



Corporate Business Plan, April 2026 – March 2031

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Foreword by Chairperson

This Corporate Business Plan sets out a number of Key Business Objectives for the next financial year and outlines the priorities we will continue to focus on over the next 5 years. It also includes our financial plan, which demonstrates our overall financial strength.

One of our main priorities is to continue to build new homes to help address the Housing Emergency. We are also focused on investing as required in our existing properties to make them sustainable homes for the long term.

2025 was a challenging year for the Thenue Housing Group due to significant changes at the Board and Senior Leadership. As Chairperson of our Board, I am delighted with the knowledge, skills and experience of our new Board. In 2026, we will develop a Board Succession Plan to further strengthen the Board going forward.

Our new CEO, Donna Henderson, starts with Thenue in May 2026, and we are looking forward to Donna leading our staff team to help shape our future.

I want to thank all our staff who continue to perform at a high level, ensuring we maintain our strong tenant satisfaction and effective engagement with all our stakeholders and that we continue to grow and develop as a business.

Thenue Housing Group can face the future with confidence, and I look forward to working with my fellow Board members to deliver the aims and objectives of this Corporate Business Plan.

Yours sincerely
Lindsay Forrest
Chairperson



1. Executive Summary

Purpose of the Plan

The Corporate Business Plan of the Thenue Housing Association Group is the key strategic document that communicates our vision and objectives to all our stakeholders, and how we will achieve those objectives over the life of the Plan. It is central to our strategic and operational decisions of the housing association and its subsidiaries.

Our vision, culture, values and strategic direction are the starting point from which all objectives and priorities in this plan originate. Our approach to business planning is to establish our vision for the future, the actions needed to make progress and how success will be measured. It also aims to explore opportunities, including business growth and innovation.

Our strategy and business direction are supported by our Board, this Corporate Business Plan and the process to agree it reflects their informed consent. Through the work we have undertaken with our Board and Leadership Team, we aim to ensure that all have a thorough understanding of our Corporate Business Plan and approach to asset management and the risks inherent in both.

We recognise that good business planning is at the heart of our approach, together with strong governance, effective management and financial viability. This robust approach to business planning will also help to deliver good outcomes for our tenants and other service users.

Our Key Business Objectives & Business Streams

Our Key Business Objectives for 2026/27 are noted below. They take account of our strengths, opportunities, weaknesses and external threats to the business (see section 5). Our Board and Leadership Team developed them after consultation with staff and Area Associations to ensure that all our stakeholders understood our priorities for the year ahead.

- **Review & Evaluate the service delivery and viability of our supported accommodation**
- **Continue to assess our Net Zero requirements, including reviewing our finances to assess delivery options.**
- **Review the performance and efficiencies of our Homemaster system to date and identify opportunities to develop the system and improve capabilities.**
- **Develop a robust Integrated Asset Management Strategy**
- **To undertake a Comprehensive Review of our Governance**
- **To complete a Review of Our Repair Strategy and Contract Delivery**

How our Key Business Objectives will address our main challenges

Thenue has a significant number of supported accommodation assets. We last undertook a comprehensive review of our Supported Accommodation in 2016. 10 years on, the supported accommodation financial and compliance landscape has changed, and it is now time for another review, which will examine the financial contribution each asset makes to Thenue and the needs and demands of local authorities, service providers and occupants.

All RSLs are waiting to find out the detailed requirements of the Scottish Government on the new Social Housing Net Zero Standards. This is likely to set out government targets for landlords to meet the new standards. We expect these Standards to be published in 2026/27, and we need to develop a fundable plan on how we will work towards them. We are clear that delivery is dependent on funding being available, which will ensure the potential reductions in tenant fuel bills from more energy efficient homes are not

negated by significantly increased rents to pay for energy saving improvements. We will work with our partner, Warmworks, to assess our stock against SHNZS and identify opportunities for gas replacement and/or fabric improvements to our most energy inefficient stock.

Thenue went live with our new Housing and Finance system, Homemaster, in December 2024. Thenue wanted to replace our existing Housing Management and Finance System with a dedicated cloud-hosted HM&FS.

This was implemented so that:

- The Association would be able to obtain better value from their investment in this area, as well as providing far superior functionality for both staff and customers.
- Staff would be able to access the system from any device and from anywhere with internet access. Currently, access is only available via servers based within the main office.
- Any cloud-hosted system would also incorporate built-in document management, resulting in a further reduction in operating costs by replacing Invu, our current document management system.
- Further in-built functionality includes a customer portal and a contractor portal.
- As this would be based on a SaaS (Software as a Service) basis, backup and disaster recovery are also provided by default, again resulting in further reductions in operating costs in this area.

Implementation has gone fairly well, and new systems take time to bed in and for staff to develop optimal use of the new system. During 2026/27, we will undertake a review of whether the above objectives were met and of the performance and efficiencies gained from Homemaster and develop a plan that will set our next objectives to improve and optimise use of the new system.

It is important that we fully understand how our assets are performing in order to make sensible decisions on where to prioritise our investment in our stock. To do this, we will develop a robust Integrated Asset Management Strategy in line with the Scottish Housing Regulator's guidance on this for RSLs. As part of this, we will review our investment programme to smooth spending over the 5-year plan to avoid peaks and troughs in expenditure.

As noted in Chapter 3 below, we will undertake a Comprehensive Review of our Governance in 2026/27. This will ensure that, going forward, our rules and decision-making structure reflect our ethos and values. The review of our Governance will be undertaken by an independent consultant who specialises in RSL governance. On completion of this review, we will implement a Board Succession Plan to ensure that membership of our Board meets the needs, requirements and ethos of Thenue Housing Group over the longer term. In addition, we will review our Tenant Engagement Processes and Structures, including re-establishing our Tenant Scrutiny Panel.

In November 2027, our current Responsive and Void Repairs contract with Mears Group will end. In 2026/27, we implement a review of our repair strategy in preparation for putting in place a new contract to start in December 2027.

Governance

Thenue Housing Group plans to take two important steps in improving our Governance in 2026. This will be a Key Business Objective for 2026/27.

First, we will engage a specialist consultant to undertake a Governance Review. We expect that part of this Governance review will consider whether changes are made to some of our rules, including Board membership categories, the 9-year rule and the role of co-options to the Board.

Second, after the completion of our Governance review and any changes to our Rules are agreed upon, we will initiate a Board Succession Plan.

Operational Context

Like all housing associations, we face external pressures from national and local government to respond to both the Housing Emergency (which places housing associations under significant pressure to help address homelessness) and to prepare for new net-zero standards to reduce carbon emissions. This is even more challenging in an environment where costs are rising for businesses and communities alike. Tenant safety also places increasing focus on compliance with regulations and good practice.

Stakeholder Management

We want to build constructive relationships with our key stakeholders. Our Corporate Business Plan aims to align with the objectives of key stakeholders:

- Tenants and other customers
- Our Staff
- Our communities
- The Scottish Housing Regulator
- Local authority partners
- Our lenders

Growth

This Business Plan sets out our Criteria for Growth Framework for the Thenue Group. The key aspects of our growth strategy are our vision of 'quality homes and stronger communities where people want to live' and deliver on our strategic objectives for homes:

- Development of new affordable homes for rent, working with partners to design new, creative, energy-efficient and low-maintenance homes
- Acquisition of stock that meets Thenue's requirements to consolidate our stock or meet a particular need.

Asset Management & Development

The Scottish Housing Regulator (SHR) issued updated Recommended Practice on Integrated Asset Management in February 2023. As a Key Business Objective, we will develop a new standalone Integrated Asset Management Strategy in 2026/27.

Thenue's track record in new-build development and our location in the East End, with its considerable supply of vacant and derelict land, is well located to respond to any further opportunities for growth through new development. We are working closely with our partners in GCC NRS, the local economic regeneration company, Clyde Gateway, and with local contractors to progress plans for new development projects aiming to deliver around 500 new homes over the next 5 years.

Community Regeneration

Our current Community Regeneration strategy sets out our priorities, which reflect local needs, bring value and address inequalities. Our current 6 key priorities are:-

- Fuel Poverty
- Cost of living Support
- Digital Inclusion
- Health & Wellbeing
- Employment & Training Opportunities
- Young People & Families

Our Community Regeneration work contributes to and supports Thenue HA's Strategic objectives for Communities and helps deliver our Strategic Outcome for Communities:-

Sustainable, resilient, and connected communities where people's wellbeing and opportunities are enhanced.

The Community Regeneration strategy is currently under review, with Fuel Poverty and Cost of Living support remaining central thematic priorities.

Value for Money

Thenue has a Value for Money Strategy which is due for review in 2026/27. As costs continue to increase above inflation across the organisation, it is vitally important that Value for Money is not a one-off exercise but becomes embedded throughout the organisation.

We aim to understand our costs, how they relate to our performance and commit to comparing ourselves to other associations of a similar size in Scotland. We will explore all avenues of improving VFM. We will involve our staff and tenants in regularly monitoring our performance in delivering against this strategy, and will communicate our progress with staff, tenants and other stakeholders.

Rent Affordability

An exercise was carried out in April 2024 to review the Rent Policy and clarify how rents are set. The review included consultation with all tenants, our Tenant Scrutiny Panel, staff and Board members. A new policy was created and approved by the Board in May 2024.

The revised Rent Policy recognises that there are three considerations that we require to consider when setting the rents we charge:

- Viability - The need to collect enough income to ensure our financial viability
- Affordability - The need to provide homes that are affordable for our customers.
- Comparability – The aim is to have rents set at levels that are comparable with other social landlords who provide similar properties in similar areas.

Budget & Financial Plan

In 2026/27, it is expected that income of £22.8m will be generated by the Thenue Group. Operating costs, including management and maintenance costs of £19.3m and interest costs of £2.2m. It is anticipated that there will be a surplus of £1.3m. This surplus will be carried forward and used to partially finance the continued investment in the future of Thenue's homes and communities.

During the next four years to 2030/31, it is expected that rising revenue and managed operating costs will lead to healthy surpluses.

To assess the financial impact of changes to the economic assumptions used in our budget and forecasts, we undertake sensitivity analysis. In doing so, we apply changes to key drivers such as rent levels, inflation, void and bad debts and interest rates. We model both individual changes and combinations of these variables to evaluate their effect on our income, expenditure, and cash flow projection. The results show that we have a robust financial plan and would be able to withstand the adverse impact arising from these individual tests, and for combinations tested too.

Overall, the cash balance is positive at the end of the 30-year plan and meets minimum cash targets throughout the period. Lenders' covenants are satisfied throughout the period of the plan.

Thenue demonstrates a healthy financial position despite the economic challenges it has faced. Based on current projections, we will remain financially viable in the long term. Economic uncertainty, cost-of-living and investment challenges for net-zero will continue to impact the Association. By taking a strong approach to scenario planning, sensitivity analysis and testing, we can ensure fully informed investment decisions for Thenue.

Risk & Audit

Thenue last reviewed its approach to Risk in 2021. A key task in 2026/27 should be to review our Risk Management Strategy and our appetite for risk in relation to each key business activity, rather than having an overarching risk appetite statement.

We have 6 Key Business Objectives for 2026/27 as noted above, and we have assessed the risk of delivering those objectives.

Our internal auditors are WBG. They review our risk register annually and present an audit plan for the next year.

Audits will take place on the following areas in 2026/27:

- Treasury Management.
- Implementation of New Housing Management System.
- Succession Plan.
- Performance Monitoring.
- HR Management.

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2. VISION, MISSION, CULTURE AND VALUES

Our Approach to Business Planning

Our stakeholders must have a clear understanding of who we are, our values and culture. Our approach to business planning is to set out our vision for the future, the actions needed to make progress and how success will be measured. It also aims to explore opportunities, including business growth and innovation.

This section of our Corporate Business Plan sets out the vision, values and overall aims of the Thenue of Scotland Group.

Our History – Who We Are

Thenue Housing Association was established in 1979 as a service agency for housing associations in Glasgow and the West of Scotland, providing a range of services, such as development, housing management and finance support to smaller housing associations that did not have the resources to employ full-time staff.

It first became a landlord when it acquired properties in the Saltmarket in Glasgow. It also started to acquire property to assist with the Care in the Community/Hospital Closure programme, where Thenue managed property it owned and leased the accommodation to a Care Provider, with occupants having occupancy agreements with the Care Provider.

Its focus changed to becoming a significant general needs landlord in 1995 when it acquired, through stock transfer, 1400 homes (and factored properties in mixed-tenure blocks) from Scottish Homes in Bridgeton and Calton in Glasgow. It grew further with Transfers of Engagements from Bridgeton & Dalmarnock HA and Netherholm HA in the late nineties. Growth continued through significant new-build programmes in Cranhill and Blackhill and across all our communities.

Thenue strongly values the engagement it has with the local communities, and to embed that relationship in our decision-making structure, we established Area Associations in our main communities, with Minutes of Agreement that set out the respective roles and responsibilities of each.

Thenue Housing Association is now the parent body of the Thenue Group, which has 3 subsidiaries. Thenue Housing Services (our Commercial Subsidiary), Thenue Communities (which manages two community centres) and Thenue Trust (our Charitable Subsidiary).

Our Values, Vision and Strategic Objectives are set out below:

Thenue Housing Association

Our Values

Passion: We are committed, determined and motivated

Excellence: We aim to be the best we can be

Respect: We treat everyone with courtesy and dignity, recognising diversity

Connection: We listen and actively engage with our customers and communities

Our Vision

'Quality homes and stronger communities where people want to live'

We want to make a lasting positive impact on our tenants' lives and the neighbourhoods in which they live.

Our Strategic Objectives

Our objectives and outcomes are centred around 5 new strategic themes which are:

Customers: in further building our culture, we want to see and truly put your voice as customers at the heart of all that we do.

Homes: we aim to develop and maintain homes which meet people's needs, being fit for the future, while being energy and cost efficient.

Communities: we aim to create sustainable, resilient and connected communities where people's wellbeing and opportunities are enhanced.

People: our people will be skilled, ambitious, innovative and responsive working within an inclusive, agile and collaborative environment.

Partners: we aim to grow, improve and provide excellent service delivery through partnership working and being recognised as a partner of choice.

OUR CULTURE

Strong and robust leadership is key to organisational success and the behaviours at the top of an organisation to drive its culture.

Our culture will always have a strong customer and community focus, and we aim to embed this throughout the organisation. We expect all staff to carry out their role in line with our values.

We also promote a culture where staff members, senior management and members of our Board are encouraged to provide constructive challenge to the business planning process.

Our Board are responsible for delivering strategic leadership and necessary improvements in respect of our governance and culture.

Customer First, People-Focused

At the heart of Thenue Housing Association's purpose is a commitment to *enhancing lives and strengthening communities*. To achieve this, we place a **Customer First, People-Focused culture** at the centre of all organisational activity. This culture shapes and drives how we design services, how we support our colleagues, and how we work in partnership with our communities. It defines both how we lead and how we deliver.

Putting Customers First

We recognise that our customers—tenants, residents, community members and other partners—are the reason we exist. Our Customer First approach ensures we actively listen, act with empathy, and deliver services informed directly by what matters most to the people who use them.

Key principles underpinning our Customer First commitment include:

- **Listening and Insight:** We gather customer feedback through a range of mechanisms and use the insight gleaned from this to shape our priorities, our service improvements, and investment decisions.
- **Accessibility and Fairness:** Our services are designed to be inclusive, easy to use, and responsive to the diverse and varied needs of our communities and wider customer base.
- **Accountability and Transparency:** We communicate clearly and in different ways to meet people's varied needs, follow through on commitments, and aim for high standards of service quality across all areas.
- **Continuous Improvement & Innovation:** We learn from complaints, compliments, customer feedback, community association input, as well as performance data to refine our services and ensure they remain relevant, efficient, and customer-driven while meeting our customers' needs. We also aim to be innovative and be ready to meet new customer aspirations and service needs.

This approach enhances customer satisfaction, builds trust, and strengthens our reputation as a compassionate and reliable landlord and employer.

A People-Focused Organisation

We recognise that delivering excellent services starts with supporting and empowering our people. A culture that values, develops, and engages colleagues is essential for sustaining performance and delivering great customer outcomes.

Our people-focused culture is built on the following principles:

- **Respect and Inclusion:** We foster an environment where colleagues feel valued, heard, and included, enabling everyone to bring their strengths and perspectives to the organisation.
- **Wellbeing and Support:** We prioritise wellbeing, offering support, flexibility, and an environment where colleagues can thrive personally and professionally.
- **Learning and Growth:** We promote continuous learning, leadership development, and career pathways to equip our teams with the skills and confidence required to meet evolving customer and community needs.
- **Collaboration and Empowerment:** We encourage teamwork, shared ownership, and a sense of purpose in delivering services that make a real difference in the lives of our customers.

By nurturing our people, we ensure they can deliver services with the professionalism, compassion, and commitment that our customers deserve.

Culture as a Strategic Priority

Embedding a Customer First, People-Focused culture is essential to achieving our strategic outcomes.

It:

- Strengthens organisational performance
- Enhances service quality and customer satisfaction
- Improves retention, engagement, and productivity
- Ensures long-term sustainability and community impact

This culture is not a standalone activity—it is woven through leadership behaviours, decision-making, service design, and the everyday actions of our colleagues.

Our Commitment Going Forward

As we look to the future, Thenue Housing Association remains committed to:

- Continuously evolving our services around customer insight and need
- Investing in our people, leadership, and organisational capability
- Building a supportive, inclusive workplace where colleagues feel empowered and motivated to do their best work
- Strengthening trust with our communities through respect, openness, responsiveness, and close partnership.

