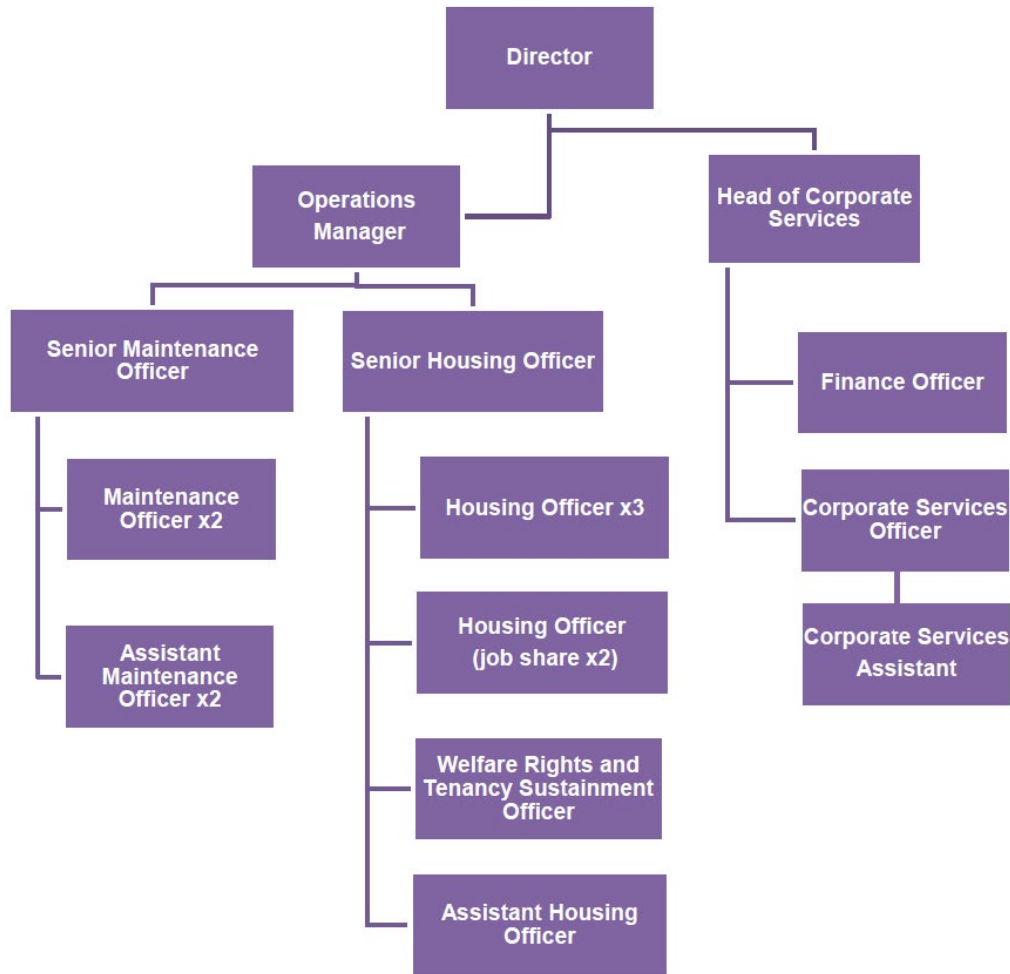
The above training and more specific work with office bearers and Sub Committee chairs help ensure that we have a Committee (i) whose members understand the roles and responsibilities of being chair and (ii) whose members are equipped with the skills and knowledge to fulfil positions of responsibility in an effective manner.

We have good level of turnover on the Management Committee with a healthy mix of newer and more experienced members. Work done by frontline staff has been very effective in identifying local residents who are interested in being Committee members, to the extent that we had a competitive election at the 2021 AGM. At the time of writing, we have two members joining at the most recent AGM, and four individuals at various stages of observing with a view to becoming a Committee Member in future – which continues to indicate a healthy interest in the Management Committee overall.

