BUSINESS PLAN 2026-2031

shire housing



GREAT HOMES, GREAT PEOPLE, VIBRANT COMMUNITIES

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Executive Summary

Over the last decade, Shire Housing Association has been transformed into a dynamic community anchor with a clear **Vision** of:

Great Homes

where people feel proud to live in high-quality, sustainable homes.

Great People

where everyone has opportunities to achieve excellence.

Vibrant Communities

where people want to belong.

Our **Vision** is supported by our **Mission** of:

> **Creating opportunities for our local communities to flourish**

Supporting this are our **Core Values** of:

C	A	R	E
We **CARE** about what matters to you	We **ACT** with Integrity	We **RESPECT** diversity	We **EMPOWER** our communities

These values define how we operate and interact with our stakeholders and each other, shaping the delivery of our strategic objectives. They continue to drive our business transformation.

Our previous 2021-2026 Business Plan prepared us for growth, and this new Business Plan sets out our ambitious future strategic objectives, identifying the key challenges we face and how we will meet these, ensuring the Association continues to flourish.

Our new **Strategic Objectives** are:



Whilst we face a range of complex challenges, strong governance, robust financial management and partnership working will support the delivery of our Business Plan Objectives.

Simon Roberts, Chairperson

Purpose of the Plan

This Business Plan is the Association's core strategic document, setting out our ambitions and priorities for the next five years. It provides a strategic context for our operational plans and supporting strategies, demonstrating we understand the challenges we face, and that we have the resources to deliver our ambitions. The Plan identifies the key strategic risks we face and our mitigations. It provides a framework to measure our success, with the Board reviewing and updating the plan annually.

Informing and Supporting the Business Plan

In developing this Business Plan, we have taken account of:

- Discussions with Board, staff, and tenants.
- Engagement with key stakeholders, including East Ayrshire Council, and the Scottish Government.
- Our operating environment, including strategic risks.
- Existing commitments to our tenants, owners, and employees.
- Our commitments to equalities and human rights.
- Updated five- and thirty-year financial projections (March 2026).
- Business Planning Guidance issued by the Scottish Housing Regulator (2024).
- Our performance against the Social Housing Charter, including our most recent Annual Return on the Charter (ARC) submission.
- The Tenant and Owner Satisfaction Surveys completed in October 2025.
- Our key stakeholder's published plans, and feedback from them on our business goals.

Challenging National and Local Environment

The Business Plan was developed during a national housing crisis, and a period of economic volatility. Our operating environment makes it challenging to predict the future, and to develop solid plans. As a result, we have developed and refined a more strategic and agile style of Business Plan.

The Association believes it is important to set clear ambitions, whilst having sufficient flexibility to be able to adapt how we deliver our ambitions. The Business Plan will help focus our goals, whilst also supporting us through any further changes in our operating environment. Being a community anchor, creating and sustaining strong vibrant communities is at the heart of everything we do.

Section 1: About Us



Established by local residents in 1997 as part of a stock transfer from Scottish Homes, Shire Housing Association provides high-quality affordable rented housing, and services across East Ayrshire. With an annual turnover of approximately £6 million, we currently employ 24 staff, providing 968 homes in 15 communities.

We are proud of our many achievements as a community anchor over the years and the following is only a brief summary of these:

- Invested over £7.3 million in the last 5 years in maintaining and upgrading our properties.
- Successfully built 195 new properties across East Ayrshire, with a further 49 properties currently being constructed.
- Since 2003 delivered the East Ayrshire Care and Repair Service working in partnership with East Ayrshire Council and the Health and Social Care Partnership- three members of staff are employed in delivering this service.
- Worked in partnership with East Ayrshire Council, Atrium Homes, Irvine Housing Association and Cunninghame Housing Association to launch and continue to develop the East Ayrshire Common Housing Register, known as SEARCH.
- Delivered high levels of customer services to our tenants – 90.9% of tenants were satisfied with the services we provide in our last Tenant Satisfaction Survey (2025).
- Retained Customer Services Excellence accreditation since 2005.
- Securing Investors in People Gold Accreditation in 2021 and retaining it in 2024.