By placing customers and people at the centre of everything we do, we will continue to deliver meaningful outcomes, supporting thriving communities, and upholding the values that define Thenue Housing Association.

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3. INFORMED CONSENT AND GOVERNANCE

Our strategy and business direction are supported by our Board and this Corporate Business Plan, with the process to agree it reflecting that informed consent.

Our Board sets our strategic direction and provides the necessary challenge when required. We recognise that good business planning must be at the heart of our approach, together with strong governance, effective management and financial viability. This robust approach to business planning will also help to deliver good outcomes for our tenants and other service users.

As noted in section 2 above, our vision, objectives and business direction are the starting point from which all objectives and priorities in this plan originate. Through the work we have undertaken with our Board and Leadership Team, we aim to ensure that all have a thorough understanding of our Corporate Business Plan and Asset Management Strategy and the risks inherent in both.

Our Corporate Business Plan clearly sets out our key business objectives for the next year. This approach helps address the issue of informed consent and ensures that all stakeholders have a clear understanding of our business aims and priorities. Our Board and Leadership Team held a Business Plan Review session in October 2025 to agree what our key business priorities should be (see section 7). These priorities were developed further through consultation with staff and Area Associations. A special Board meeting in February 2026 focused solely on the draft Business Plan, and this was extremely helpful in shaping the final Plan.

Our Board will provide the necessary oversight, direction and constructive challenge to management when delivering the Corporate Business Plan through its Action Plan, which the Board will use to review progress quarterly. The Corporate Business Plan is consistent with our formal constitution (including our charitable objects).

Governance Objectives

Our Board has an ongoing process in place to self-assess compliance with the Scottish Housing Regulator's Regulatory requirements, including the Regulatory Standards of Governance and Financial Management. This process includes Board annual reviews, a training and development plan, a review of Board meetings and linking Board papers to compliance with the standards.

Thenue is currently Compliant with the Scottish Housing Regulator's Standards of Regulation and Financial Management.

Our current Engagement Plan with the Regulator is included in Appendix 17.5, and SHR require Thenue to:

- send us the information we require about its continued compliance with the Standards;
- keep us informed about its investigation into the complaints about governance issues; and
- keep us informed about its progress in recruiting a permanent senior officer and its longer-term succession plans for the governing body.

Thenue Housing Group plans to take two important steps in improving our Governance in 2026. This will be a Key Business Objective for 2026/27.

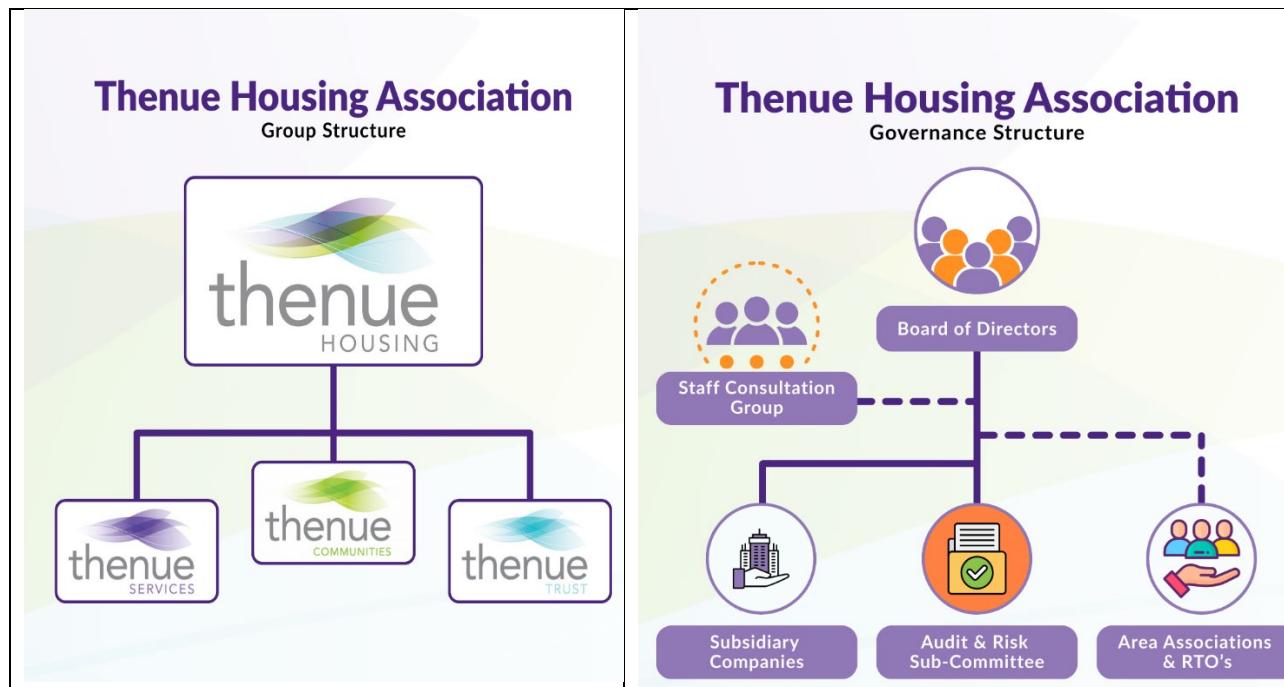
First, we will engage a specialist consultant to undertake a Governance Review. This review will take into account any recommendations from an independent investigation by HR McKinney into some governance and employment matters that occurred under the previous Board of Management and Leadership Team. We expect that we will consider as part of this Governance review, whether changes are made to some of our rules, including Board membership categories, the 9-year rule and the role of co-options to the Board.

Second, after the completion of our Governance review and any changes to our Rules are agreed upon, we will initiate a Board Succession Plan. This is particularly important as we recognise that some of our Board members joined the Board to assist Thenue in the short term, and we need to identify future Board members who meet our requirements over the longer term. Our Board are very keen that a good balance of Tenant/Resident Board members with General Members with expertise in particular areas is achieved. Tenants and residents bring their knowledge of our communities and experiences as a service user, whilst General Board members bring the expertise to support and challenge the Executive Team where required.

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4. ORGANISATIONAL STRUCTURE

Thenue Housing Association Limited is a registered social landlord and non-profit making organisation under the Co-operative and Community Benefit Societies Act 2014. The Association is a registered Scottish Charity. The Thenue Group comprises Thenue Housing Association Ltd (the parent) and its subsidiary companies, Thenue Housing Services Limited, Thenue Communities and Thenue Trust.



OUR SUBSIDIARIES

Thenue Housing Services was established as a non-charitable wholly owned subsidiary of the Housing Association. Established in 1979, its primary purpose was to provide services to other associations and co-operatives which were either too small to employ their own staff or were newly established and had yet to employ staff. We also provided services to associations undergoing a period of change by providing experienced staff and a range of services from Officer to Director level. Over the years, we continued to provide services to a wide range of housing associations, in addition to our core business. We have provided independent advice to tenants, project management consultancy, training and independent governance advice. In the last financial year, however, no activity has been recorded for this company. It remains a company with the potential to significantly grow our commercial activities.

Thenue Trust was established in February 2002, under a Trust Deed. The purpose is to promote further, or support all or any, activities deemed to be charitable. The Trust provides grant support for individuals living in the communities where Thenue Housing operates in pursuit of their personal achievement or personal development. These grants are designed to provide financial assistance and support to local people in the achievement of excellence and personal development in areas such as (but not limited to) education, employment, training, sport, and the arts. In the last financial year, however, there has been no activity recorded for the Trust.

Thenue Communities is a wholly owned subsidiary of Thenue Housing Association. It is a limited liability company with charitable status: the strategic objectives are: -

1. Thenue Communities will facilitate a significant increase in service provision to the

Communities from which it operates

2. The capacity of these communities will significantly increase
3. Thenue Communities will generate sufficient trading income to make it financially viable without external grant support

The objectives are generally achieved via two community centres, Calton Heritage & Learning Centre and Netherholm Community Hall. Bookings continue to be positive with both centres providing vital services and programmes in our communities. Free cash reserves continue to remain very healthy.

In 2024/25, Thenue Communities' turnover was £211,000.

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5. OPERATIONAL CONTEXT AND SWOT ANALYSIS

This section sets out our operational environment and the challenges and opportunities that we face as a Group of businesses. It does this through SWOT and PESTLE analyses.

Like all housing associations, we face external pressures from national and local government to respond to both the Housing Emergency (which places housing associations under significant pressure to help address homelessness) and to prepare for new net-zero standards to reduce carbon emissions. This is even more challenging in an environment where costs are rising for businesses and communities alike. Tenant safety also rightly places an increasing focus on compliance with regulation and good practice. There are, however, opportunities that come from the use of Artificial Intelligence, for example, that can help us become more efficient and effective at meeting some of these challenges.

THENUE SWOT Analysis

A SWOT analysis is a strategic planning technique used to help an organisation identify strengths, weaknesses, opportunities, and threats that may affect the business going forward.

A SWOT analysis provides a basic structure for analysing our own strengths and weaknesses, the opportunities and threats we face, and how they will impact our future strategic direction. It is, however, only one step in a process of strategic planning. It is important to bear in mind that a SWOT analysis is fine for an initial classification of issues, but it represents a black-and-white distinction between strengths and weaknesses, opportunities and threats, with no depth or precision.

A session was held with Thenue staff on 18th December to review our strengths and weaknesses, opportunities and threats. These have been summarised below.

Section 7 Key Business Objectives should address some of the main weaknesses, opportunities or threats identified below.

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Financially strong • Significant new-build development programme • Skilled and experienced staff dedicated & committed to values and the organisation • New strong board / Experienced & skilled board • Good IT infrastructure/Digitally moving forward with system implementations/upgrades/investment in digital strategy • Strong performance & customer satisfaction • Innovative/Forward thinking in terms of technology • Flexible approach to work & meeting needs of roles • Staff resilience/cohesion 	<ul style="list-style-type: none"> • Recent Staff turnover • Insufficient tenant board representation • Awareness of AI opportunities • Internal & external communication could be better • Consistency in management style & communication • Succession planning • Performance of contractors and quality of service provided • A significant number of New Board members with limited knowledge of the Association • Homemaster IT system still not fully functioning • Lack of diversity in staff and Board • Uncertainty of current priorities & policies in specific roles

- Area associations/Strong community relationships with tenant groups
- Strong relations with key funders & other stakeholders
- High union representation
- High-quality stock
- Strong commitment to staff wellbeing and Training & development
- Renewed optimism & reputation

- Lack of a robust approach to resources and growth.
- Lack of cross-team working/Awareness of what other teams do
- Top - down communication - from board -CEO - senior - OMT – staff
- Rules/Governance Documents are insufficient to prevent poor Governance

OPPORTUNITIES

- Continued development/ increased stock
- More improvement in development - property size
- Continued IT investment, development and improvement / Delivery of digital options / Support and develop digital improvement strategy
- Partnership with external bodies / Partnership working
- Developing long-term board members
- Repairs strategy progression & environmental contracts / Repairs contract - more staff engagement
- Community incentives
- Trainee Staff - apprentices, interns & secondments
- Further education for staff / Staff progression
- Renewed engagement with volunteering
- Introduce handyperson/caretaker service
- Invest in current stock - modernisation program / Continue developing quality housing stock
- Property services contracts ending - move forward, procurement
- New tenant board members/Maintain an even split of tenant and professional board members
- New avenues of funding
- Support staff development and current benefits
- 2026 Commonwealth Games
- Closer staff working/contact with the board
- More retirement / sheltered housing for the ageing population

THREATS

- Material and construction costs
- Securing Funding / External funding for development & staff posts
- Affordability of rent increases
- Cuts to external bodies' funding / Scottish Gov / GCC budgets being scaled back / Reduction in GCC / HSCP services
- Higher Interest rates
- Welfare reform / Increased cost of living / Cost of living, inflation - impact on rent arrears
- Spike in tenants in crisis
- Cyber attacks
- Changes in legislation & requirements & compliance
- Staff succession planning - loss of staff due to retirement = loss of experience/Lack of succession planning for staff and board
- External agencies not fulfilling their responsibilities
- Reputation damage/perception
- Impact from Drug Consumption Unit
- Effect of AI on jobs, wrong info to customers, tenants'/Job security from IT efficiency
- Impact of 50% lets to the homeless, fewer lets to tenants/waiting list
- Lack of improvements to current stock - more refusals
- Concern about the new CEO's views on hybrid & flexible working - effect on staff morale
- Increased pressure & stress on staff
- Ageing stock – roofs/Condition of stock - roofs, no major repair plan

- New Area Association in Blackhill

- Staff safety during external visits/Proper ID for externals

PESTLE Analysis

A PESTLE analysis is a framework used to analyse the key factors (Political, Economic, Sociological, Technological, Legal and Environmental) influencing an organisation from the outside. It outlines our operational context.

This section summarises the key issues we face, which are covered in more detail within the Corporate Business Plan.

POLITICAL	ECONOMIC
<ul style="list-style-type: none"> • Scottish Government’s Housing to 2040 document • No clarity on funding of investment required for Pre-1919 tenement stock • Homelessness as a priority for lettings • Community ownership given greater priority? • Scarcity of public funding • Scottish Government elections in 2026 – potential change in priorities. • Scottish Government’s focus on child poverty in the Programme for Government – does this present opportunities for Thenue? 	<ul style="list-style-type: none"> • Economic Uncertainty • Higher costs, etc. from Brexit • Covid & long-term economic impact (both on Thenue, sector and tenants) • Changes in inflation/interest rates • Drive for all publicly funded bodies to deliver VFM • Increase in pension costs • Welfare (incl. Universal Credit) and economic changes impacting the income of our customers • Further austerity measures post Covid? • Increasing energy costs • Increase in labour and supply costs (Asset Management and Development) • Cost of living ‘crisis’ becoming long-term embedded poverty, impacting more households • No forecast of any significant improvement in the economic position for the foreseeable future.
SOCIAL	TECHNOLOGY
<ul style="list-style-type: none"> • Increasing older population • Increased demand for social housing • Increased demand for quality homes from those unlikely to qualify for social housing • Increased demand to access services online • Increasing homelessness (if changes in economy affect homeowners/ PRS) 	<ul style="list-style-type: none"> • Demand for online services and other forms of digital interaction with Thenue from customers • Opportunities from Technology Enabled Care for older/ vulnerable people • Opportunities from developments in green technology • The speed of technology changes and its impact

- Demand for services to address issues related to increased poverty/inequality
- Awaab’s Law – requirements for RSLs to safeguard the health of tenants by responding effectively to incidences of dampness and mould in their homes.
- Change in ethnicity in some communities
- Instances of poor mental health are becoming more common.

- on decisions today
- Development of skills and abilities to cope with increase in technology
- Artificial Intelligence (AI) – opportunity for efficiency and improved services?
- IT demands on staff are more complex
- Automation of some manual tasks in the future
- Opportunity for new technologies to assist growth
- Modern methods of construction

LEGAL

ENVIRONMENTAL

- Scottish Housing Net Zero Standards
- New Housing Act
- Replacement of EPCs
- Awaab’s Law

- Climate Change & Decarbonisation
- SG Heat in Building Strategy
- Pressures for organisations to focus on green agenda
- Increase in worldwide extreme weather events
- Drive to be Carbon Neutral
- Active Travel and transport improvements

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6. STAKEHOLDER MANAGEMENT

We have important relationships with many stakeholders, including our tenants, our other service users, lenders, regulators, local authorities and the Scottish Government.

Our business planning process, leading to a clear Corporate Business Plan, will assist us in building and maintaining constructive relationships with our key stakeholders. We also recognise that a credible Corporate Business Plan is essential to assure our lenders around future financial viability, governance and performance.

This plan represents a means of engaging and informing stakeholders about our future plans. It aims to reflect the needs and priorities of our tenants, service users and, as appropriate, the interests of other key stakeholders.

We want to build constructive relationships with our key stakeholders. Our Corporate Business Plan aims to align to the objectives of key stakeholders:

- Tenants and other customers
- Our Staff
- Our communities
- The Scottish Housing Regulator
- Local authority partners
- Our lenders

Our Communities, Tenants and Other Customers

Thenue operate in 6 main communities:

- Calton & Saltmarket
- Bridgeton
- Dalmarnock
- Cranhill
- Blackhill
- Castlemilk

Effective and real engagement with our communities and customers has always been at the heart of decision-making at Thenue. We know we make better decisions when we consult with and obtain their views before we make significant decisions that affect all customers or individual communities.

Over 20 years ago, we established Area Associations in our main communities to represent local Thenue tenants and residents and be the main vehicle for regular engagement with Thenue. We ensured that engagement wasn't just an idea but rooted in real commitments from Thenue. Formal Minutes of Agreement were drafted, which set out the respective roles and responsibilities of each party. For example, Area Associations must have a Management Committee that is elected annually at an AGM. Thenue must consult with the Area Association in advance of significant investment or service delivery changes that affect that community.

In addition to this, Thenue established a Tenant Scrutiny Panel to engage with Thenue staff on policy and service matters that affected all customers and communities. The Scrutiny Panel was a long-running and effective engagement body, and we aim to review and re-establish this in 2026/27.

Factored Owners

Thenue factor around 800 properties across our communities. Whilst we engage with individual blocks when planned maintenance or Major Repairs are required, we could improve our engagement with owners in respect of the overall factoring service. We will consider setting up an online forum of owners to assist with that engagement. In advance of that, we will undertake a customer survey of factored owners.