Succession planning in practice has been very good and the results of this can be seen in the smooth transition of Vice Chairperson to Chairperson in 2023. We reviewed our Succession Planning Policy in 2022/23 which takes account of both staff and Committee succession. The policy follows current good practice the Association has in place, while enhancing the level of training and development plans which are in place.

Staff

Our staff team comprises nineteen individuals with a staff structure as detailed below. The staff team has authority delegated from the Management Committee to carry out the operational management of the Association’s overall strategic direction, and is led by the Association’s Director.



Staff succession planning

We value our staff team and take a proactive approach to training and development to facilitate personal growth, as well as assuring that our team is adequately resourced in the event of staff turnover.

In line with our succession planning policy, we have several strategies in place to support development of the staff team, including:

- Quarterly one-to-ones, two of which annually focus on training and development
- Budgetary resources to support staff on external training
- Regular internal training sessions on key areas
- A two-year training and development plan for all staff
- Support for further education in key disciplines
- Opportunities for workplace shadowing and peer-to-peer training

We recognise that for talent to grow within Cernach, and the wider housing association sector, there may be a desire to take forward 'apprentice' level posts where a need arises. Cernach will therefore seek to investigate funding opportunities where these arise and meet business need.

In 2023 the Association carried out an independent options appraisal evaluating options for the Director, as the Director (working part-time since 2022) was moving towards retirement. This report confirmed that maintaining the independence of Cernach by recruiting a full-time Director best served the interests of tenants. This confirmed the assumptions made in previous business plans, as well as the general opinion of the Management Committee over previous years. Interviews conducted with all internal stakeholders unanimously considered that recruitment of a full-time Director was the preferred option. This independent report also confirmed that Cernach demonstrates financial stability, maintains effective local responsiveness and accountability and demonstrates strong governance structures.

Following competitive recruitment in 2024, the existing Depute Director took up the Director post in December 2024. Following the senior officer change, there followed a restructure of resources within the senior management team. This ensured that appropriate specialist skills and resourcing are in place to support the Director and Management Committee to meet organisational strategic goals and operational direction. As a small organisation, we will continue to work to identify natural successors for posts, should any internal opportunities or vacancies arise.

In line with this approach, we recently reviewed the frontline structure when posts became vacant and opted to amend the housing management team from 2x Housing Assistants to one Assistant Housing Officer and strengthen the maintenance team with the addition of another Maintenance Officer. We will monitor this new structure over the next year to ensure the effectiveness of this change.

Information and communication technology

The Association has invested considerably in the use of information and communication technology (ICT) and this has become an integral part of the Association's day-to-day operations. Day-to-day management of our ICT services is carried out by our ICT support company.

2022/23 presented significant challenges in relation to ICT provision, and we have worked since then to enhance the Association's approach to cyber security in particular. In 2023/24, we first achieved Cyber Essentials Plus accreditation which we intend to retain through assessment on an annual basis. This was achieved for the third time in March 2026.