Section 1: About Us



Governance

The Association is a registered society under the Co-operative and Community Benefit Societies Act 2014. Registered with the Scottish Housing Regulator, we also have charitable status. Our key governing document is based on the Scottish Federation of Housing Association (SFHA) Charitable Model Rules. We are also a registered property factor.

Strong governance is the foundation of the Association, and our business planning process. We are governed by a voluntary Management Board, which meets monthly, setting strategic objectives and monitoring progress.

The Board have a strong blend of skills, local knowledge, and experience across a wide range of business and community activities (Appendix 2 Board Biographies)*.

During the last ten years the Board, working with the Senior Management Team, has overseen the transformation of the Association, driving organisational and cultural change, creating a dynamic innovative organisation committed to working collaboratively with community stakeholders to meet our future challenges.

We have an experienced and skilled Senior Management Team who work very closely with the Management Board and are committed to continuous improvement across the organisation. The Chief Executive, Jim Munro, is supported by Claire Donnelly, Director of Corporate Services, and Julie Allison the Director of Housing. A copy of the current staff structure is attached at Appendix 3.*

Our Rules (Appendix 4)* and Standing Orders (Appendix 5)*. provide a framework for the Association's governance. The Management Board's responsibilities include the Association's strategic leadership, regulatory compliance, and reviewing its policies. The work of the Board is supported by the Audit Committee whose role includes advising the Board on the adequacy of the Association's systems of control, overseeing risk controls and mitigation. The newly established Development Sub-committee scrutinises development opportunities and project delivery, providing additional governance support to the Board and Audit Committee.

Our Values

Our values are key to our success and inform everything we do. They reflect our culture, driven by our commitment to delivering excellent services that benefit our communities in East Ayrshire. We lead with our values, guiding behaviours, decisions, and actions. They are:

C	A	R	E
We **CARE** about what matters to you	We **ACT** with Integrity	We **RESPECT** diversity	We **EMPOWER** our communities

* All appendices can be found within the downloads section on our website

Section 2: Strategic Context

In developing this Business Plan, we assessed our operating environment to ensure we remain responsive to the needs of our tenants and stakeholders in the current challenging and ever-changing context.

We completed a S.W.O.T analysis:

INTERNAL **STRENGTHS**

Community Focus - good understanding of communities and their needs.

Strategic - clear vision and strategic direction.

Governance – high level of compliance, performance, and assurance.

Board & staff team – skilled, committed & collaborative.

Finances – good financial position.

Partnerships – productive relationships with partners, other agencies, RSLs, etc.

Culture – innovative and practical.

Communication - accessible to customers, transparent & consultative.

INTERNAL **WEAKNESSES**

Size – limited capacity due to size.

Succession planning – required for Board and staff.

Assets – stock profile has inherent challenges due to size, type, location & age.

Office – current layout limits effective teamwork.

Geography – wide geographic spread of homes.

Risk appetite - ambitious but risk averse.

Network – not as extensive or strong as could be.

Staff-not utilising databases and software, resulting in poorer quality data and reports to the Board.

EXTERNAL **OPPORTUNITIES**

Development sites- suitable sites are available.

Policy changes – heath, social care, community wealth building, planning, net zero, etc.

Ageing population – increasing demand for Care & Repair and other services.

Rising demand – community needs becoming more diverse and acute.

Service provision gaps – in existing and new areas of operation.

Mergers – other RSLs occasionally seeking partners.

Partnerships – partners seeking to maximise efficiency & effectiveness (e.g. EAC, Ayrshire Homes Alliance, colleges)

Relationships - recent turnover in key personnel

Innovations – advances in technology, building materials, systems, etc.

EXTERNAL **THREATS**

Economy – increasing costs, funding cuts, cost of living crisis, unemployment, war in the Middle East etc.