Our Staff

At Thenue, our People are our most valuable asset and are essential to our success. They help build highly important relationships with our tenants and customers, push to support our local communities in various and creative ways, so that we deliver on our commitment to provide high-quality services. They are a team that continuously strives for continuous improvement. We are thrilled to say we have a highly committed team of people who are creative, skilled and experienced in delivering quality housing services.

In early 2026, we established a Staff Consultation Group to ensure that staff are consulted before significant organisational changes are implemented by the Executive Team or Board of Management. We also hold bi-monthly All Staff Briefings to ensure that all staff receive consistent communication on key decisions made.

We currently hold Investor in People (IIP) Gold status, which is a mark of our high commitment to investing in our people. An important feature of this investment is our commitment to flexible working, which helps us to achieve our outcomes whilst also providing a positive working environment for our staff. As always, there is no standing still, Thenue. As can be seen in our current Organisational Strategy, we have further updated our strategic focus and strategic objectives as we adapt to a changing environment for our people and our customers. Our People and Wellbeing Strategy highlights our focus on life/work balance and the investment in our people. The objectives within this strategy are key to our success and are as follows:

- Demonstrate a ‘customer first’ ethos in all we do – customer-driven, personalised approach; and positive relationships with all our customers and our communities, built on understanding, respect and trust.
- Effective leadership that develops a forward-looking, supportive, and motivating working environment.
- Together, continue to develop our culture – we live our values, actively collaborate, learn, and innovate, and are forward-looking and solution-driven.
- Understand and embrace digital transformation opportunities.
- Invest in people and their wellbeing – development, personal growth and succession.
- Deliver modern performance management that supports and recognises excellence and reinforces the values and behaviours that underpin our desired culture.

As ever, we continue to offer development opportunities for our staff so they can improve their work-related skills while also meeting their personal ambitions and personal development goals. Opportunities include leadership and management programmes, mentoring, secondment opportunities to try something new and job shadowing opportunities to learn new skills. We also use various ways to regularly check in with staff so they are supported on a day-to-day basis, as well as encouraged and enabled to be the best they can be at work. Continuous improvement is a key focus for our People, and we are fundamental to this.

As we go into 2026-27, the wellbeing of our staff, particularly in relation to mental health, continues to be a key focus for us. Throughout 2025, we worked closely with an organisation called Headstrong, providing sessions designed to help us understand how the mind works and cover topics such as self-esteem and

confidence building, amongst others. This continues with a new focus on understanding and supporting neurodiversity in the workplace. In addition, following feedback from our staff survey, we have continued to invest in a private healthcare package through Westfield Health. This provides access to therapies such as physio and other medical services for our employees and family members.

Our Lenders

Thenue borrows from the financial markets to fund investment in our housing stock. We have one main lender, the Royal Bank of Scotland (RBS), with whom we have several loans. We also have two other fixed-rate loans with Nationwide (legacy loans) and The Housing Finance Corporation (THFC). These loans are fixed to maturity at attractive low rates.

We continue to have a strong working relationship with our main lender and remain confident that this plan will provide the assurance our lenders require in respect of our commitment to ongoing investment whilst continuing to demonstrate future financial viability and stability. Thenue has business-wide financial covenants with its main lender only, The Royal Bank of Scotland (RBS).

A refinancing exercise was completed in December 2024 and approved by the Board. As part of this refinancing exercise, Thenue is required to meet the lender's interest cover of 145% EBITDA. The 2026 Plan projections for interest cover anticipate that there will be no issues in meeting the covenant. The stock-specific covenant with THFC is satisfied within the 2026 plan.

The Board of Management monitors performance against lenders' financial covenants as part of the quarterly management accounts. Thenue has a robust Treasury Management Policy that is reported to the Board and in line with regulatory requirements of the Scottish Housing Regulator (SHR) and the CIPFA code. We also work with an external provider who advises and can give access to specialist skills and resources.

The Scottish Housing Regulator (SHR)

In January 2026, the Scottish Housing Regulator published a new Engagement Plan for Thenue Housing (see appendix 17.5), which confirmed that we are Compliant with their Regulatory Standards.

This plan also advised that Thenue must:

- send us the information we require about its continued compliance with the Standards;
- keep us informed about its investigation into the complaints about governance issues; and
- keep us informed about its progress in recruiting a permanent senior officer and its longer-term succession plans for the governing body.

In November 2025, the Scottish Housing Regulator set out what it saw as ***the main risks and challenges*** for Registered Social Landlords (RSLs). These, together with some of our actions in response (where relevant to Thenue), are summarised below:

- ***Performance of service delivery to tenants: how LAs and RSLs deliver services for their tenants and other service users, and meet the standards and outcomes from the Scottish Government's Social Housing Charter (the Charter);***

Thenue Response – Thenue plans to review our Customer Engagement Strategy in 2026/27, and we are also looking to seek Customer Service Excellence Accreditation.

- ***Services for people who are or could become homeless: how LAs deliver services for people who are threatened with, or experiencing, homelessness. This includes providing people who need it with suitable temporary accommodation and determining which LAs are impacted by systemic failure.***

Thenue Response – Thenue work closely with Glasgow City Council to help alleviate the housing emergency within Glasgow. Each financial year, in conjunction with our partners at GCC, we agree on a minimum target of properties that will be let to homeless applicants for that year. Over the past four years, this yearly target has been met and/or surpassed. Currently, for 2025/26, 58% of Thenue’s lets (net of transfers) have been allocated to homeless or potentially homeless applicants, surpassing our target of 50%. Thenue continue to provide ongoing support to previously homeless applicants during the tenancy with tenancy sustainment for homeless tenancies currently at 98% over the past 12 months.

- ***RSL Governance: how well RSLs are run with a focus on compliance with regulatory requirements, including the Standards of Governance and Financial Management (the Standards);***

Thenue Response – Thenue will implement a Governance Review and Board Succession Plan in 2026

- ***Financial health in RSLs: how financially healthy RSLs are and how well they manage their money, with a focus on financial planning and compliance with Regulatory Standard 3;***

Thenue Response –Thenue ensures strong financial management with quarterly financial reports submitted to the Board and lenders. The budget and five-year financial plan are submitted to the Board for approval. A 30-year financial plan is submitted annually to the Board and the Regulator, along with other financial returns that demonstrate the financial health of the organisation.

- ***RSLs’ development plans: how RSLs manage the risks involved in building new homes;***

Thenue Response – Delivery risks are mitigated through appropriate procurement strategies, experienced project teams and effective contractual arrangements that promote value for money, quality, cost certainty and programme control. Compliance, building safety and health and safety risks are managed through adherence to statutory and regulatory requirements and assurance arrangements. Risks are monitored continuously at both project and programme level, with clear governance, reporting and escalation processes in place. This approach supports sustainable growth, protects the Association’s financial capacity and ensures the timely delivery of safe, high-quality homes in line with the Business Plan.

- ***Quality of homes: how landlords ensure that the homes they provide to tenants are good quality, and whether they have a good understanding of the condition of those homes;***

- Thenue Response – Thenue have a duty to ensure their properties are safe, warm, and well-maintained, providing tenants with quality homes that support their wellbeing and meet the requirements of the Scottish Housing Quality Standards. A Stock Condition Survey is commissioned every 3 years to ensure these standards are maintained and future investment identified.

- ***Tenant and resident safety: whether and how landlords meet their statutory obligations on tenant and resident safety.***

- Thenue Response – Tenant safety is at the heart of our responsibilities. We are committed to providing homes where tenants feel secure, protected, and supported. We ensure all properties meet the required safety standards by carrying out regular inspections and maintaining robust procedures for all compliance disciplines set out by The Scottish Housing Regulator. In addition, we also provide all tenants with a Tenants' Safety Manual, which is updated and circulated as required.

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7. KEY BUSINESS OBJECTIVES

Our Board and our Leadership Team met in October 2025 and February 2026 to consider what our Key Business Objectives should be for the next financial year (2026/27). These sessions were helpful for both the Board and Staff to develop a clear understanding of what our immediate priorities should be.

We also sought staff views on what they considered to be a priority for the next financial year and asked our Area Associations for their priorities. This resulted in a set of Key Business Objectives for 2026/27.

- **Review & Evaluate the service delivery and viability of our supported accommodation**
- **Continue to assess our Net Zero requirements, including reviewing our finances to assess delivery options.**
- **Review the performance and efficiencies of our Homemaster system to date and identify opportunities to develop the system and improve capabilities.**
- **Develop a robust Integrated Asset Management Strategy**
- **To undertake a Comprehensive Review of our Governance**
- **To complete a Review of Our Repair Strategy and Contract Delivery**

Thenue has a significant number of supported accommodation assets. We last undertook a comprehensive review of our Supported Accommodation in 2016. 10 years on, the supported accommodation financial and compliance landscape has changed, and it is now time for another review, which will examine the financial contribution each asset makes to Thenue and the needs and demands of local authorities, service providers and occupants.

All RSLs are waiting for the detailed requirements of the Scottish Government on the new Social Housing Net Zero Standards. This is likely to set out government targets for landlords to meet the new standards. We expect these Standards to be published in 2026/27, and we need to develop a fundable plan on how we will work towards these. We are clear that delivery is dependent on funding being available, which ensures any potential reductions in tenant fuel bills from more energy-efficient homes are not negated by significantly increased rents to pay for the energy-saving improvements. We will work with our partner, Warmworks, to assess our stock against SHNZS and identify opportunities for gas replacement and/or fabric improvements to our most energy-inefficient stock.

Thenue went live with our new Housing and Finance system, Homemaster, in December 2024. Thenue wanted to replace our existing Housing Management and Finance System with a dedicated cloud-hosted HM&FS.

This was implemented so that:

- The Association would be able to obtain better value from their investment in this area, as well as providing far superior functionality for both staff and customers.
- Staff would be able to access the system from any device and from anywhere with internet access. Currently, access is only available via servers based within the main office.
- Any cloud-hosted system would also incorporate built-in document management, resulting in a further reduction in operating costs by replacing Invu, our current document management system.
- Further in-built functionality includes a customer portal and a contractor portal.
- As this would be based on a SaaS (Software as a Service) basis, backup and disaster recovery are also provided by default, again resulting in further reductions in operating costs in this area.

Implementation has gone fairly well, and new systems take time to bed in and for staff to develop optimal use of the new system. During 2026/27, we will undertake a review of whether the above objectives were

met and of the performance and efficiencies gained from Homemaster and develop a plan that will set our next objectives to improve and optimise use of the new system.

It is important that we fully understand how our assets are performing in order to make sensible decisions on where to prioritise our investment in our stock. To do this, we will develop a robust Integrated Asset Management Strategy in line with the Scottish Housing Regulator's guidance on this for RSLs. As part of this, we will review our investment programme to smooth spending over the 5-year plan to avoid peaks and troughs in expenditure.

As noted in Chapter 3 above, we will undertake a Comprehensive Review of our Governance in 2026/27. This will ensure that, going forward, our rules and decision-making structure reflect our ethos and values. The review of our Governance will be undertaken by an independent consultant who specialises in RSL governance. On completion of this review, we will implement a Board Succession Plan to ensure that membership of our Board meets the needs and requirements and ethos of Thenue Housing Group over the longer-term. In addition to this, we will review our Tenant Engagement Processes and Structures, including re-establishing our Tenant Scrutiny Panel.

In November 2027, our current Responsive and Void Repairs contract with the Mears Group will come to an end. In 2026/27, we implement a review of our repair strategy in preparation for putting in place a new contract to start in December 2027.

The table below sets out the agreed objectives and the rationale and outcomes we expect (*and their alignment with our Strategic Objectives*). Actions to achieve these objectives are set out in our Action Plan (see Appendix 10). Progress with these KBOs will be monitored on a quarterly basis by the Board.

KEY BUSINESS OBJECTIVES FOR 2026/2027

NO.	KEY BUSINESS OBJECTIVE	RATIONALE FOR KBO	SWOT	ACTIONS TO ACHIEVE KBOS (SEE ALSO APPENDIX 10)	ACTION BY
1.	Review & Evaluate the service delivery and viability of our supported accommodation.	Last reviewed in 2016, and there have been subsequent changes in funding, tenancies and compliance requirements.	Threat: Changes in legislation requirements & compliance	<ul style="list-style-type: none"> Appoint a consultant to carry out a full review of the supported accommodation stock Implement the recommendations of the review Review the Service Charges 	Sept 26 March 27 Dec 26
2.	Continue to assess our Net Zero requirements, including reviewing our finances to assess delivery options.	We have been working towards EESSH compliance and await SHNZS guidance being released from the Scottish Government.	Opportunity: Invest in current stock Threat: New regulatory and compliance requirements	<ul style="list-style-type: none"> Review stock in line with SHNZS guidance once issued by SG Update Warmworks report on stock options to meet net zero Assess the costs associated with 	Sept 26 Sept 26

NO.	KEY BUSINESS OBJECTIVE	RATIONALE FOR KBO	SWOT	ACTIONS TO ACHIEVE KBOS (SEE ALSO APPENDIX 10)	ACTION BY
				<ul style="list-style-type: none"> implementing proposed solutions Work in partnership with Clydegateway in terms of the infrastructure of potential district heating systems within our operating area. 	<p>October 26</p> <p>March 27</p>
3.	Review the performance and efficiencies of our Homemaster system to date and identify opportunities to develop the system and improve capabilities.	With any new system, it is prudent to ensure that we are optimising the full functionality of the new system.	Weakness: Homemaster IT system is still not fully functioning	<ul style="list-style-type: none"> Carry out a review against original objectives, including assessing efficiencies and service improvements Develop a Plan that will set out our next objectives to improve and optimise the use of the new system. 	<p>August 2026</p> <p>December 2026</p>
4.	Develop a robust Integrated Asset Management	It is important that we fully understand how our assets are performing to make sensible decisions on where to prioritise our investment in our stock.	<p>Opportunity: Invest in current stock</p> <p>Threats: Material and construction costs</p>	<ul style="list-style-type: none"> Develop Asset Management Strategy Carry out a stock condition survey Reprofile component replacement to achieve efficiencies by aligning work in local areas Review current plans and realign to ensure budgets can be met each year of the plan 	<p>Dec 26</p> <p>June 26</p> <p>August 26</p> <p>Sept 26</p>
5.	To undertake a Comprehensive Review of our Governance	To ensure that, going forward, our rules and decision-making structure reflect our ethos and values.	<p>Weakness: Rules/Governance Documents insufficient to prevent poor Governance</p> <p>Tenant representation on Board and Board Succession planning.</p>	<ul style="list-style-type: none"> Undertake an independent review of our Governance Implement a Board Succession Plan Review our Tenant Engagement Processes and Structures 	<p>April 2026</p> <p>June 2026</p> <p>June 2026</p>

NO.	KEY BUSINESS OBJECTIVE	RATIONALE FOR KBO	SWOT	ACTIONS TO ACHIEVE KBOS (SEE ALSO APPENDIX 10)	ACTION BY
6.	To complete a Review of Our Repair Strategy and Contract Delivery	In advance of the end date of the current repairs contract, consider options and service requirements and prepare for a new service contract.	Weakness: Performance of Contractors and Service Delivery	<ul style="list-style-type: none"> • Report to the Board on our review of our Repairs Strategy and plans for future contractual arrangements. • Issue of ITT to potential contractors (invitation to tender) • Issue invitation to submit final tender to preferred Bidder(s) • Final Tender Evaluation/Clarification process • Contract signing 	<p>April 2026</p> <p>April 2026</p> <p>Sept 2026</p> <p>Nov 2026</p> <p>April 2027</p>

Five-Year Plan Corporate Business Plan Objectives

Our Corporate Business Plan is accompanied by an Action Plan, which details specific tasks we plan to complete within set timescales. In addition to our Key Business Objectives for 2024/25, priorities which will underpin our activity throughout the 5-year plan are:

- **Continue to invest in and improve existing homes (including working towards meeting the new Social Housing Net Zero Standard)**
- **Maintain focus on Tenant Safety**
- **Continue to be a developer of new homes**
- **Maximising our income, whilst keeping rent increases affordable where possible**
- **Continue to focus on Value for Money and delivering efficiencies**
- **Reducing our Carbon Footprint**
- **Continue to engage with our customers and communities, listening to their needs and aspirations**
- **Mitigate the Cost of Living for our Tenants**
- **Review and strengthen our Governance**

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8. GROWTH

Our Corporate Business Plan, approved by our Board, reflects our chosen strategic direction. We recognise the impact our decisions have on our communities. We must always consider how we will use our resources to meet a range of competing demands on services, neighbourhood management, stock quality, regeneration and new development.

This Business Plan sets out our Criteria for Growth Framework for the Thenue Group:

The key aspects of our growth strategy are our vision of 'quality homes and stronger communities where people want to live' and deliver on our strategic objectives for homes:

- Development of new affordable homes for rent, working with partners to design new, creative, energy-efficient and low-maintenance homes.
- Acquisition of stock that meets Thenue's requirements to consolidate our stock or meet a particular need.

Some of the development growth described in this section is aspirational and is not yet subject to grant funding appraisal by Glasgow City Council. Therefore, some of the projected stock numbers may differ from the stock numbers in the summary development programme as described in Appendix 17.2. The strategy is reviewed yearly, as part of our business planning process.