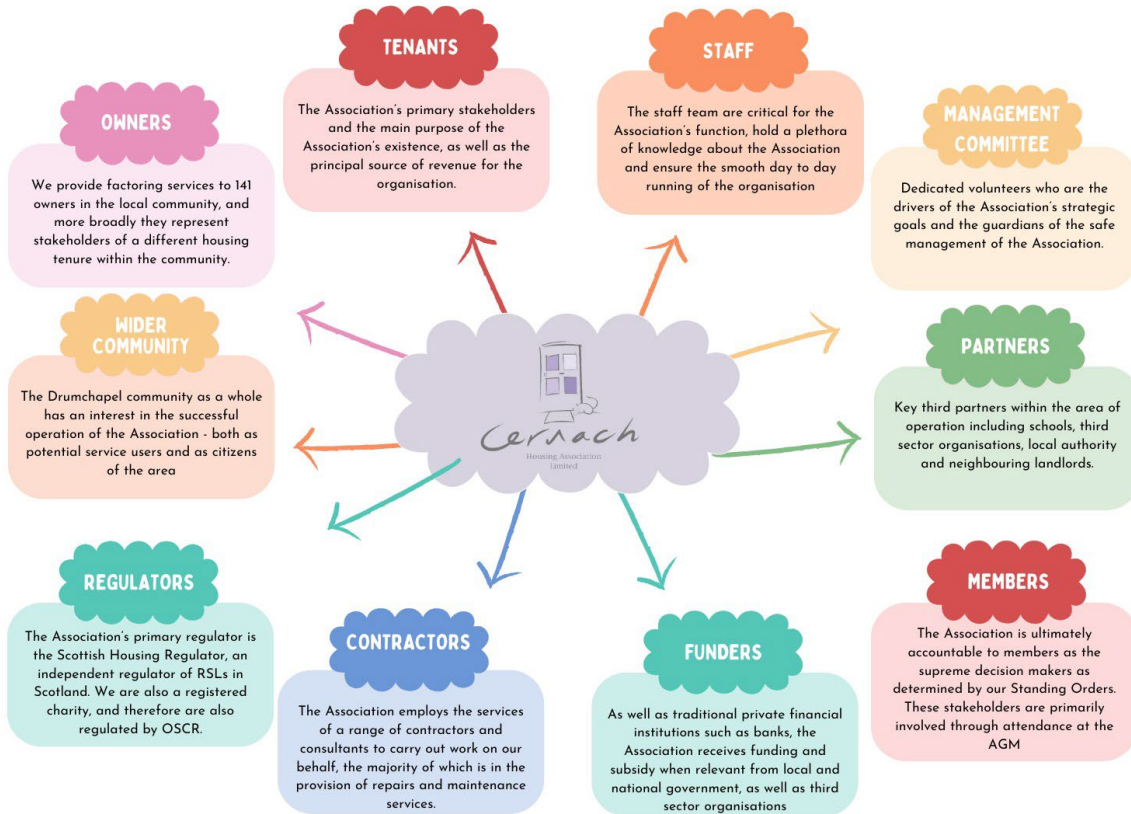
We will commence work in 2026/27 to strengthen the internal knowledge by continuing to investigate ways to more fully resource this service. This may be by a combination of consultancy, or through a dedicated staff resource. We will also look to procure the ICT support service to ensure continued effectiveness.

We have commenced work on moving the organisation forward in relation to digital and ICT strategy more generally by working with an external consultant to utilise best practice and specialist knowledge. This will guide the Association forward over a three-year period and will encompass areas such as cloud migration, AI, device management, key software recommendations and telecommunications.

During the lifespan of this business plan, we will continue to invest in ICT, trialling new approaches in order to streamline working practices. We will focus on ensuring our ICT provision is working for all members of the staff team and Management Committee and seek to invest in updated systems where feasible and beneficial.

Stakeholders

The Association has a number of key stakeholders who all contribute to the management and operation of the organisation. These stakeholders can be summarised in the stakeholder map below.



Finance

We are living in uncertain economic times: as individuals; as businesses; as a society. Not only are we dealing with increasing costs and reduced supply because of Brexit, but consistent geopolitical unrest is causing ongoing market instability which is persisting post-pandemic. There is a significant cost-of-living crisis affecting the United Kingdom at present, particularly in relation to fuel costs – which only appears to be increasing in severity. Specifically in reference to the Association, we have noted increases in construction related costs far beyond inflation measures.

As rent is the Association's main source of income, the decision to increase rents each year since the 2023/24 year has been an incredibly difficult process. In some years, the Association held special meetings of the Management Committee in conjunction with our financial consultants, FMD, which was also open to all staff. We also carried out a more detailed rent consultation, with more information and opportunities to contribute than in previous years.

The decision to increase rents by 5% in 2023/24 and 4.6% in 2024/25 represented the lowest amounts that the Association could increase rents while still maintaining the ability to carry out the planned maintenance programme and remain financially viable in the long term and, as inflation at September CPI was 10.1%, was 5.1% below what our CPI only increases in our usual business planning practices would dictate in 2023/24 and 2.1% below what it would dictate in 2024/25.