Political/Policy changes – local/national and its impact.

Depopulation - especially rural areas.

Increasing demand & changing needs – more acute and complex housing needs

Climate challenge – and the funding of the Social Housing Net Zero Standard ("SHNZS").

Competition - financial pressures mean organisations more likely to compete than collaborate.

Data/cyber security – fast moving and risky.

Section 2: Strategic Context

Strategic Challenges

The Association operates in both a challenging national and local environments including:

Housing to 2040

In 2021 the Scottish Government published its Housing to 2040 Strategy. This long-term vision sets out what housing and communities within Scotland should look like by 2040. Four key elements underpin delivery of this route map including:

1 – More homes at the heart of great places;

2 – Affordability and choice;

3 – Affordable warmth and zero emissions homes;

4 – Improving the quality of all homes.

The strategy includes ambitious targets of building 110,00 new homes, of which 70% are social rented and 10% are in remote, rural and island communities. However, meeting this target looks increasingly unlikely, with increasing costs of building new homes, and uncertainty on the level of grant funding available continuing to affect the development appetite of many RSLs. By June 2025, 29,680 affordable homes had been completed – 77% for social rent, 14% for mid-market rent, and 9% for affordable home ownership. Further, new build completions were down 6% in the year to June 2025, and sites starts down by 3%.

East Ayrshire Demographic Change

Population decline is a critical problem for East Ayrshire. The National Records of Scotland (East Ayrshire - National Records of Scotland (NRS)* highlights projections up to 2032 which show a declining and ageing population. In April 2026, East Ayrshire Council also reported that communities in Dalmellington, Doon Valley, and New Cumnock face continued decline, whilst areas like Stewarton with better transport links will see population growth. Without action being taken the population of East Ayrshire is projected to decline by up to 10% by 2050.

Assets

The location, construction type, and size of some of our properties remain a significant asset management challenge. Two thirds of our housing stock are three-bedroom properties, resulting in an imbalance between the Association's housing stock and East Ayrshire's future housing needs and demand. Whilst housing demand for smaller properties is high, some housing stock is in areas of low demand, exacerbating asset and housing management challenges.

National Housing Emergency

The Scottish Government declared a national housing emergency in May 2024, reflecting a national shortage of quality, affordable rented homes. Thirteen local authorities declared housing emergencies; Shelter Scotland reported that a household becomes homeless in Scotland every 16 minutes. East Ayrshire Council has not declared a Housing Emergency although it faces significant challenges that impact on our communities.

Climate Challenge

Having fifteen different types of property construction, including non-traditional, amongst our housing stock presents a significant challenge in reducing fuel poverty whilst delivering a just transition for tenants and meeting the requirements of the Climate Change (Scotland) Act 2009.* The lack of clarity on the Scottish Government's proposed Social Housing Net Zero Standard, its funding and the impact on rent affordability remain a major concern during the lifetime of the Business Plan.

* All appendices can be found within the downloads section on our website

Section 2: Strategic Context

Poverty and Inequality

According to the Scottish Index of Multiple Deprivation, East Ayrshire remains the seventh most deprived Scottish local authority area (anti poverty and inequalities strategy report.pdf)*, a position unchanged over the last decade. Whilst the poverty landscape is complex and varied, these metrics demonstrate the scale of poverty.

In September 2025, 26.2% of households were claiming Universal Credit, compared to 20% across the United Kingdom. Child poverty remains higher with 23.6% of children in poverty compared to the national average of 21.6%. Poverty also affects residents' health and wellbeing: females in East Ayrshire are expected to have 55.4 years and males 55.8 years of healthy life, compared to national rates of 60 years for females and 59.6 years for males.