Criteria for Growth: All potential projects that contribute to the growth of the organisation are assessed against a robust set of criteria. These are: -

- The project is compatible with Thenue's vision, values and strategic objectives
- The project or property is located generally within our existing area of operations
- The project will not have a detrimental or negative effect on the association's business plan.
- Where applicable, the project is supported by the Local Authority or grant funding body.
- The project or property consolidates our ownership of stock in the area. In the case of Mortgage-to-Rent or Buy-Back acquisitions, the acquisition complements existing stock. In the case of expansion through partnerships or subsidiaries, there are economies of scale to be gained.
- The project or property is considered financially viable when assessed against the following financial hurdles:
 - The project is judged viable in its own right and generates a positive value over its assumed life and at least breaks even.
 - Any cash outflows can be supported by the business overall.
 - The impact on key measures of financial performance, including lenders' covenants, is clear and within acceptable parameters determined by the Board.
 - The Association can secure loan finance on acceptable terms or can demonstrate that existing reserves can support the acquisition.
 - the assumed project lead in time, where applicable, is within agreed time limits determined by the Board

Delivery of the Strategy: Our Growth Strategy for 2025/26 has two strands to it: -

- Growing our core business through new build development and property acquisitions.
- Growing by stock acquisition and the potential acquisition of other organisations.

Growing our core business: Our core business is the provision of affordable housing for social rent and the services associated with such provision. The Scottish Government’s policy for ‘Housing Beyond 2021’ has set a new target of 110,000 new affordable homes over 10 years. Our proposed development programme, of current and pipeline projects, will contribute to this ambitious target. The pipeline projects will be subject to future funding levels set for affordable housing in Glasgow. We assess the need and demand for new housing in our areas of operation, in line with the Council’s Local Housing Strategy, and through analysis of our current waiting lists.

Building New Homes: We have an experienced development team, led by the Director of Property Services, who carry out feasibility for all projects and progress them in line with the strategy. We develop new homes based on a detailed project brief that outlines the quality standards and specifications required. Our Development Procedures outline the key stages of the development process and the roles and responsibilities of all participants. Our governance arrangements allow for full scrutiny by our Board of Management at key stages of each project.

The gap site at 44 Dalmarnock Road, Bridgeton, will provide 10 new homes and is due for completion in March/April 2026. French Street is also on site and consists of 119 homes. Work began on site in September 2025, with completion due by May 2028. The redevelopment of Tureen Street School, Calton, started on site on 23rd February 2026 and will comprise 42 new homes.

Site	Area	Units
44 Dalmarnock Road	Bridgeton	10
French Street	Dalmarnock	119
Tureen Street	Calton	42
Total		171

We continue to progress developments on a further three sites to provide 91 new homes. Current programmes indicate that Anson Street could be completed over the next three years, assuming that the required grant funding is provided by GCC and all statutory permissions are granted. It is anticipated that Ruchazie Place and Anson Street could be completed within the next two years, depending on statutory approvals and grant funding.

Site	Area	Units
Ruchazie Place	Cranhill	12
Queen Mary Street	Bridgeton	30
Anson Street	Bridgeton	49
Total		91

Future development opportunities have been identified and will be submitted to GCC in our Strategy and Development Funding Plan in April 2026. These are detailed in the table below with indicative numbers. These are subject to change as the sites move into development, detailed designs are undertaken and depends on land in private ownership being acquired by the Association.

Site	Area	Units
Tobago Street	Calton	52
Connal Street Phase 2	Dalmarnock	67
Duke Street	Haghill	60
Total		179

Further opportunities are being pursued by the Development Team to ensure we have a future pipeline of projects that meet our strategic objectives and growth criteria.

2. Acquiring Existing Stock:

Acquisitions: The other mechanism for growth is the acquisition of existing stock. Thenue's acquisitions have been targeted in communities where we already own stock. We have developed a Tenement Plan which has identified works required for our sandstone properties and outlines a strategy around potential disposals/acquisitions to enable us to acquire full or majority ownership of those blocks. We will work in partnership with GCC to secure financial assistance for acquisitions and to assist private owners in funding communal repairs.

Growing by the acquisition of adjacent organisations: Over the years, Thenue has grown via this route, merging with or acquiring stock from other local housing associations. Opportunities for merger or acquisition are likely to be from associations that are in 'high or medium' engagement with The Scottish Housing Regulator, where they decide that the most appropriate route to secure ongoing governance and financial stability will be to seek a strategic partnership with another RSL. Any approach would need to be assessed against our five criteria for growth.

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9. ASSET MANAGEMENT AND DEVELOPMENT

Context: The Scottish Housing Regulator (SHR) issued updated Recommended Practice on Integrated Asset Management in February 2023. As a Key Business Objective, we will develop a new standalone Integrated Asset Management Strategy in 2026/27.

The guidance notes that integrated asset management is most successful when a ‘whole organisation’ approach is applied, as RSL governing bodies and local authority committees can then be assured that they have a robust process for managing their assets and get the information they need to make decisions and set the strategic direction for investment strategies.

An integrated approach to asset management focuses on every aspect of asset performance to establish if continued investment is sustainable. If an asset is fit for purpose, it should be:

- managed efficiently and generated demand;
- in good condition with a costed, affordable maintenance programme;
- making a positive contribution to the landlord’s business plan;
- delivering value and amenity.

To support social landlords to pursue and achieve an integrated approach to asset management, and to ensure their assets continue to meet the needs of tenants and residents, this recommended practice guide is based around five practical principles:

Principle 1: Governing bodies and committees lead the strategic response to asset management and should be assured that assets are managed effectively

Principle 2: Social landlords should have a comprehensive understanding of their assets

Principle 3: Social landlords should develop an approach to understanding the value of their assets

Principle 4: Integrated asset management outcomes should be understood and used as evidence to inform future investment decisions

Principle 5: Social landlords should use the integrated asset management outcomes to inform their asset management strategies

Asset Profile: Our housing Stock has been acquired through stock transfer, acquisition, and new build development. This has resulted in a variety of house types over several locations. In addition to our mainstream units, we also have 16 supported accommodation projects ranging from large-scale residential units to small individual houses. We manage a further 8 properties on behalf of Care Providers and the Local Authorities.

Stock Condition: We currently hold our stock condition survey information on an external web-based system, HUB, which also holds the 30-year expenditure information on which future investment programmes are based. The implementation of our Homemaster system to replace QL will also eventually replace HUB for managing and monitoring our investment programmes and provide enhanced reporting and analysis of future investment requirements. We procured an update to our Stock Condition Survey in 2023-24. A 20% selection of properties was surveyed at this time to provide a more accurate reflection on the condition of Tenue stock and to support the Business Plan requirements, with a further Stock condition Survey being carried out in 2026/27.

Turnover of Stock: The table below shows the turnover of properties over the past twelve months for our main areas and is an important focus for any asset management plan. Knowing where any significant changes are in demand assists in making sound future investment decisions. Overall, the turnover of stock has decreased slightly from the previous year, from 1.24% to 0.93%. There are no significant concerns with the current turnover.

Area Office	Terminated Tenancies	Relets	Lettable Properties	Turnover	Turnover Previous Year	Variance
Baillieston	0	0	19	0.00%	0%	0.00%
Blackhill	1	2	141	1.42%	0.70%	0.72%
Bridgeton	69	80	1104	7.25%	5.69%	1.56%
Calton	39	44	801	5.49%	6.33%	-0.84%
Castlemilk	5	6	30	20.00%	6.66%	13.34%
Cranhill	8	9	282	3.19%	3.19%	0.00%
Dalamarnock	9	28	363	7.71%	7.3%	0.41%
Netherholm	19	17	308	5.52%	5.84%	-0.32%
Saltmarket	2	3	54	5.56%	5.55%	0.01%
Scotstoun	0	0	13	0.00%	0%	0.00%
Supported	2	6	13	46.15%	15.3%	30.85%
Total for Thenue	154	195	3128	6.23%	5.30%	0.93%

Investment programme: We continue to invest in our stock to ensure that our properties achieve the Scottish Housing Quality Standard (SHQS). We currently have 147 properties that don't meet the current standard, and these are all for minor energy efficiency works. We will continue our programme of planned investment and component replacement to ensure that our stock complies with SHQS (other than EESSH compliance), and the budget for this period makes provision for this work. Our Major Repairs programme will provide new components that have reached their lifecycle, including kitchens, bathrooms, windows, doors and heating replacements.

We have a continuing programme of cyclical maintenance to ensure that the fabric of the properties is maintained, and safety checks are completed within the required timescales to remain compliant.

Energy Efficiency Standard: In March 2014, the Scottish Government published the new Energy Efficiency Standard for Social Housing (EESH). Thenue implemented a strategy to deliver this standard, as far as possible (with temporary exemptions), by 2020. The standard requires that all properties achieve a certain Energy Efficiency rating, depending on the form of construction and primary fuel source. The Scottish Housing Regulator monitors compliance with the new standard on behalf of the Scottish Government as part of the Annual Return on the Charter, and in March 2025, we reported that meeting the current EESH standard is 94.29% of our stock.

Future Delivery to Increase Compliance with current EESH standard

We continue to increase the number of EPC certificates that we hold on our stock to assist us with the long-term aim of achieving an EPC for every property. Our programme of EPC surveys is ongoing. Accurate EPC data has increased our compliance with the standard. We have determined the number of properties in our sandstone tenement stock, our listed buildings and our non-traditional properties that will continue to require exemptions from the 2020 standards, and the reason for such exemption. A full building survey has been completed for the sandstone tenements. Our Tenement Plan outlines the required repair/ upgrade and consolidation of the stock, involving potential disposals/acquisitions, and the programme of works commenced in 2024-25, with around a 10-year programme of works required. Properties that do not meet the current EESH standard will continue to be reported as temporary exemptions until completion of programmed works, due to financial/technical/legal reasons.

EESH2/SHNZS – The EESH2 standard set out a requirement for all properties to meet EPC Band D by 2025 and Band B by 2032, with no new gas boilers to be fitted from 2030. We estimated that it would cost around £13m to bring 50% of the stock to Band B, using reasonable measures. The Scottish Government brought forward its EESH2 review, and a working group was set up in 2022. This working group has now issued a consultation on a new Social Housing Net Zero Standard (SHNZS), and in the meantime, the current

ESSH2 standard has been paused. We expect that the new SHNZS standard will continue to be very challenging to meet, particularly in mixed tenure tenement blocks, as extensive external works may be required, along with the installation of Net Zero heating systems. Without grant assistance and further borrowing, it is very unlikely we will be able to fund the more extensive/expensive retrofit measures that will be required. We will likely continue to be unable to meet any new standard for some of our stock, due to technical, legal or financial reasons, and we will continue to require to claim exemptions.

Supported Accommodation: We have a varied portfolio of supported accommodation properties which range from traditional mainstream units purchased and adapted for the use of the occupants, some of which are covered by Houses in Multiple Occupation licences, to purpose-built properties registered with the Care Commission. Glasgow City Council’s move to a ‘Housing First’ model means that revenue funding for ‘hostel’ type projects may be at risk in the future. An options appraisal was carried out on all supported accommodation projects in 2016, and options agreed for future use or disposal should funding be discontinued. It will be a Strategic Business Objective in 2026/27 to update this appraisal to provide an assessment of future needs and resources.

Medical Adaptations: We have carried out 56 adaptations this year. The grant allocated for 2025/26 was £110,000, which has funded 31 adaptations. With around 25% of our tenants being above the age of 65, there will likely be continuing demand for adaptations in future years, and we will continue to apply for grant funding for these works.

Reactive Maintenance: While planned and cyclical programme work is important to protect and enhance the asset, the routine repairs service plays an equally important role in protecting the value of our assets and maintaining high levels of tenant satisfaction. This service is currently provided by a single multi-trade contractor, Mears Ltd, with specialist contractors used if required. Mears are now in Year 9 of a 10-year contract with performance and quality closely monitored through a range of Key Performance Indicators and with minimum levels of acceptable performance specified. We have commenced work on a Repairs Strategy to assess the overall needs of the service and how this will be procured and implemented in 2027/28.

Repairs Trends: In the last couple of years, there has been a reduction in the level of reactive repairs per property due to significant investment the Association has made in bringing our stock up to the Scottish Housing Quality Standard.

	April-Dec 25	2024/25	2023/24	2022/23
Number of Properties	3176	3069	3069	2974
Number of Repairs	10745	10097	11295	11148
Average Number of Repairs Per Property	3.3	3.2	3.6	3.7

Future Asset Development: Glasgow City Council’s (GCC) Neighbourhood and Regeneration Services (NRS), Investment Funding team are responsible for managing and funding the Affordable Housing Supply Programme (AHSP), which provides the grant subsidy for the provision of affordable housing in the city. The projects to be funded are identified in GCC’s Strategic Housing Investment Plan (SHIP), which lists the projects submitted by Associations through the Development Funding Plan Process (DFP). Thenue will submit a DFP in April 2026, outlining potential development projects for inclusion in the next SHIP.

The Scottish Government made a significant cut to the Affordable Housing Budget in 2024/25, which meant GCC NRS were only able to provide funding for existing projects. This stalled our ongoing development programme, as no funding was available to progress projects to the planning stage. We were advised by GCC NRS that they expected that funding would return to previous levels in 2025/26, and they asked us to progress current projects to the Planning and Tender stage, with a view to approvals in 2025/26 and beyond.

Thenue's track record in new-build development, and location in the East End with its considerable supply of vacant and derelict land, is well located to respond to any further opportunities for growth through new development. We are working closely with our partners in GCC NRS, with the local economic regeneration company, Clyde Gateway, and with local contractors, to progress plans for new development projects, with a plan to deliver around 500 new homes over the next 5 years.

44 Dalmarnock Road, Bridgeton – this project has been subject to several significant delays but is now on site and expected to be completed in March/April 2026.

French Street, Dalmarnock - we have been progressing this project for 119 flats for rent with Clyde Gateway and CCG Homes as the Housing Association partner. The project received GCC and Board approval and started on site in September 2025.

Ruchazie Place, Cranhill – this is a developer-led project to provide 12 2-bed flats. The project has been delayed due to issues with Planning consent, but this has now been resolved, and we will apply for tender grant approval by March 2026.

Queen Mary Street, Bridgeton - GCC own a vacant site at Queen Mary Street and has asked us to progress plans for a development on this site. We expect the development to accommodate around 30 new flats. This site would be acquired as a nominated disposal from the Council. We have progressed this project to the planning stage and await the outcome of our application before submitting a Tender Grant application.

Anson Street, Bridgeton - Clyde Gateway owns part of a site at London Road/Anson Street at Bridgeton Cross, and they would like us to develop this for new housing and include a commercial unit on the ground floor. The adjacent site would be included, but this requires a CPO to acquire, which Clyde Gateway are pursuing with GCC Legal, as an agency CPO. We expect around 45 flats could be provided on this site. We have appointed a Design Team for this project through our Consultants Framework, and we have made a pre-planning submission.

Tureen Street, Calton – the former school buildings at Tureen St have listed status, and GCC would like us to develop the Tureen St site for housing using a 'façade retention', to maintain the built heritage. To assist in meeting the substantial redevelopment costs, we have applied to the Scottish Government's Vacant and Derelict Land Programme (VDLP) for a grant to carry out enabling works and have now been successful. The site has full Planning and Listed Building consent, and we have been awarded Grant Funding to start on site in February 2026.

Connal St / Springfield Road, Dalmarnock (Phase 2) – GCC have agreed to try to resolve the title issues in relation to this site, with a view to this project being included in the programme in later years. The second phase could provide around 67 new flats and houses.

Tobago Street, Calton - The derelict land and buildings to the west of Tobago St is currently in multiple private ownerships. We have been in discussion with our partners at Clyde Gateway to get their assistance to unlock some of this site. We have also looked at the potential to progress this as a developer-led project, working with a local contractor. This will be a long-term project, requiring land-banking until the full site can be acquired.

Duke Street, Haghill – we have commenced early discussions with AS Homes, a local contractor, to pursue a developer-led project of around 60 new flats and houses at a derelict site in Haghill.

While all the projects noted have been subject to a financial viability assessment in line with our Growth Strategy, it is acknowledged that some of the later pipeline schemes have challenges in delivery, particularly around land acquisition, statutory consents and grant funding.

Details of our potential future development programme are shown in Appendix 3.

Risk Management: All building contracts by their nature involve risk, and we have a long track record in both the procurement and management of capital and revenue projects. To mitigate risk, we have taken the following steps: -

- The employment of suitably qualified and experienced staff.

- The employment of consultants with experience in the delivery of programmes in the socially rented sector.
- All consultants carry appropriate professional insurance at a level commensurate with the size of the projects they are appointed to carry out.
- The use of industry standard forms of contract with well understood allocation of risks between employer and contractor.
- Health and Safety risks are assessed from the design stage through completion by a qualified Principal Designer under the Construction Design and Management Regulations 2015.
- Financial checks are carried out on contractors.
- The development of project briefs to specify the association's expectations as a client and the continual active involvement in the design and specification of projects.
- An appropriate entry in our risk register relating to contractor insolvency.
- In the current financial climate, there is an increased risk of contractor liquidation, and we will now be requiring a Contract Guarantee bond from each contractor. This is an insurance which would cover up to 10% of the contract sum. In addition, payments to contractors are based on monthly valuations, which are assessed by the Contract Administrator and are subject to a standard retention.

Future Challenges: The delivery of the current Energy Efficiency Standard (EESH) poses several challenges for us in delivery and funding, particularly for our nineteenth century, sandstone tenements. The task of increasing the energy efficiency of the fabric while still protecting the stonework is technically and financially challenging. This problem is further compounded when buildings are listed in a conservation area or are mixed tenure. The EESH 2 review has completed, and the consultation on the new SHNZS standard is ongoing, with the potential requirements again being more onerous to meet than the current standard. There are still exclusions available where all reasonable efforts have been undertaken and where it is not technically feasible or cost-effective to meet the standard. Several properties will likely continue to require an exemption, at least until any future grant funding streams for retrofit are established.