In 2025/26, Management Committee took the decision to increase rents at a rate slightly higher than inflation in order to partially address the previous decreases. In 2026/27, the Management Committee made a similar decision and opted to apply an increase of 4.8%, against a September CPI rate of 3.8%. Our financial forecasts therefore reflect this increase, but the remainder of the 30-year business plan and financial forecasts are based on CPI-only increases.

As part of the rent consultations each year we sent a comprehensive pack and held evenings sessions in the office to give tenants ample opportunities to engage with us. We have continued to receive record numbers of responses for consultations carried out this way.

The resourcing plan and the long-term financial projections provide detailed information on how the Association will fund its activities in the short and long terms. In this

document, we provide some headline information on the two key strands of (i) financial health and (ii) financial management.

Financial health

The Association is strong financially:

- Our long-term financial projections show clear financial viability, even when tested against combined adverse scenarios including higher planned and reactive maintenance costs alongside some potential decarbonisation initiatives
- We have very low loan debt; indeed, we funded the non-grant elements of the two recent new build developments from reserves
- Our management costs compare well with others in the sector
- Our 30-year forecasts are based on (CPI) inflation-only rent increases; our rents are low compared to sectoral averages
- More than half of our stock is unencumbered and excess security is estimated at £4.3million at the end of March 2026. We could therefore raise additional finance if required; there are no indications whatsoever that this would be required
- All outstanding loans are due to be paid off within the next five years
- In the next five years, we forecast surpluses of more than £3.6million with cash balances averaging £6million

Financial management

The Association is well-managed financially:

- We continually receive a very positive annual external audit
- We have a full suite of policies and procedures that are kept under review and which reflect industry best practice
- We identify and manage all financial risks
- We have a robust and established reporting structure
- We maintain an effective approach to treasury management in full compliance with the CIPFA code and best practice
- We undertake significant amounts of Committee training in finance and our staff have appropriate qualifications and experience
- 30-year forecasts are presented annually to all Committee and staff including analysis of combined adverse events and discussion of any potential trigger points
- We use industry best practice assumptions when making long-term financial forecasts which are compiled by well-informed and respected financial consultants

- Financial forecasts, assumptions and planning models are routinely validated by the Association's internal auditor during compliance and assurance assessment activities

Rents and affordability

Rents

Affordability of rents (and any related services) is critical if we are to remain an attractive landlord of choice and help our tenants in an increasingly difficult economic climate. However, this must be balanced to ensure adequate resources with sufficient headroom for the Association to effectively operate over the short, medium and long-term. The Association's average rents remain low across all apartment sizes when compared nationally, as well as against others in the local area. We consult with our tenants annually on any rent increase decisions and their feedback informs the decision taken by the Management Committee.

As noted above, we carried out a significantly more detailed rent consultation since 2022/23 due to high levels of inflation. With inflation at September 2022 sitting at 10.1% and rising, the Association could not reasonably increase rents by this level. Prior to commencing consultation, the Scottish Government also passed unprecedented emergency legislation limiting all rent increases. While the relevant dates of this legislation did not affect the Association's rent increase timescales, it did set the tone for the approach that all RSLs should take both in that year, and beyond.

As we had taken the decision to increase rents in previous years at a rate below inflation, the Management Committee opted to consult on a rate of 3.5%, which was above inflation at the September CPI rate (1.7%) in 2025/26. Similarly, consultation took place on options of either 4.8% or 5.3% in 2026/27, with a September CPI rate of 3.8%. The overwhelming majority of tenants opted for an increase at the lower rate of 4.8% which was subsequently agreed by the Management Committee.