Glasgow City Council have recognised the unique issues with the maintenance of Pre-1919 Sandstone Tenements and have set up a working group with Housing Associations, including Thenu, to review the issues and assess the implications/costs of carrying out necessary works and how this might be funded, with a view to making a case for funding to the Scottish Government to support efforts to maintain/improve these heritage buildings. Sandstone tenements make up around 14% of our housing stock, so the outcomes from the working group could have a significant effect on the future asset strategy. We have now completed our Tenement Plan, which outlines a programme for communal repairs and upgrades to the stock, to meet EESH2 as far as possible, and ensure the long-term viability of these heritage buildings. This includes a plan to consolidate the stock through disposal/acquisition, as full or majority ownership will enable us to carry out the works that are required. The GCC Private Sector team have agreed to assist with grant funding for owners, to help us progress this programme.

The 'Glasgow Standard' implemented by GCC DRS for grant funding new social rented housing continues to make new development very challenging, with added capital costs, particularly around space standards and meeting the gold level of the Building Regulations in terms of energy efficiency. The new benchmark grant figure set by the Scottish Government takes some account of these new standards but does not cover the full extra cost. Construction tender prices continued to rise significantly in 2025/26 due to issues affecting labour and material supplies, and the upward trends in inflation. The increase in overall development cost is compounded by the type of sites we are developing, which tend to have various constraints, impacting acquisition and development costs. The reduction in the Affordable Housing Budget in 2024/25 effectively caused nearly a year's delay in progressing our programme, and we are now making significant efforts to move projects forward, in line with our updated programme.

The Scottish Government Heat in Buildings Strategy means that from 2024, all new build homes must have heating that produces zero direct greenhouse gas emissions, helping to meet climate change targets. The measures aim to ensure that heating systems in all new buildings given consent from 2024 are zero-emissions, in line with the recommendation from the UK Committee on Climate. The strategy sets out a range of outcomes, including ensuring new homes and non-residential buildings are affordable to heat, supporting the delivery of a continued supply of high-quality homes, and offering opportunities for retraining and upskilling workers to install zero-emissions heating systems. This requirement will be factored into our new developments that are likely to be consented from 2026 onwards.

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10. BUSINESS STREAMS

10.1 This section of our Business Plan outlines the functional responsibilities of each Department as well as their current priorities.

10.2 Property Services Department

The Director of Property Services leads the department and has overall responsibility for delivering our Development Strategy, our planned capital investment programmes, major works both planned and unplanned, asset compliance, and cyclical maintenance. The Director has strategic responsibility for taking our property assets towards compliance with the Social Housing Net Zero Standard (SHNZS) required by the Scottish Government.

The Property Services function is divided into two main areas of work - Asset Management and Development. These functions are managed by the Property Services Manager (Assets) and the Development Manager, respectively, who report to the Property Services Director.

The Property Services Manager (Assets) has responsibility for planned investment programmes, such as new windows, kitchens and bathroom replacement works – these programmes are in part driven by information from stock condition surveys undertaken by the asset team. In addition, the Property Services Manager (Assets) is responsible for the delivery of works related to our SHNZS strategy. The Asset Team also has lead responsibility for statutory compliance in relation to gas and electrical safety checks, legionella and asbestos management and other compliance disciplines. They are also responsible for planned cyclical maintenance such as lifts, ventilation systems, painting and gutter cleaning. The role also includes responsibility for delivering major repair revenue works.

The Development Team is guided on a day-to-day basis by the Development Manager. Responsibilities of the team include managing the new build development operations and completion of the new build programme. This involves delivery of new build projects, management of the external design teams involved in all projects, liaison with funding partners, programme management, repairs under defect liability period, procurement and contract management. The delivery of medical adaptations to tenants' homes, which can often be life-changing for the occupants, is also under the remit of the Development Manager.

Challenges For the Year Ahead

- To continue to invest in the stock while we await the SHNZS guidance being released and suitable funding being allocated.
- Review major component replacement dates/lifecycles following the stock condition survey being completed.
- Pre 1919 tenement flat refurbishment works and engaging with owners in terms of proportional costs.
- The appointment of a new Director of Property Services being made, and the understanding of the Property Services Team and its functions.

New Initiatives

- Work with Warmworks to identify potential projects in working towards delivering net-zero projects to our existing stock.

- Potential expansion of future District Heating systems being rolled out in the areas in which Thenue operate.
- On-going Repairs Strategy and how best contracts are aligned to provide value for money.

10.3 Community Housing Services Department

Community Housing Services is responsible for delivering a comprehensive range of landlord and community services. We are focused on providing excellent landlord services to our tenants and other customers, as well as providing the additional support tenants may need in times of difficulty. We also have an important role in providing a complete repair service, maintaining the environment and communal facilities for the common good.

Our Community Housing Services department has four clearly defined teams, which provide more focus by utilising specialist roles. One team is dedicated to income recovery and maximisation (Financial Inclusion and Income maximisation), including arrears management and responsibilities for welfare rights advice and maximising the income of our customers. Our second team, Housing Services (split into two separate groups of Housing Officers and Assistant Housing Officers for mainstream tenancies and another for our retirement housing service, both led by a Senior Housing Officer with a Housing Manager responsible for both teams), is responsible for estate and tenancy management, anti-social behaviour, allocations, etc.

Our Community Regeneration team provide support to enable the autonomy of our Area Associations, as well as supporting other non-constituted local groups. The team also provide support services, community centre management and community development. They work closely with our Housing Services teams to identify tenants who need additional support and assistance, for example, providing energy advice along with wellbeing support and the range of activities outlined in Section 11 of this plan.

Our Community Regeneration Manager also oversees the management of Thenue's subsidiary Thenue Communities. Thenue Communities is a charitable subsidiary company that manages our two local community centres, providing facilities for learning, training, play or social events.

We recognise that repair requests remain the main reason tenants contact us, and we strive to provide the best possible responsive repair and out-of-hours emergency service to our customers via our Repairs Team. We also recognise that the performance with our existing supplier, Mears, has been below organisational KPIs and our tenants' expectations post covid. However, through a genuinely collaborative approach and strong contract management with the aim of resolving issues, we have seen significant improvements since Spring 2025, as infrastructure investments and improving processes have begun to pay off. There is currently a development of a Repairs Strategy in anticipation of the conclusion of the Mears contract in 2027.

Dampness and mould repairs are also dealt with by the Repairs Team. Over the last 24 months, this issue has grown in prominence within the sector. We now have an approved Dampness and Mould policy and treat every contact from tenants around dampness and mould as a priority. We have a very low number of properties affected by this, and we deal with resolving these quickly and within the timescales established within our Policy.

We will ensure that we comply with Awaab's Law when introduced in October 2026. Leadership and Maintenance Staff have met with Mears and begun discussions regarding the introduction of the legislation and the processes required for compliance.

The Leadership Team will monitor progress and performance before and after the introduction of Awaab's Law, ensuring full compliance.

New build properties in Blackhill benefit from installed sensors. These sensors record moisture and heat levels within the homes. We do not have any plans to roll this out across our stock at this point due to costs, but we will continue to monitor this use with a view that if costs reduce, it will allow us to use these as and when required across our stock.

We have a planned maintenance revenue spend of around £1.3 million for 26/27, and we have budgeted £3.5m for our reactive repairs contract.

Within our Repairs Team, we also employ one specialist post to better manage our Estates (Estate Officer). This post was piloted in 2024 and proved successful; it became an addition to the service in April 2025. This will be augmented by the appointment of a Clerk of Works. We will continue to develop this offering to tenants to improve the environment and landscaping in our communities.

Our Services

Our officers work across 3 different communities and cover wide geographical areas in Glasgow, which are shown at Appendix 17.3. Our services fall into two distinct categories, Community & Locality, and People services:

Community and locality services include estate management, including upkeep of back courts, grass cutting and grounds maintenance, communal area maintenance including close lighting and close cleaning, play area maintenance, environmental improvements, and community activities.

People services include welfare advice, energy advice and money advice, family support, tenancy support, older persons support, tenancy sustainment, homelessness (and other priorities set by our partners in Glasgow City Council, the Scottish Government), housing allocations and managing tenancy changes, neighbour disputes and anti-social behaviour and income collection and maximisation.

Challenges

There are several challenges and resourcing pressures facing Community Housing Services over the next five years. These include:

- Our new build housing stock will increase by around 500 homes during the period of this plan.
- We have entered the 2nd last year of a 10-year maintenance contract with Mears. The contract is due to expire in November 2027. We are currently working on a Repairs Review Strategy that will deliver a repairs service beyond November 2027.
- Our older type homes can mean properties are more challenging to let and may lead to sustainability issues due to falling demand and more frequent tenancy changes.
- The Cost of Living continues to impact our tenants and communities.
- A housing crisis in Glasgow.
- Managing performance, particularly Repairs satisfaction.
- Supporting older tenants, including those in our retirement living and amenity housing and vulnerable tenants.
- Supporting all our tenants to sustain their tenancy.
- Customers desire to access our services online and outwith core opening hours
- Provision of services to meet demand that is no longer met by statutory agencies such as the local authority.
- Delivery of the tri-annual Tenant Satisfaction survey in 2026.

We are well placed to meet these challenges, although we do not underestimate the scale of the task. Our teams are resilient, and we continue to seek out innovative and more efficient ways to provide our core services as outlined below.

Performance: improving tenant satisfaction, income collection and maximisation, voids and housing allocations, emergency and non-emergency repairs.

We will use our performance monitoring system, internal audit reviews, customer satisfaction returns, tenant feedback and learning from the complaints we receive to improve what we do and the services we provide to our customers. Income maximisation and arrears management are core activities that have improved over the last three years and are better controlled now through the enhanced reporting tools we have developed using our integrated IT systems, Homemaster and through our specialist Income Maximisation team. With arrears reducing by approximately 2% over the last three years, we are continuing to improve, but the journey continues.

Improving our re-let times will remain a high priority with the development of further initiatives to streamline our processes and closer inter-department working between the Repairs and Housing Services teams.

Better management of our voids property processes so we achieve our overall relet targets remains a high priority for us. We appointed an additional Maintenance Officer in April 2025 to help manage the voids processes, which has led to improved re-let times.

Over the past 3 years, we have put £3.8m into the pockets of our tenants through our commitment to income maximisation for our tenants via our Income Maximisation and Financial Inclusion Team. For 2025/26, we are on track to provide at least another £1.8m additional income to our tenants, surpassing our £1.4m additional benefits in 2024/25.

Digital Services

All our teams continue to operate a blended approach to service delivery, using technology to permit working from home, the office and in our communities. Although this has brought its own challenges, it has created greater opportunities and resulted in less reliance on the office environment for service provision. This means that further opportunities are available to enhance our service offering for customers, increase efficiencies, and increase the flexibility available to staff.

To complement the introduction of our Housing Management System (Homemaster) in December 2024, we introduced our Tenant Portal in June 2025. The portal gives our tenants and owners access to their accounts, which allows them to pay their rent, raise a repair, raise a complaint and have access to tenancy documents.

We will explore the potential to use digital services to improve and enhance our service offerings in our Housing Services Team, an area which has relied on manual and sometimes inefficient methods of working historically. This will be complemented by the introduction of Homemaster and our Tenant Portal.

Service charge administration has been challenging, with many customers receiving some form of service which is subject to a separate charge. We will explore the potential to use Homemaster to enhance our administration of service charges to make management of this area more efficient, and to improve value for money for our customers.

A review of the Homemaster system is a Key Business Objective for 2026/27.

Partnerships and Joint Initiatives

Our work requires a partnership approach, which gives us the opportunity to add value to the services we provide, making our services go further to meet the needs of our service users. Our main activities are concentrated in the Glasgow Local Authority area.

We will continue to support and contribute to a wide range of partnerships, including social care, older persons and homelessness initiatives. The Government's continued focus on Housing First and Rapid Rehousing involves us in closer joint working with Glasgow's Health & Social Care Partnership to meet the housing and support needs of some of the most disadvantaged and excluded in society.

Housing and Tenancy Support

In supporting vulnerable tenants, we will continue to use the expertise and resources of the Community Regeneration team, Income Maximisation & Financial Inclusion team and our Housing Support team to develop additional services for more vulnerable tenants.

We have enhanced our service offerings during the last year with a commitment to fund the ongoing energy advice services from Thenue's budget, as funding has run out for the post, and we have introduced an older person digital service.

Housing for Older People is another priority for both Thenue and GCC, and we are keen to develop and expand our 'Older Persons Housing Service' to both new build developments and within our existing stock. This model has replaced our previous sheltered housing support. With around 25% of existing tenants over the age of 65, it offers the flexibility to expand the provision beyond the traditional 'sheltered' stock. The project at 44 Dalmarnock Rd has been designed with this client group in mind. We are also planning for one of the blocks of new housing at the Tureen Street project to be let through this model.

We continue to work closely with GHSCP to address the needs of our homeless applicants during this housing crisis and continue to refine and improve the allocations process to ensure we meet and, if possible, surpass our Section 5 letting target each year.

Tenant Satisfaction Survey

Our last tri-annual Tenant Satisfaction Survey took place in September 2023; considering this, we will plan accordingly for the next Tenant Satisfaction Survey to take place in 2026.

The 2023 survey produced some incredible results for Theune, with satisfaction levels in the high 90% for most of the feedback topics. The survey was a face-to-face survey carried out by Research Resource, with numerous pre-engagement meetings taking place with the Area Associations and Thenue's Scrutiny Panel to develop the survey questionnaire in advance of the interviews beginning.

We anticipate following the same procedure this year with close involvement of the Area Associations in developing the survey.

10.4 Finance, Corporate Services & IT

Finance

The Finance Team has responsibility for all financial matters, including budgeting, forecasting, rent processing, financial and management accounting and reporting, purchase and sales ledgers, payroll, treasury management and factoring.

A new Housing Management system (Homemaster) was introduced in 2024/25, which includes the financial model for rent processing, purchase and sales ledgers and financial and management accounting reporting.

During and post implementation, finance staff have identified several areas that need to be reviewed. The coding system from QL, the previous financial package, has been transferred to Homemaster and adapted to fit. The coding system will need to be streamlined in the coming financial year.

Further work is required to analyse the financial data codes and be able to give better financial data. This is an area to be addressed in the next financial year.

Training sessions are required in using the financial system and how to get the best financial reports, implementing the purchase ordering system and using an AI facility that would assist the staff in processing invoices.

People and Culture

Our People and Culture Team are based within our Finance, IT and Resources department and provides corporate services and HR function for the business, which is responsive to the needs of Thenue's staff, Board and customers. It is focused on governance, compliance, people management, communication and customer service excellence, working closely with the Chief Executive and Director of Finance, IT and Resources to embed the culture and values of the Association and promote staff wellbeing and personal development.

The People and Culture Team consist of three Receptionists, two People and Culture Officers, one Communication Officer, one People and Culture Assistant and one People and Culture Manager. Together, they support the business to develop and maintain corporate and HR policies and procedures that comply with legal requirements and align with our organisational values, provide advice and support on HR, communication and governance matters, lead on training and development across the staff team and through our Receptionist service, and deliver excellent customer service to our tenants and other customers.

ICT

The ICT team is currently made up of two staff: The ICT Manager and the IT and Business Intelligence Officer.

An additional post will join the Team in the new financial year to support the business needs. The team are responsible for both reactive and planned tasks:

Reactive: Day-to-day IT support for end users, network security and configuration, hardware and software provision, cyber security, DR and resilience, administration of the internal phone system and mobiles, administration of Office 365 tenant, management of secure door entry system for London Road building (staff and tenants), provision of business analysis reporting

Planned: Identifying and implementing new technologies & processes, automation, creation of roadmaps and strategies, project management for any new implementation, and all relevant procurement

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11. COMMUNITY REGENERATION & ENGAGEMENT

Thenue recognises the vital role that Community Regeneration plays in creating vibrant and sustainable communities. We are uniquely placed to engage with our communities to identify and develop our projects and services that are responsive to local needs and reflect the priorities of our communities.

Our current Community Regeneration strategy sets out our priorities, which reflect local need, bring value and address inequalities. Our current 6 key priorities are:-

- **Fuel Poverty**
- **Cost of living Support**
- **Digital Inclusion**
- **Health & Wellbeing**
- **Employment & Training Opportunities**
- **Young People & Families**

Our Community Regeneration work contributes to and supports Thenue HA's Strategic objectives for Communities and helps deliver our Strategic Outcome for Communities:-

Sustainable, resilient, and connected communities where people's wellbeing and opportunities are enhanced.

The Community Regeneration strategy is currently under review, with Fuel Poverty and Cost of Living support remaining central thematic priorities.

We will continue to collaborate closely with our subsidiary, Thenue Communities, which is a key strategic partner in delivering impactful Community Regeneration activities. Their programmes play an essential role in advancing our long-term community outcomes, with a broad range of projects and services delivered primarily through our two community centres—the Calton Heritage and Learning Centre and the Netherholm Community Centre. This partnership approach ensures that our investments, resources, and community engagement efforts are aligned to maximise local impact and support sustainable, resilient communities.

Tackling child poverty remains a core priority for both the Scottish Government and Glasgow City Council. We contribute to this agenda by delivering projects as part of Clyde Gateway's Calton Demonstration of Change. This multi-agency initiative, which forms part of Glasgow's Child Poverty Programme, focuses on early intervention, employment support, and enhancing community wellbeing to improve long-term outcomes for families with young children at risk of deep poverty. By strengthening collaboration between local organisations, employers, and residents, the programme supports community-led solutions to reduce child poverty in Calton and drives sustainable, long-term change through a whole-system approach.