While our financial assumptions are based on CPI only increases within the 30-year period, and this continues to ensure the Association's viability, the Management Committee recognised that years of below inflation increases could threaten the Association's ability to meet future unforeseen costs if there was not some degree of clawback. It was therefore determined that while the inflation rate was low, this was, and is, an appropriate time to carry out modest above-inflation increases.

Assessing affordability for tenants

The Association will principally be guided by tenant views and comparative information when considering affordability from the tenant perspective, but the affordability tool developed by the SFHA is also relevant. We will assess our rent increases against this figure annually when making recommendations for increases to ensure that rent levels remain affordable.

We also assess our rent increases against figures collated and circulated by the Glasgow and West of Scotland Forum of Housing Associations (GWSF) to ensure that ours continue to compare well with others. This will be assessed annually when making a recommendation for increase.

More detailed rent affordability information is contained in our resourcing plan.

Value for Money

There is no “golden rule” on what constitutes value for money, nor is there a simple test to establish whether it exists. Value for money is subjective and requires organisations to make judgements about (i) what it means to them in the first place and (ii) whether or not they are achieving it. For Cernach Housing Association, we assess value for money based on a series of industry standard indicators as well as the opinions and priorities of our stakeholders - particularly tenants and other service users. We no longer issue a separate statement on value for money, predominantly due to our ethos that this is firmly embedded within our mission and business plan. We ask our tenants to comment on the Association’s overall value for money in line with the SHR’s standard tenant satisfaction measures, however we also balance these survey metrics with tangible indicators which provide a more holistic view of value.

The Association uses a range of benchmarking tools and indicators dependent on the particular area of business being assessed for value for money indicators. For example, where assessing staffing levels and operational efficiency, the Association will compare against landlords of similar stock size, as well as those facing similar operating environments – such as those in peripheral housing schemes within the Glasgow area.

These tools and comparisons can be found in more detail within the delivery and resourcing plans that support this document – however the Association’s aims and ethos reflect prioritising strong value for money across all areas of the business on a constant basis.

The Association therefore vigorously pursues value for money through compliance with all elements of the SHR's regulatory framework, effective joint working, most commonly with other local landlords, as well as effective procurement.

Procurement

The Association's procurement policy outlines when and how we will seek value for money when procuring services, works and goods and supplies. As a general rule, cost is not the only criterion we taken into account when variations in quality and/or output could have an effect on the overall quality of the outcome.

Where we wish to take qualitative elements into account, we will procure on the basis of quality and price and the split to be used will be advised to all tenderers as part of the tender documents/brief. We also seek to be as open and transparent as possible when selection is being based on subjective criteria as well as costs.

The policy also allows procurement by negotiation, but there must be a value for money assessment carried out in all instances. Contracts above the Scottish Government and UK thresholds must always be tendered in the prescribed manner.

The procurement policy was last reviewed in October 2024 and was updated from the 2021 version to help ensure that we continue to observe legal, regulatory and best practice requirements. Several of our staff involved in procurement have received specialist training to ensure best value and correct procedure when issuing tenders.

Asset management

The Association sees asset management to be one of our key functional areas over the lifespan of this business plan, both for our planned maintenance program and developing our response to the yet to be determined Social Housing Net Zero Standards (SHNZS). The Association has considerable assets and varied stock, and therefore there is a high degree of uncertainty in relation to requirements and costs of renewal and improvement works at this stage, alongside increasing costs in relation to tenant safety requirements. Our approach to asset management is contained within the Asset Management Plan (AMP) in more detail; the AMP links directly to this plan. We keep the plan under regular review, and the most recent stock condition survey will be reflected in the 2026/27 review of this plan, however the findings from the October 2023 survey are consistent with the content of the existing AMP and therefore wholesale review was not required. Alongside our business planning cycle, the Association agrees the five-year investment plan for planned and cyclical maintenance in April each year and this provides the most up-to-date plan for major works.

Housing stock

Prior to the stock transfer in 2010, the Association's housing stock was predominantly new build and rehabilitated stock stemming from the early 1990s onwards. This stock is diverse in terms of size, type and design with a balanced mix of two, three, four and five apartment bungalows, terraced, semi-detached, detached houses, cottage flats and traditional flats.