Securing external grant funding remains critical to delivering our community regeneration objectives; however, increasing competition and restricted eligibility for many funding streams present ongoing challenges. To strengthen our financial position, we will enhance our approach to community benefits, maximising investment from Thenue's contracts and increasing the financial and in-kind resources available to support community projects.

We will continue to work closely with local and community organisations, with our 3 Area Associations playing a central role in delivering a wide range of opportunities, events, and activities. By supporting them to deliver projects within our communities, we reinforce our commitment to partnership working and to building sustainable, resilient neighbourhoods.

Our communities: Thenue's housing stock is located across 6 communities, including Blackhill, Bridgeton, Calton, Cranhill, Dalmarnock and Castlemilk. Our tenants live in some of the most disadvantaged areas in Scotland, according to the Scottish Indices of Multiple Deprivation. These areas typically experience high unemployment, low skills, poor educational attainment, ill health, substance misuse, and higher levels of crime. Thenue Housing's stock is spread across 31 data zones, many of which fall within the most deprived in the country. According to SIMD 2020:

- 28 (90%) of Thenue's data zones are within the most deprived 20% in Scotland
- 19 (61%) are within the most deprived 15% in Scotland
- 17 (55%) are within the most deprived 10% in Scotland
- 9 (29%) are within the most deprived 5% in Scotland

Many of our customers continue to face significant challenges and inequalities. While Cost of Living support provides short-term relief, long-term issues require a holistic approach and the development of sustainable Community Regeneration projects. These initiatives will deliver meaningful solutions to local needs through services such as:

- **Energy advice, information, and advocacy**

Our Energy Advice service has been externally funded from the outset. One of Thenue's priorities over the next 5 years is to support tenants with the cost of living, in particular fuel poverty. We see this as an essential service, and although we have funding in place to September 26, there is no guarantee that we will receive future external funding. We will consider core funding this service from October 26 if we are unsuccessful in accessing external grant funding.

- **Learning opportunities**
- **Social and wellbeing activities**
- **Community events**
- **Volunteering opportunities**

By working collaboratively with partners and adopting a community development approach, Thenue's Community Regeneration projects can deliver lasting improvements in residents' lives and help build stronger, more resilient communities.

Appendix 17.9 summarises the key projects and funding across Thenue HA and Thenue Communities.

12. VALUE FOR MONEY

Thenue Housing Group aim to ensure that our resources are utilised as efficiently and effectively as possible in delivering our strategic objectives and, where possible, freeing up extra resources which can be reinvested into additional services in our communities. It is important that the focus is not only on cost savings and financial improvement, but that VFM is integrated into our culture as a matter of course. More importantly, 'value' should be defined from the perspective of our customers in any service or process.

Thenue has a Value for Money Strategy which is due for review in 2026/27. As costs continue to increase above inflation across the organisation, it is vitally important that Value for Money is not a one-off exercise but becomes embedded throughout the organisation.

Our VFM strategy aims to ensure that goods and services are procured effectively using transparent procedures, obtaining the best possible quality. We must also ensure that our systems and processes are as effectively as possible to deliver the best possible customer service to our tenants.

We aim to understand our costs, how they relate to our performance and commit to comparing ourselves to other associations of a similar size in Scotland. We will explore all avenues of improving VFM. We will involve our staff and tenants in regularly monitoring our performance in delivering against this strategy and will communicate our progress with staff, tenants and other stakeholders.

VFM is defined as the relationship between economy, efficiency and effectiveness, sometimes known as the "3 E's". It is about obtaining the maximum benefit with the resources available.

- *Economy is the price paid for what goes into providing a service. Economy is about minimising the cost of the resources for an activity, e.g. the cost per hour of a repair operative.*
- *Efficiency is a measure of the activity, i.e. how much you get out (outputs) in relation to what you put in (inputs). Efficiency is primarily associated with the process and delivery, and performing tasks with reasonable effort, e.g. the number of repairs carried out by a repair operative in a set time.*
- *Effectiveness is a measure of the impact achieved and can be quantitative or qualitative. Effectiveness is primarily associated with the outcomes for the customers, and they should be equitable across communities, so effectiveness measures should include aspects of equity as well as quality, e.g. the satisfaction of the customer receiving the repair.*

VFM is achieved when there is an optimum balance between all three elements – relatively low cost (economy), high performance (efficiency) and successful outcomes for customers (effectiveness)

The Scottish Housing Regulator's Regulatory Standard 3.1 asks that RSLs have:

"Effective financial and treasury management controls and procedures, to achieve the right balance between costs and outcomes, and control costs effectively. The RSL ensures security of assets, the proper use of public and private funds, and access to sufficient liquidity at all times"

Our current VFM Strategic Objectives are:

Objective 1 - Involve our Board, staff and customers in understanding our costs, how they relate to our performance and how we compare with others.

Objective 2 – Achieve VFM through effective procurement.

Objective 3 – Ensure efficiency in service delivery.

Objective 4 – Promote and embed a VFM culture throughout the organisation

A key tool for delivering efficiencies, which wasn't as prevalent during the drafting of our previous VFM Strategy, is Artificial Intelligence.

Artificial Intelligence is defined as:

the capability of computational systems to perform tasks typically associated with human intelligence, such as learning, reasoning, problem-solving, perception, and decision-making.

During 2026, Thenue plans to establish an AI Policy (which will set out the strict way in which we will use AI tools) and procedures, and we will consider setting up an AI Working Group of staff to develop and deliver projects which will lead to efficiency savings and improved service delivery through the use of Artificial Intelligence tools.

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13. PERFORMANCE MANAGEMENT

Thenue is focused on continuous improvement in service delivery and our financial metrics. We benchmark our performance in three main ways:

- Compare our performance against all other RSLs in the sector by using data from the Scottish Housing Regulator reports on landlords' Annual Return on the Charter
- Being a member of Scotland's Housing Network, which is the largest benchmarking and practice exchange organisation in Scotland
- Being a member of the G8 benchmarking group of similarly sized RSLs to ourselves

The Scottish Housing Network (SHN) uses the ARC data and additional KPIs collected by the SHN to enable members to benchmark their performance overall and within specific peer groups.

We are also members of the G8 benchmarking Group. This group of similarly sized and funded RSLs enables more detailed benchmarking and sharing of non-confidential business information to help drive improvements in service delivery and operational efficiency.

Benchmarking our performance and our costs is critical if we are to drive improvement and become more efficient and effective as a business.

Key Performance Indicators

The Scottish Housing Regulator collects data every year from RSLs to see how they have performed against the outcomes in the Scottish Social Housing Charter. This is done through the Annual Return on the Charter (ARC). Our last ARC was submitted for the period April 2025 to March 2025.

The Scottish Housing Regulator measures the following key indicators of customer satisfaction. The table below shows Thenue's performance from our recent Customer Satisfaction Survey compared to the Scottish Averages from the SHR returns form 2023.

KPI Satisfaction Measure	Thenue Performance 2023	Scottish Average 2023/24	Variance
Taking everything into account, how satisfied or dissatisfied are you with the overall service provided by your landlord?	92.6%	86.9%	+5.7%
How good or poor do you feel Thenue Housing are at keeping you informed about their services and decisions?	98.6%	89.9%	+8.6%
How satisfied or dissatisfied are you with the opportunities given to you to participate in your landlord's decision-making process?	99.0%	86.3%	+12.7%
Thinking about the LAST time you had repairs carried out, how satisfied or	77.7%	86.8%	-9.3%

KPI Satisfaction Measure	Thenue Performance 2023	Scottish Average 2023/24	Variance
dissatisfied were you with the repair service provided by your landlord?			
Overall, how satisfied or dissatisfied are you with the quality of your home?	91.2%	84.3%	+6.2%
Overall, how satisfied or dissatisfied are you with your landlord's contribution to the management of the neighbourhood you live in?	96.2%	84.2%	+12%
Taking into account the accommodation and services your landlord provides, do you think your rent for this property represents good or poor value for money?	92.2%	81.7%	+10.2%

The table below provides information on performance against key indicators monitored by our Board on a quarterly and annual basis (with the exception of the customer satisfaction indicators noted above). The colour coding provides a visual representation of performance against the target, with green being on or above target, amber below but close to target and red being out with our target. Our Board receives detailed reports, including contextual information explaining variances. The Quarterly KPIs that we report against are updated on an annual basis.

KPI Description	Performance 2024/25	YTD Performance 2025/26	Target
Average time in working days for complaint response at stage 1	5.3	4.3	5
Average time in working days for complaint response at stage 2	16.6	18.7	20
% of all complaints responded to in full within SPSO target timescales at stage 1	90.91%	100%	100%
% of all complaints responded to in full within SPSO target timescales at stage 2	100%	86.96%	100%
% of new tenancies sustained for more than a year	92.3%	96.1%	90%

KPI Description	Performance 2024/25	YTD Performance 2025/26	Target
% of lettable homes that became vacant in the last year	5.29%	3.63%	5%
Average number of days to relet homes in the reporting period	25.27	18.30	18
% of tenancy offers refused during the reporting period	12.20%	22.0%	10%
% of tenants satisfied with the standard of their home when moving in	96%	96%	95%
Average length of time to complete emergency repairs (hours)	3.54	2.30	4
Average length of time to complete non-emergency repairs (days)	8.24	8.2	8
No. of times in the reporting year we did not meet our statutory obligation to complete a gas safety check	0	0	0
% of reactive repairs carried out right first time	76.48%	99.43%	90%
No. of new homes completed in the year	41	0	10
% of emergency defects completed within 4 hours	88.9%	66.7%	100%
% of non-emergency defects completed within 21 days	55.6%	64.1%	100%

KPI Description	Performance 2024/25	YTD Performance 2025/26	Target
% of total staff turnover	31.43%	15.71%	n/a
% of days lost through sickness or absence during the reporting period	6.10%	4.40%	3%
No. of households currently waiting for adaptations to their home	31	18	n/a
The average time to complete adaptations (days)	92.35	104.09	n/a
% governing body attendance at formal meetings	82.23%	86.17%	80
Interest cover %	345%	433%	273%
% net surplus/turnover	16.3%	18.4%	9.7%
Loan covenants met	100%	100%	100%
Quarterly accounts produced on time	100%	100%	100%
% of rent lost through properties being empty	0.36%	0.26%	0.5%
Gross rent arrears as % of annual rent due	4.89%	2.94%	4.5%
Gearing (borrowing as % of assets)	76.2%	69.1%	94%
Financial gains to tenants who received assistance from the Financial Inclusion Service	£1.4 million	£2.5 million	£1.5 million
Number of tenants accessing the Financial Inclusion Service	609	567	600

14. RENT REVIEW & ASSESSMENT OF AFFORDABILITY & COMPARABILITY

Our Rent Policy

An exercise was carried out in April 2024 to review the Rent Policy and clarify the way rents are set. The review included consultation with all tenants, our Tenant Scrutiny Panel, staff and Board members. A new policy was created and approved by the Board in May 2024.

The revised Rent Policy recognises that there are three considerations that we require to take into account when setting the rents we charge:

- Viability - The need to collect enough income to ensure our financial viability
- Affordability - The need to provide homes that are affordable for our customers.
- Comparability – The aim is to have rents set at levels that are comparable with other social landlords who provide similar properties in similar areas.

Viability

Section 16 of this Corporate Business Plan demonstrates, in detail, the viability of our business. Our Rents are set at a level that ensures that we remain financially viable and are also linked to the priorities in our Corporate Business Plan and Asset Management Strategy.

Affordability

Our Rent Policy has a robust approach to assessing the affordability of our rents. The policy notes that to determine rent affordability, we will:

- Make use of the Scottish Federation of Housing Associations' Affordability Tool when we are reviewing rent levels
- Seek tenant views in our customer satisfaction survey and annual rent increase consultation
- Benchmark our rents against other social landlords

The Scottish Federation of Housing Associations (SFHA), in partnership with HouseMark Scotland, provides an interactive rent affordability assessment tool for social landlords. This tool enables organisations to test proposed rent levels against a range of affordability measures, including rent as a percentage of income, using local income distributions and different household types. The tool is widely used across the Scottish social housing sector to support transparent, evidence-based rent setting and affordability analysis.

The primary affordability measure considered within the tool is the proportion of a tenant's income represented by rent costs. SFHA guidance suggests that housing costs should not exceed 30% of household income. Using the ASHE 30th percentile income benchmark, the assessment shows that rents across all our homes fall below this 30% affordability threshold.

ASHE (Annual Survey of Hours and Earnings) provides earnings data at the local authority level. Affordability is assessed using the 30th percentile of local earnings, as this reflects a low-paid

working household primarily reliant on earned income. Income levels below this point tend to converge once housing benefit or Universal Credit is considered, making the 30th percentile a more representative and meaningful benchmark for assessing affordability within the social rented sector.

When affordability is assessed using the ASHE 10th percentile and the minimum wage for those under 18, some of our one, two and four apartment rents exceed the 30% threshold. However, these measures are considered less representative of the typical household profile within our stock. As such, these benchmarks are not considered the primary indicators of rent affordability.

We will review the affordability of our rents at each annual rent review to ensure they remain affordable.

Comparability

Our Rent Policy gives a commitment that we will compare our rent levels with other landlords who operate in the same geographical areas that we do, to ensure our rents are broadly comparable.

The Table below shows how our rents compare with Housing Associations operating in Castlemilk, central Glasgow and in the north of Glasgow:

Property Size	Landlord Weekly Rent Comparability			
	Thenue HA	West of Scotland HA	Ruchazie HA	Cassiltoun HA
1 apartment (studio)	£79.83	£107.32	-	-
2 apartment (1 bedroom)	£95.20	£105.94	£85.96	£94.83
3 apartment (2 bedrooms)	£102.64	£106.07	£93.77	£99.63
4 apartment (3 bedrooms)	£116.80	£110.90	£97.49	£112.59
5 apartment (4+ bedrooms)	£125.31	£114.34	£108.09	£124.44

As can be seen from the table, our rents are comparable with other Housing Associations in our operational areas.

Annual Rent Review Consultation

Thenue carried out a Tenant Satisfaction survey in September 2023, 92% of respondents felt that the rent they paid represented good value for the accommodation and services they received from Thenue.

Participants in the Tenant Satisfaction were also asked what they believed were the financial priorities for Thenue when thinking about value for money. Respondents could choose more than one option; the top three responses were:

- Day-to-day repairs and maintenance – 79%
- Planned investment such as kitchens, bathrooms and boilers – 54%

- Building new affordable homes – 49%

Based on this information, in 2024/25, the Board of Management approved an 8.1% rent increase. This was followed by a 7% rent increase in 2025/26 to meet the outcomes of the Tenant Satisfaction Survey. During the consultation for the proposed rent increase for 2025/26, it was also proposed that Thenue would make every effort to return to the Business Plan proposal for proposed future rent increases, meaning CPI +1%.

The proposed rent increase for 2026/27 is 4.8%, a significant reduction from the previous two years. Consultation on the proposed 4.8% increase took place between the 12th of December 2025 and the 12th of January 2026. A decision on the proposed rent increase will be made by the Board of Management on the 3rd of February 2026.

15. OUR FINANCIAL PLAN

Budget for 2026/27, including financial projections for the subsequent 4-year period to 31 March 2030, and our 30-year financial forecasts

The budget shows forecasted outturn for 2026/27 together with financial projections for the subsequent 4-year period 2027/28 to 2030/31.

Our medium-term financial plan covers the five years from April 2026 to March 2031. The continuation of an uncertain economic environment where inflation and interest rates are impacting the business has required a review of the key business assumptions. The key three areas that have been reviewed are Rents, Major Repair Costs and interest rates. Additional investment will be required to meet the carbon reduction and net zero targets. The prudent financial assumptions that have been applied should enable Thenue to meet the requirements of tenants and service delivery.

2026/27

The budget for 26/27 has a proposed revenue income of £20m, considering adjustments for service charges, voids, grants and other income. Rent is the largest component of income, i.e. £18m. The rents for the 2025 plan assumed that rents would rise by inflation plus 1% over 5 years. However, the rent increase was 7%, acknowledging the economic conditions. For 2026, the rent increase has returned to CPI inflation plus 1% and has been set at 4.8%.

The Operating Costs for the financial year are £16.1m. The operating costs comprise of management costs, service costs, maintenance and major repair costs and depreciation of housing properties.

The management costs are the costs of running the business and include all staff costs and the running costs of the organisation. These costs are robustly reviewed on an annual basis for efficiencies and value for money as they feed into the rent setting process.

Maintenance and investment in properties are significant elements of the operational expenditure. Routine and planned maintenance accounts for 25 % of the expenditure. The major repairs budget is 10% of the expenditure and incorporates the stock conditions survey. The improvements are the replacement of existing windows, kitchens, bathrooms, and boilers, which are replaced as they come to the end of their useful life. Taking the two together means we anticipate investing a minimum of £5.6m in our existing stock. Overall, the upkeep and investment of the housing stock account for 35% of the operating budget.

To finance the building of new homes, we borrow from our main lender, RBS and repay the loans over several years. In 2026/27, we anticipate paying interest of £2.2m. Current interest rates are sitting at 3.75%, which is in line with Treasury adviser forecasts and the figures used for future years of the plan.

In summary, in 2026/27, it is expected income of £23.5m will be generated. Operating costs, including management and maintenance costs of £16.1m and interest costs of £2.2m. It is anticipated that there will be a surplus of £1.8m. This surplus will be carried forward and used to partially finance the continued investment in the future of Thenue's homes and communities.

Years 2-5

The budget of 2026/27 is used to project forward the next four years to 31 March 2030 i.e.2030/31. The plan is to continue to invest in existing stock, and it is expected that a further 262 new social housing units will be completed over the next four years.