The stock which transferred to the Association from Glasgow Housing Association on 29 March 2010 on the other hand is predominantly post war tenemental stock with the overwhelming majority being three-apartment properties. This resulted in the Association have a more diverse range of stock both in terms of age and type.

During 2019 - 2021 we completed our most recent new build phases and added an additional 84 new build units to our stock to include medically adapted properties and larger family homes to help address the needs within our community.

A breakdown of the housing stock type and mix is contained in the [asset management plan](#).

The Association currently holds its stock condition and life cycle cost data on Excel spreadsheets by development. Each spreadsheet identifies the development,

construction date and number of units. The information contained within the spreadsheet identifies individual building elements and the life span of each element. It also identifies when and what level of investment is required.

During 2023/24 we carried out an updated stock condition survey and incorporated findings into our planned improvements work, and this will be reflected in our next Asset Management Plan, but in the interim has it been incorporated into our long-term financial projections. All works will be considered in line with our thirty-year financial projections to ensure the Association remains financially viable in the short to medium term, as well as the longer term. We will conduct a further stock condition survey in early 2026/27 to assist in supplementing this information.

Registered office

The Association's registered office is located at Marion McDonald House, 79 Airgold Drive, Drumchapel, Glasgow, G15 7AJ. This office is an asset as the Association provided the building using its own resources and private finance. The office was extended in 2020/21 to respond to our growing asset base and, therefore, staff team.

Systems for measuring and monitoring performance

Key performance indicators (KPIs)

The Association sets out its own key performance indicators for the main areas of operation, as well as key targets and tasks which are contained in our internal workplans. Progress against these indicators is reported to the Management Committee and/or, where relevant, one of our Sub Committees and a review of performance is included at each Management Team meeting. An annual review, and re-setting of targets for the year ahead, takes place at an annual planning event attended by Committee and staff.

All operational and strategic targets are discussed and agreed by all staff and the Management Committee and everyone therefore "buys in" to their individual and team targets. There is a high level of awareness of how individual contributions fit with the Association's overall aims and staff take great pride in working towards and achieving targets.

More information on how these will be achieved is included in the delivery plan. However, for ease of reference, we have appended a list of KPIs for 2026/27 to this document and will update this document annually to reflect the most recent targets.

Tenant and resident voice

The Association aims to continually improve the service provided to our tenants. We do this via a range of mechanisms including the new Tea & Talk sessions for residents held in our office, post-repair telephone and digital surveys, surveys following planned improvement works and post-inspections of repairs, a comprehensive and independent tenant and owner satisfaction survey is commissioned every three years, and we gather continual feedback from individuals using our services. The most recent large-scale satisfaction survey took place in Spring 2025, and we have incorporated feedback from this into our organisational workplans and business planning decisions.

Over the life of this business plan, we also plan to increase tenant and resident voice in our community and are exploring different methods of doing so, including by utilising new software to better reach out to tenants and analyse responses. In particular, we want to ensure that we are empowering tenants to have a say in the management of their local area wherever possible and to ensure that Cernach remain an approachable and caring community organisation. We also want to continue to ensure local community representation at our highest level of governance, our Management Committee.

Monitoring and review

An agenda work plan for Management Committee meetings for the year ahead and the policy review programme is agreed at the beginning of each year to ensure that all required reports are taken. Arrangements for monitoring performance on the service delivery KPIs is specified in the work plan.

We are now in our eighth year of completing the Annual Assurance Statement (AAS) and have incorporated findings from this into an operational tracker which is reported to the Assurance Sub Committee.

Benchmarking

The Association formerly participated in the Quality and Efficiency Forum (QEF) where our performance was benchmarked with other forum members and good practice is

shared. This group took the decision to disband in 2025, therefore we have looked to join another organisation with similar benchmarking facilities to continue to provide appropriate comparative data to the Associations internal and external stakeholders. We have therefore recently joined Scotland's Housing Network in April 2026 and will seek to utilise their benchmarking products throughout the year, as well as exploring the other membership benefits they can offer.