During the next four years to 2030/31, it is expected that rising revenue and managed operating costs will lead to healthy surpluses. The summary income and expenditure accounts for 2026/27 and the subsequent four years to 2030/31 with the assumptions underpinning the forecasts set out in the Appendices 17.7 & 17.8.

Sensitivity Analysis

To assess the impact on our finances of changes to the economic assumptions we have used to compile the budget and forecasts, we undertake sensitivity analysis. In doing so, we apply changes to key drivers such as rent levels, inflation, void and bad debts and interest rates. We model the effect that individual and a combination of changes have on our income, expenditure, and cash forecasts.

The results show that we have a robust financial plan and would be able to withstand the adverse impact arising from these individual tests, and for combinations tested too. If all tests were to be aggregated and run together, the Interest Cover Ratio covenant would be under enormous pressure in all years, and as expected, there would be long-term financial viability issues for the association if mitigating action were not taken. In these very unlikely circumstances, we would take early mitigating action to ensure the losses are avoided or minimised. In the short term, this would be managed by reviewing the timing of expenditure and component replacements, which would be rescheduled to minimise the impact on covenant targets. Similarly, we would also continue to look at our revenue costs to eliminate any unnecessary costs or identify other expenditures that could be deferred to a future period.

As a matter of course, we continually monitor the services we provide and how these services are delivered, as well as reviewing all activities with the objective of driving unnecessary costs from the business.

The sensitised assumptions and the outcome of all the tests are contained in Appendix 17.8.

Scenario Planning

In addition to sensitivity or stress testing, we consider scenario planning. This is defined by the Regulator as “A process of visualising and testing what might happen to affect the Organisation’s business, what the likelihood and impact would be and how to respond.”

The principal scenarios we consider include:

- growth by building new houses as outlined in our approved development programme
- growth by the acquisition of another landlord
- the impact on our business of the selected divestment of properties to other landlords.

Growth by building new houses

We adopt an investment appraisal approach using a discounted cash flow model to assess the projected net cash flows from the development to establish whether the development can support (or repay) our investment in the capital costs of the project. Our investment is generally termed “Private Finance” with the balance of the capital funding provided by Government support in the form of Housing Association Grant. The objective of the appraisal is to ensure that each

development will generate sufficient cash, after covering all costs of the development (including its contribution to overheads), to repay the “Private Finance” component of the total capital costs incurred. The outcome of the investment appraisal is presented to the Board of Management with a recommendation to proceed from a financial perspective if the development is assessed to be capable of making an overall contribution to our financial wellbeing.

Growth by acquisition of another landlord

We will assess each opportunity for growth by the acquisition of another RSL on its merits. Before indicating our interest in pursuing an acquisition, we would consider our current position and, with reference to our Criteria for growth, decide whether to proceed with an expression of interest or let the opportunity pass. This includes whether other significant matters are taking up management time, for example implementation of a new IT project, an ongoing organisational restructure or other resource commitment.

The factors that we would review in detail include, but are not limited to:

- Location and nature of housing stock
- Number of staff
- IT systems in operation
- Financial position of the association
- Any regulation issues or concerns
- Ease of integration

We would consider all factors before deciding and would only proceed if the transfer (of engagements) made sense from a financial perspective and led to economic and service-led benefits to both sets of tenants.

Divestment of existing stock

Thenue has ownership of some pockets of small numbers of dispersed stock. These small pockets may exist in areas where there is a more established RSL that could provide a more economical or efficient service to the tenants. A more local RSL may be able to accelerate improvement works by including our properties within an existing rehabilitation scheme and may be more likely to obtain funding support. In these circumstances, we would consider transferring existing stock to another registered social landlord after considering the views of the affected tenants.

In summary, our approach to scenario planning/review of strategic options is to assess the current environment within Thenue and then to consider all information associated with the opportunity before deciding to proceed.

Treasury Management

The Association borrows to fund the investment in our housing stock. We have several loans with our main lender, The Royal Bank of Scotland (RBS), THFC and Nationwide. The Association refinanced with RBS in 2024/25, and there are 2 fixed-rate loans (legacy loans) and other loans on a structured repayment profile as per the loan agreement. The THFC loan is repayable in 2031 on a fixed low rate, and Nationwide has historic loans consolidated into one agreement and fixed at low rates to maturity.

The 2025 Plan projections for interest cover anticipate that there will be no issues in meeting this new covenant with significant headroom in every year in all rent scenarios. The interest cover projections also demonstrate that there would be no issues if the EBITDA MRI interest cover covenant had remained in place.

The KPI table later in this section sets out our expected performance against the RBS covenants (“Interest cover” and “total financial indebtedness to historic cost”). The following graphs illustrate the interest cover covenant compliance to year 5 and cash balances up to year 25 for all rent scenarios.

The stock-specific covenant with THFC is also comfortably satisfied throughout the period of the plan. The Board of Management monitors performance against lenders' financial covenants as part of the quarterly management accounts.

A refinancing exercise was completed in December 2024. Part of the RBS facility was refinanced and fixed for a further 10-year term and the revolver credit facility (RCF) of £10 million was extended for a further 5 years to April 2030 for £10 million. It is anticipated that £8m of this RCF will be utilised for the development of 119 units at French Street and will revert to a fixed-rate term loan at the end of the 5 years and then repaid over 10 years. A further £5m is required in 2032 to allow for large capital repayment of an existing loan, which is payable as a single “bullet repayment”.

Overall cash balance is positive at the end of the 30-year plan and meets minimum cash targets throughout the period. Capital major repairs spend has been reprofiled from year 5 onwards to ensure there is compliance with covenant requirements. The Executive Team will be monitoring and reviewing costs regularly, as well as considering all existing and future operational efficiencies & contract agreements. The profile of major repairs expenditure and work, as well as the need for further loan financing & repayment profile, will be considered as necessary, as well as future funding requirements to meet EESSH and net-zero requirements throughout the 30-year plan.

Lenders' covenants are satisfied throughout the period of the plan.

Conclusion

Thenue demonstrates a healthy financial position despite the economic challenges it has faced. Based on current projections, we will remain financially viable in the long term. The economic uncertainty, cost of living and investment challenges for net zero will continue to impact the Association. By undertaking a strong approach to scenario planning, sensitivity analysis and testing, we can ensure fully informed investment decisions for Thenue.

We maintain good relationships with our lenders and funders and work in partnership with them to ensure good communication and support.

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16. Risk Management & Internal Audit

Risk Management is the process of identifying risks, evaluating their potential consequences and determining the most cost-effective methods of controlling them and/or responding to them. It is not an end in itself. Rather, risk management is a means of minimising the costs and disruption to the association caused by undesired events.

The aim is to reduce the frequency of damaging events occurring (wherever this is possible) and minimise the severity of their consequences if they do occur. Even when the likelihood of an event occurring (such as a severe storm) cannot be controlled, steps can be taken to minimise the consequences.

We will do this by being a risk-enabled organisation, making risk-evaluated decisions and utilising our Executive Team and Operational Managers to focus on a bi-annual review of all risks. Any material changes, outside of the annual production of the business plan, will be brought to the attention, initially, of the Audit & Risk Committee, and thereafter, the Board of Management.

Our Risks are categorised into these ten areas of risk:-

- Asset management
- Financial
- Governance
- Human Resources
- Health & Safety
- Legislative
- Performance
- Reputational
- Service delivery
- Technological

Each risk is given a two-part score, which, when multiplied together, results in an overall risk score.

When the control measure is introduced, then a 'new' score results. The table below summarises the scoring system used within the risk maps. The maximum score for any risk is 16. (i.e., 4 x 4).

Likelihood (L)	Impact (I)
1 = very unlikely	1 = minor
2 = possible	2 = moderate
3 = likely	3 = major
4 = almost certain	4 = catastrophic

This scoring matrix produces this table, which shows what we perceive to be high (red), medium (orange) and low (green) risks.

16	12	8	4
12	9	6	3
8	6	4	2
4	3	2	1

Thenu last reviewed its approach to Risk in 2021. A key task in 2026/27 should be to review our Risk Management Strategy and our appetite for risk in relation to each key business activity, rather than having an overarching risk appetite statement.

We have 6 Key Business Objectives for 2026/27 as noted below, and we have assessed the risk to the delivery of those objectives:

KBO	Risk/Hazard	Mitigating actions
Review & Evaluate the service delivery and viability of our supported accommodation	<ul style="list-style-type: none"> • Failure to address all essential parts of the review • Fail to understand our costs and revenue streams 	<p>Project Management document agreed, setting out objectives of review.</p> <p>Working Group set up to oversee the review.</p> <p>Review of all supported housing costs and funding.</p>
Continue to assess our Net Zero requirements, including reviewing our finances to assess delivery options.	<ul style="list-style-type: none"> • Fail to keep updated on regulatory requirements • Absence of a comprehensive and accurate stock condition survey • Failure to keep updated and take advantage of funding opportunities 	<p>Involvement in National & regional forums.</p> <p>Next Stock Condition Survey due to begin (20% of stock).</p> <p>Partnership with Warmworks, who provide advice on new and relevant funding streams.</p>
Review the performance and efficiencies of our Homemaster system to date and identify opportunities to develop the system and improve capabilities.	<ul style="list-style-type: none"> • Lack of clarity on business objectives • Insufficient in-house knowledge of system to undertake an effective review 	<p>Objectives were set out before implementation to allow assessment.</p> <p>Training programme for users.</p> <p>Benchmarking/networking with other Homemaster users.</p>
Develop a robust Integrated Asset Management Strategy	<ul style="list-style-type: none"> • Absence of a comprehensive and accurate stock condition survey • Lack of in-house knowledge and skills to develop an AMS 	<p>Next Stock Condition Survey due to begin qtr 1 2026 (20% of stock).</p> <p>Recruitment of a new CEO and DofPS will address knowledge and skills gaps.</p>
To undertake a Comprehensive Review of our Governance	<ul style="list-style-type: none"> • Failure to address previous governance failures • Risk of further regulatory involvement 	<p>Commissioned consultant for Governance Review</p> <p>Regular monthly meeting with SHR to keep them advised of progress on Engagement Plan requirements.</p>

KBO	Risk/Hazard	Mitigating actions
To complete a Review of our Repair Strategy and Contract Delivery	<ul style="list-style-type: none"> • Insufficient planning of procurement timetable and key objectives • Insufficient skills and knowledge to deliver procurement exercise 	<p>Project Management PID and Team in place, which sets out the timetable, objectives, etc., to ensure implementation of the new contract by the target date.</p> <p>3 Managers with significant experience in procurement.</p>

As per our risk management process, operational risks are reviewed quarterly by the relevant risk owner, and high operational risks and strategic risks are reported to the Audit Committee on a quarterly basis and to the Board on a six-monthly basis.

Internal Audit Plan

Our internal auditors are WBG. They review our risk register on an annual basis and present a plan for the audits for the next year.

Audits will take place on the following areas in 2026/27:

- Treasury Management.
- Implementation of New Housing Management System.
- Succession Plan.
- Performance Monitoring.
- HR Management.

The table at Appendix 17.10 identifies our 25/26 highest risks for the organisation. These will be reviewed in Quarter 2 by the Executive Management Team and Audit & Risk Sub Committee before final sign off by the Board.

17. APPENDICES

List of Appendices:

1. Planned Investment 2026-2031
2. Development Programme Summary
3. Housing Stock Profile
4. Tenant Profile
5. THENUE Engagement Plan with SHR
6. THENUE Landlord Report with SHR
7. Summary Income & Expenditure Account
8. Budget Assumptions & Sensitivities Tests 2026-2031
9. Community Regeneration Funding
10. Table of Highest Risks
11. Corporate Business Plan - Action Plan

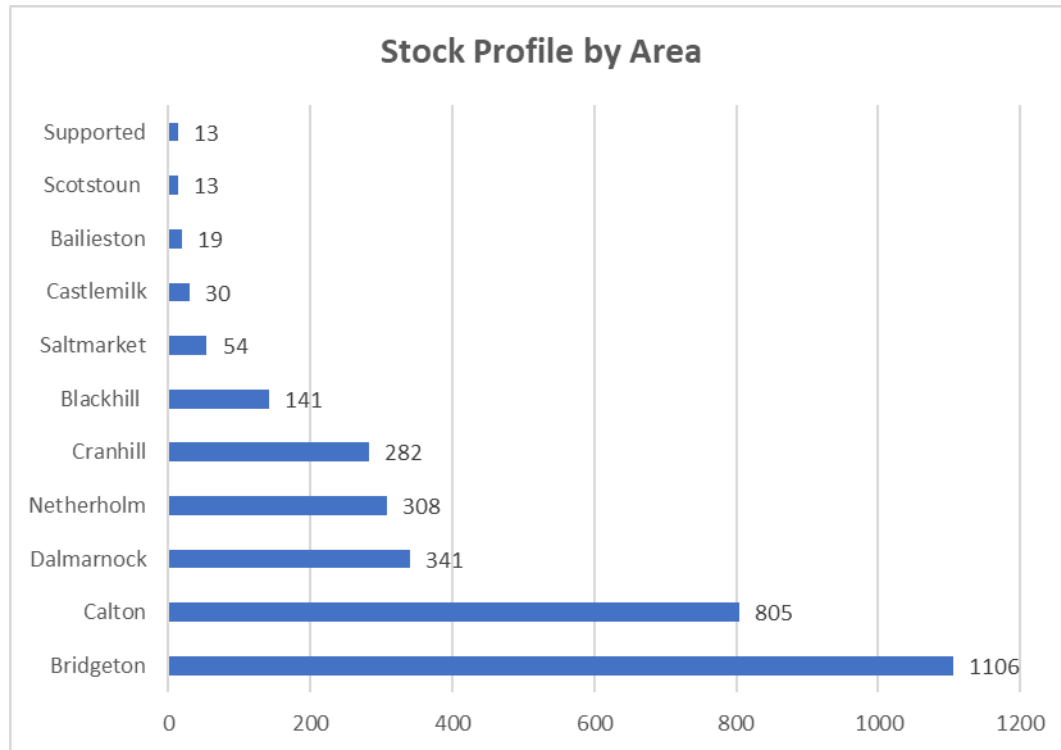
17.1 Planned Investment 2026-2031

Component	2026-27	No of Props	2027-28	No of Props	2028-29	No of Props	2029-30	No of Props	2030-31	No of Props	Totals
Bathroom	£235,011	57	£214,396	52	£247,380	60	202,027	49	218,519	53	£1,117,333
Central Heating System Source	£672,371	300	£2,096,498	935	£811,264	363	519,891	233	458,362	205	£4,558,386
Entrance Doors	£50,509	53	£68,616	70	£19,060	10	114,360	102	105,783	111	£358,328
Kitchen	£462,833	37	£4,077,934	326	£1,526,098	122	838,103	67	500,360	40	£7,405,328
Patio / French Doors	£1,287	1	£0	0	£0	0	7,722	6	24,453	19	£33,462
Separate WC	£8,960	16	£560	1	£6,720	12	9,520	17	15,120	27	£40,880
Tenement Project (based on 2025/26)	£1,750,000		£1,750,000		£1,750,000		1,750,000		1,750,000		£8,750,000
Windows	£835	1	£111,035	32	£4,480	2	393,875	97	379,090	78	£889,315
Totals (£/number of proeprties)	£3,181,806	465	£8,319,039	1,416	£4,365,002	569	3,835,498	571	3,451,687	533	£23,153,032
With Inflation (0.00%):	£3,181,806		£8,319,039		£4,365,002		3,835,498		3,451,687		£23,153,032
With VAT (20.00%):	£3,818,167		£9,982,847		£5,238,002		4,602,598		4,142,024		£27,783,638

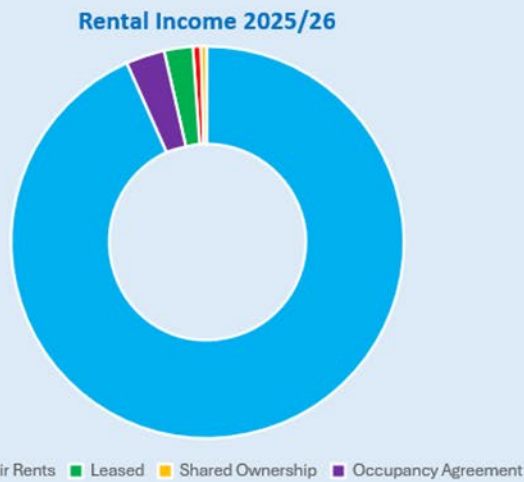
17.2 Development Programme Summary

Project	Year of Completion	Tender	Site Start	Site Completion	Total Scheme Cost					Per Unit Costs				
					No. Units	Total Scheme Costs	HAG	Other Grant	Private Finance/Own Resources	HAG%	Per Unit Costs	Per Unit HAG	Per Unit Other Grant	Per Unit Private Finance
Connal Street, Dalmarnock (Phase 1)	2024/25	Jul-22	Aug-23	Jan-25	41	£8,931,324	£6,389,919	0	£2,541,405	72%	£217,837	£155,852	0	£61,985
44 Dalmarnock Rd, Bridgeton	2025/26	Jan-22	Feb-25	Mar-26	10	£2,492,569	£1,741,129	£339,523	£411,917	70%	£249,257	£174,113	£33,952	£41,192
French Street, Dalmarnock	2028/29	Feb-25	Sep-25	May-28	119	£27,067,505	£19,040,743	0	£8,026,762	70%	£227,458	£160,006	0	£67,452
Ruchazie Place, Cranhill	2027/28	Oct-26	Jan-27	Jan-28	12	£2,200,894	£1,335,036	0	£865,858	61%	£183,408	£111,253	0	£72,155
Queen Mary Street, Bridgeton	2028/29	Dec-26	Apr-27	Apr-28	30	£6,510,000	£4,231,500	0	£2,278,500	65%	£217,000	£141,050	0	£75,950
Anson Street, Bridgeton	2028/29	Oct-27	Jan-28	Jan-29	49	£9,675,000	£6,288,750	0	£3,386,250	65%	£197,449	£128,342	0	£69,107
Tureen Street, Calton	2029/30	Oct-26	Feb-26	Nov-28	44	£14,191,096	£9,164,130	£2,277,721	£2,749,245	65%	£322,525	£208,276	£51,766	£62,483
Springfield Road, Dalmarnock (Phase 2)	2030/31	Jul-28	Oct-28	Apr-30	67	£14,616,000	£9,493,900	0	£5,122,100	65%	£218,149	£141,700	0	£76,449
Duke Street, Haghill	2030/31	Dec-28	Feb-29	Aug-30	60	£12,900,000	£8,385,000	0	£4,515,000	65%	£215,000	£139,750	0	£75,250
Tobago Street, Calton	2030/31	Aug-29	Nov-29	Jan-31	52	£11,180,000	£7,267,000	0	£3,913,000	65%	£215,000	£139,750	0	£75,250
Total					484	£109,764,388	£73,337,107	£2,617,244	£33,810,037	67%	£226,786	£151,523	£5,408	£69,855