The Association assesses its level of compliance annually against the Scottish Housing Regulator's Standards of Governance and Financial Management and the Scottish Government's Scottish Social Housing Charter standards and outcomes. Baseline assessments were carried out independently in 2018/19 and most recently in 2022/23 and we conduct interim reviews internally on an annual basis. This process will be conducted independently in 2026 by the Association's internal auditor and will directly feed into the overall assurance process for the year.

We analyse data obtained from these sources in order to inform our delivery plans against strategic objectives on an annual basis, which in turn will form our resourcing plan to ease organisational pressures and ensure continuous improvement.

Conclusion

Our business plan, including the strategic, delivery and resourcing plan elements, is supported by our Asset Management Plan and long-term financial projections, all of which are integrated into the Association’s mainstream reporting systems. Our business plan links and complements all the Association’s other strategies and plans. It is central to all strategic and operational decisions throughout the year.

All actions contained within the business plan will be integrated into the staff activity plans with progress in achieving the various aspects of the plan monitored and reported as described in the delivery and resourcing supplements.

The Association is confident that our sound business planning process will ensure good governance, effective management and financial viability. Our “whole organisation” approach ensures understanding and ownership right across the organisation.

This format represents a change from previous business plans and this is now the fourth version – and the final year of our current three-year plan. We believe this change has been effective, and we will continue to monitor the effectiveness of this format in consultation with staff, Committee Members and other stakeholders.

Supporting documents

The following supporting documents, which are separate from this plan, may be of assistance:

- Business delivery plan
- Business resourcing plan
- Financial projections
- Asset management plan
- Operational workplans
- Management Committee workplan
- Operations Sub Committee workplan
- Assurance Sub Committee workplan
- Management Committee and staff structure

Key Performance Indicators – 2026/27

	Item	ARC Ind.	2026/27 Target
1	Percentage of tenants who received a satisfaction survey in the year	1, 2, 5, 7& 21	25%
2	Percentage of 1st and 2nd stage complaints, including those related to equalities issues, responded to in full in the last year, that were resolved by the landlord.	3 & 4	100%
3	Percentage of total rental income lost through voids (general needs)	17	0.75%
4	Average time to re-let void properties (general needs)	26	18 days
5	The number of properties that have been void for more than six months	C9	0
6	Percentage of total rental income lost due to non-technical and technical arrears	23	3.2%
7	Percentage of factoring arrears	-	11%
8	Percentage of former tenant arrears	-	0.8%
9	Percentage of Anti-social behaviour complaints resolved fully by landlord	14	95%
10	Percentage of properties which received a tenancy inspection within the year	-	20%
11	Percentage of emergency repairs completed within target	-	100%
12	Average number of hours to complete emergency repairs	8	2 hours
13	Percentage of repairs completed within target for Right to Repair	-	100%
14	Average number of days to complete non-emergency repairs	9	3 working days
15	Percentage of repair jobs which have completed a satisfaction survey	12	15%
16	Average time taken (working days) to complete applications for adaptations once approved	18, 19	40 days
17	Percentage of repairs completed 'right first time'	10	96%

	Item	ARC Ind.	2026/27 Target
18	Times in the year where we failed to complete a gas safety check within timescale	11	0
19	Percentage of compliance with requirement to carry out EICR every five years in each property	29	100%
20	Percentage of water tanks compliant with legionella risk assessment and control regulations	-	100%
21	Percentage of properties with a passing EPC (Band A-D), not including statutory exemptions	C7 & C8	100%
22	Number of homes that do not have satisfactory equipment for detecting fire and giving warning in the event of fire or suspected fire' installed at the year end	30	0
23	How many open cases of Damp & Mould (at time of reporting)	31	-
24	Average length of time taken to resolve cases of damp/mould	32	10 working days