17.3 Stock Profile:



17.4 Tenant Profile:



17.5 [Thenue Engagement plan with SHR](#)

17.6 [Thenue Landlord Report with SHR](#)

17.7 Summary Income & Expenditure Account

Detailed Consolidated Statement of Comprehensive Income 5 year plan, and 30 yr plan

Period: 01 April 2026 - 31 March 2056	2026	2027	2028	2029	2030	2031	2056
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
TURNOVER							
Gross Rental Income							
Rent Receivable	18,862.70	19,814.30	21,567.30	22,214.30	22,880.80	23,452.80	42,419.60
Service Charge Income	625.1	654.8	769.4	784.8	800.5	816.5	1,313.30
Gross Rental Income	19,487.90	20,469.10	22,336.70	22,999.10	23,681.30	24,269.30	43,733.00
Less Voids	-193.7	-203.5	-222.1	-228.7	-235.5	-241.3	-434.9
Net Rental Income	19,294.10	20,265.60	22,114.60	22,770.40	23,445.80	24,027.90	43,298.10
Other Income	51.1	53.1	54.4	55.5	56.6	57.8	92.9
Total Turnover from Social Housing Lettings	19,345.30	20,318.70	22,169.10	22,826.00	23,502.40	24,085.70	43,391.00
Turnover - Other Social Housing Activities	391	367.8	378.5	387.5	396.6	406	714.2
Grant Amortisation Accrual Method Total	3,080.60	3,101.10	3,668.20	3,668.20	3,668.20	3,668.20	3,668.20
Other Capital Grant Amortised			1,978.40				
Total Turnover	22,816.80	23,787.50	28,194.20	26,881.70	27,567.20	28,159.90	47,773.40
OPERATING EXPENDITURE							
Operating Costs Social Housing							
Management Costs Total	-5,118.00	-5,695.20	-5,945.00	-6,053.80	-6,303.10	-6,136.00	-11,671.00
Service Costs	-625.1	-654.8	-769.4	-784.8	-800.5	-816.5	-1,313.30
Routine Maintenance	-3,466.40	-3,635.90	-3,837.00	-3,998.00	-4,117.90	-4,220.80	-7,399.90
Planned Maintenance	-1,312.50	-1,379.70	-1,499.00	-1,544.00	-1,590.30	-1,630.00	-2,802.30

Major Repairs	-1,937.20	-1,205.20	-1,248.30	-1,285.80	-1,324.40	-1,357.50	-2,455.30
Bad Debts	-387.5	-204	-231.1	-238	-245	-251.1	-452.4
Depreciation of Housing Properties	-5,900.10	-6,077.00	-7,021.50	-7,163.90	-7,349.90	-7,543.30	-12,820.80
Other Costs	-422	-440.8	-453.8	-468.9	-478.8	-489	-832.4
Operating Costs Social Housing	-19,168.70	-19,292.60	-21,005.20	-21,537.10	-22,209.90	-22,444.20	-39,747.40
Other Social Housing Expenditure	-218.4	-226.7	-232.5	-237.2	-241.9	-246.8	-396.9
Other Activities Expenditure Total	-218.4	-226.7	-232.5	-237.2	-241.9	-246.8	-396.9
Operating Expenditure Total	19,387.10	19,519.30	21,237.70	21,774.30	22,451.80	22,690.90	40,144.30
Operating Surplus/(deficit)	3,429.70	4,268.20	6,956.50	5,107.40	5,115.40	5,468.90	7,629.10
Interest Receivable	18.3	149.9	166	188.5	195.8	174.2	326.6
Interest and financing costs	-2,170.40	-2,242.00	-2,097.60	-1,883.30	-1,720.30	-1,560.80	-37.6
Surplus before tax	1,277.60	2,176.20	5,024.90	3,412.60	3,590.80	4,082.40	7,918.10
Surplus after tax	1,277.60	2,176.20	5,024.90	3,412.60	3,590.80	4,082.40	7,918.10
Comprehensive Income for the year	1,277.60	2,176.20	5,024.90	3,412.60	3,590.80	4,082.40	7,918.10
Comprehensive Income Brought Forward	37,843.10	39,120.70	41,296.90	46,321.80	49,734.30	53,325.20	127,376.70
Transfers (to)/from Reserves							
-- Cumulative Retained Profit	39,120.70	41,296.90	46,321.80	49,734.30	53,325.20	57,407.50	135,294.80

17.8 Budget Assumptions & Sensitivities Tests

Business Plan Assumptions

2026--27	2026-27	2027-28	2028-29	2029-30	2030-31	2031 onwards
Inflation (CPI)	3.80 %	2.58%	2.08%	2.00%	2.00%	2.00%
Inflation (RPI)	4.20%	3.25%	3.00%	3.00%	3.00%	3.00%
Rent increase (base)	4.80%	3.58%	3.08%	3.00%	3.00%	2.50%
Void loss	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Bad debts	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Repairs & maintenance inflation	5.00%	3.25%	3.00%	3.00%	3.00%	2.50%
Salary growth	5.30%	4.08%	4.08%	4.08%	4.08%	4.08%
<i>Interest rates</i>						
Bank of England base rate	4.50%	4.25%	4.00%	3.75%	3.75%	3.75%
SONIA	4.45%	4.20%	3.95%	3.70%	3.70%	3.70%

Sensitivity analysis undertaken

The base model plan has been subjected to the key sensitivity tests around voids, interest rates and inflation. The base plan already assumes prudent bad debt & void rates of 2% & 1% respectively, compared to the current bad debt rate of 0.1% and voids of 0.7%. The base model plan tested does not consider the EESSH spend and required refinancing as discussed in section 17 above. The resultant impact on cash flow and lenders' covenants is summarised in the following tables.

The sensitivities below demonstrate the impact a change in % can have (compounded) over 30 years. If costs were to significantly increase, then the rental increase would need to correlate to cover the increased costs, and there are an indefinite number of variations involved, e.g., staff numbers and costs increasing as a significant number of new builds are completed, the need to demolish or disinvest from properties at the end of their useful life, new regulations, etc. The sensitivities below seek to identify basic scenarios, based on our 2026 base plan around voids, interest rates and inflation. The creation of a 30-year plan is only ever a guide, as there is so much room for variation across such a long period of time, as has been evident from the volatile economic environment of the past few years. The focus should remain on the 5-year projections.

Scenarios considered and tested:

- **Voids and bad debts increased by 1% for 2 years**
- **Inflation plus 2% for 2 years and 1% thereafter**
- **Interest rates + 2% for 2 years and 1% thereafter**
- **Inflation and interest rates plus 2% for 2 years, then plus 1% thereafter**
- **Repairs inflation plus 3% for 2 years and plus 2% thereafter**
- **Rent increase of CPI +1% for full 30 years**

The above graphs demonstrate that each scenario has a negative effect on the Association's cash balances throughout the 30 years, apart from the rent increase of CPI + 1% for the full 30 years. If the economic environment were to return to a higher inflation scenario for 2 years and resulted in a combined increase in interest rates, this would have the most significant detrimental impact on the Association, assuming that rent cannot be increased at the same rate.

Interest cover scenarios are also negatively affected; however, covenants are maintained, and the majority of loans are repaid by year 12, which results in a significant rise in interest cover percentage.

Mitigating action would be undertaken at an early stage to manage all such scenarios, and as noted previously, staff will continually investigate all opportunities to improve efficiencies, procurement and contract arrangements to the benefit of the Association and its tenants. Although the economic environment is stabilising and inflation and interest rates have remained consistent for the last few months, we have to remain vigilant and consider the short, medium, and long-term impact of decision-making and the long-term financial viability of the Association.

17.9 Community Regeneration Funding

Thenue HA- Project Title	Description	2026-27
Energy Advice	Extension to Energy Advice post (Feb–Sept 26)	£31,796
Area Associations/Retirement Housing	Annual Grants (including new Blackhill AA TBC)	£37,753
Wider Role projects	Projects/Christmas food parcels/ Grantfinder	£18,913
	Subtotal	£88,462
External Grant Funding - Project Title	Description	
Clyde Gateway	Volunteer Co-ordinator	£30,000
Skipton Building Society Foundation	Tenancy Support (starts Feb 2026)	£10,000
Partner projects	Funding secured for partner projects	TBC
	Subtotal	£40,000
Thenue Communities - Project Title	Description	2026-27
GCVS Mental Health & Wellbeing	Heat, Scran, Create	£10,300
Clyde Gateway	Contribution to Core Costs	£20,000 TBC
Clyde Gateway	Demonstration of Change	£30,000 TBC
Tesco Stronger (Trongate)	Summer Food Programme (Calton)	£1,500 TBC
Tesco Stronger (Dalmarnock)	Summer Food Programme (Calton)	£1,500 TBC
Glasgow City Council	Holiday Food Programme (Castlemilk)	£7,000
Grants for Partner Groups	Glasgow Festival Funds (Polish Playgroup & NAA)	£18,350
Income generated from lets	Projected income	£120,000
	Subtotal	£208,650
	TOTAL	£337,112

17.10 Thenue Group: Highest Risks 25/26

HIGHEST RISK AREAS 2025/2026

Key:

L= likelihood score, before implementing mitigating action.

I = impact score, before implementing mitigating action

Σ = likelihood multiplied by impact score before implementing mitigating action

L+= net likelihood score, after implementing mitigating action

I+ = net impact score, after implementing mitigating action

Σ+ = net likelihood multiplied by impact score after implementing mitigating action

Risk no.	Area of risk	Risk description	L	I	Σ	Mitigating actions	L+	I+	Σ+
1	Financial, Technological, Service Delivery, Reputational, Performance.	Failure to correctly implement new digital and communication systems as set out in our Digital Transformation Strategy, leading to operational, financial and reputational risks.	3	4	12	Implementation plans and quality testing of both data and process prior to going live. Detailed tender scoring and assessment to reduce the risk.	2	4	8
2	Financial	Failure to monitor financial covenants resulting in possible breaches and difficulties with lenders.	3	4	12	Financial Covenants monitored quarterly as part of budget process, management and annual accounts. Compliance with information covenants monitored by Director of Finance, IT & Resources.	2	4	8
3	Financial, Reputational, Service Delivery	Contractor insolvency. Should any of the range of contractors we engage with goes into liquidation.	3	4	12	Keep abreast of sector news and be aware of alternatives should such a situation arise. Developing a clear strategy for future provision. Procurement of all contractors is carried out in line with Thenue's Procurement Policy. In addition, Thenue work closely with various frameworks to ensure the capability of service delivery remains.	2	4	8
4	Reputational, Financial, Regulatory.	Our main reactive repairs contractor, Mears pulling out of our contract following their extraction from all but a couple of contracts in Scotland. The risk will be the ability to deliver an efficient and cost-effective service should this happen	3	4	12	Notice periods for both parties are written into the contract, alongside developing a clear strategy for future provision. There is a commitment from Mears to the contract, continued, maintained performance. Close contract management and structure of the repairs team changed to create more capacity.	2	4	8
5	Technological, Service delivery	Risk of main housing database software supplier suffering insolvency issue or otherwise ceasing operations	3	4	12	The main database moved to a cloud-based operator in December 2024. Migration and further development of this new system to be continued throughout 2025. The supplier	2	4	8

Risk no.	Area of risk	Risk description	L	I	Σ	Mitigating actions	L+	I+	Σ+
						is showing strong growth in the sector, and the system aids the strength of our cybersecurity.			
6	Governance	The number of Board of Management members falling below the required amount of 7	3	4	12	Recruitment of 2 new members has been successful, joining at the September 2024 AGM. With priority being a recruitment drive and identification of more tenant members to give balance.	2	4	8
7	Financial	In relation to new Developments, grant funding offers are made on terms that require levels of private finance per unit, which makes the scheme unviable without internal subsidy. This will result in abortive costs and possible repayment of grant already claimed.	3	4	12	Ongoing negotiation with GCC NRS funding regarding the impact of increases required in costs and specification to meet their standards for grant funding. Full viability assessment to be considered by Board to review risks associated with aborting project, including all costs that have been incurred and grant repayments that might be required against level of internal subsidy required.	2	4	8
8	Financial, Reputational, Service Delivery	In relation to new Developments, contractor Liquidation, overpayment for works carried out and additional costs associated with security and appointing a new contractor	3	4	12	All work is subject to monthly valuations with retention as assessed by the Quantity Surveyor. Site would be secured by the Association, and discussions with consultants/solicitors to determine best course of future action. Grant Funder advised as soon as possible and estimate of possible additional costs to be determined. All contracts to have a Performance Bond in place to insure against losses through contractor insolvency. All contractors have also been assessed for their financial standing as part of the procurement process	2	4	8

17.11 Corporate Business Plan 2026-31 - Action Plan

Key Business Objectives for 2026/27

- 1. Review & Evaluate the service delivery and viability of our supported accommodation**
- 2. Continue to assess our Net Zero requirements, including reviewing our finances to assess delivery options.**
- 3. Review the performance and efficiencies of our Homemaster system to date and identify opportunities to develop the system and improve capabilities.**
- 4. Develop a robust Integrated Asset Management Strategy**
- 5. To undertake a Comprehensive Review of our Governance**
- 6. To complete a Review of Our Repair Strategy and Contract Delivery**

Persons Responsible for the Delivery of Actions

EMT: Executive Management Team

CEO: Chief Executive

DofF: Director of Finance & Corporate Services

DofCHS: Director of Community Housing Services

DofPS: Director of Property Services

NO.	KBO	ACTION	RESPONSIBILITY	TARGET TIMESCALE
1.	1	Appoint a consultant to carry out a full review of the supported accommodation stock.	DofHS	Sept 26
2.	1	Implement the recommendations of the Supported Accommodation Review	DofHS	March 27
3.	1	Review Service Charges in Supported Accommodation	Dof F&CS	Dec 26
4.	2	Review stock in line with SHNZS requirements, once issued by SG	DofPS	Sept 26
5.	2	Update Warmworks report on stock options	DofPS	Sept 26
6.	2	Assess the costs associated with implementing proposed solutions	DofPS	Oct 26
7.	3	Develop Asset Management Strategy	DofPS/DoF&CS	Dec 26
8.	3	Carry out a review against original objectives, including assessing efficiencies and service improvements.	Dof F&CS	Aug 26
9.	3	Develop a Plan that will set out our next objectives to improve and optimise the use of the new system.	Dof F&CS	Dec 26
10.	4	Develop a robust Integrated Asset Management Plan	DofPS/Dof &CS	Dec 26
11.	4	Review current plans and realign to ensure budgets can be met each year of the plan.	DofPS	Sept 26
12.	4	Reprofile to achieve efficiencies by aligning work in local areas	DofPS	Sept 26
13.	5	Undertake an independent review of our Governance	CEO	April 26
14.	5	Implement a Board Succession Plan	CEO	June 26
15.	5	Review our Tenant Engagement Processes and Structures	DofCHS	June 26

NO.	KBO	ACTION	RESPONSIBILITY	TARGET TIMESCALE
16.	6	Report to the Board on our review of our Repairs Strategy and plans for future contractual arrangements.	DofCHS	April 26
17.	6	Issue of ITT to potential contractors (invitation to tender)	DofCHS	April 26
18.	6	Issue an invitation to submit a final tender to the preferred Bidder(s)	DofCHS	Sept 26
19.	6	Final Tender Evaluation/Clarification process	DofCHS	Nov 26
20.	6	Contract signing	DofCHS	April 27

Actions from Corporate Business Plan not specific to KBOs				
21.		Reinstate our Tenant Scrutiny Panel	DofCHS	Dec 26
22.		Consider establishing an Online Forum of Factored Owners after completing a Survey of owners.	DofF&CS	Dec 26
23.		Undertake a Tri-annual Tenant Satisfaction Survey	CEO/ DofCHS	Oct 26
24.		Review our Value for Money Strategy	CEO	Sept 26
25.		Develop an Artificial Intelligence Policy and Procedure	CEO	June 26
26.		Review Customer Engagement Strategy	DofCHS. DoF&CS	March 27
27.		Consider applying for the Customer Service Excellence Award	DofCHS	March 27
28.		Review Financial Coding System	DofCHS	Sept 26

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