Cost-of-Living Crisis

East Ayrshire residents continue to face a cost-of-living crisis, with the impact of war in the Middle East exacerbating food price inflation. In May 2026, the Energy and Climate Intelligence Unit reported that average food prices are on track to be 50% higher by November 2026 than at the start of the cost-of-living crisis in 2021. Compounding this, the UK Energy Price Cap rose by 13% in July 2026, in addition to spiralling car fuel costs.

Rising to the Challenge

Strong governance, allied to prudent financial management, have been the bedrock of the Association's evolution over the last decade. Business transformation has been led by the Management Board working collaboratively with the Management Team creating a culture of embedding high-quality service delivery and continuous improvement. Developing our staff and Board Member skills continues to be a key ingredient in supporting our business aspirations.

The Association is in a strong financial position and has an excellent relationship with the Royal Bank of Scotland (RBS), who currently provide us with term loan and revolving credit facilities. We are in discussions about additional borrowing to support our aspirations, including building a new office hub and developing additional new homes.

The Association has an excellent track record in working with our communities. During the 2021-26 Business Plan, staff worked with and supported approximately 50 community groups on a wide range of activities. Partnership working is a central tenet of our work and future strategy.

Partnership work is supported by the Association delivering high-quality services; 91% of tenants were satisfied with the Association as a landlord in the 2025 satisfaction survey. Performance in key service areas is strong, with comparatively low levels of rent arrears. This provides a firm foundation for continuing to develop our role as a community anchor, strengthening placemaking in our communities, and collaborative work with local stakeholder groups.

In February 2026 we commenced construction of 49 new homes at Craigens Road in Cumnock; the Association's first new build in 17 years. Being in a strong financial position, the Association is, now actively seeking additional development opportunities.

* All appendices can be found within the downloads section on our website

Section 3: Strategy

Our business strategy provides a framework for all our activities. It helps to articulate our ambitions, steer our course, maintain our pace, ensuring we deliver the performance standards set by our Management Board. Our strategy focuses on organically growing the business over the next five years and reinforcing our role as a community anchor sustaining and improving our communities.





OUR VALUES

We CARE about what matters to you

We ACT with Integrity

We RESPECT diversity

We EMPOWER our communities

Section 3: Strategy



OUR MISSION

> Creating opportunities for our local communities to flourish

VISION

Great Homes
where people feel proud to live in high-quality, sustainable homes.

Great People
where everyone has opportunities to achieve excellence.

Vibrant Communities
where people want to belong.

Our Strategic Goals	Outstanding Organisation	Excellent Services	Desirable Homes	Thriving Communities
Strategic Objectives	We are financially robust with strong governance, promoting our capacity to grow and flourish.	We deliver a wide range of excellent services, which meet local needs and which are positively received by our tenants/customers.	We provide high quality, warm, affordable homes, meeting and exceeding quality standards and our tenants needs.	We are a well-respected community anchor, strengthening partnerships and improving our communities.



Section 3: Strategy

1. Strategic Objective – Outstanding Organisation

Delivering our Outstanding Organisation objective will see the Association remain financially robust with strong governance, promoting our capacity to grow and flourish.

In our 2021-26 plan our objective was to strengthen our internal capabilities and organisational resilience. This new 2026-31 plan aims to retain the fundamentals established and extend these to be an outstanding organisation. Whilst we start from a strong financial base, with economic and geo-political uncertainty, we cannot afford to be complacent with our financial management. Our strategy is ambitious and optimistic for growth and robust financial controls are a key factor in achieving this.

A key strength of the association is our staff and Board teams, recognised via Investors in People Gold Accreditation. Over the next 5 years we will continue to invest in our people ensuring they have the skills and competencies to take the Association forward for growth. We will invest in our organisational culture to enhance job satisfaction and employee wellbeing, helping the Association flourish.

Over the 5-year period of this plan we will:

1. Invest in a growth strategy that in includes construction of a new office and progress a site masterplan.
2. Continue our positive culture and values journey to be an employer of choice - reviewing and implementing our People Strategy.
3. Develop and implement a new Succession Plan for the Board and Staff and Develop and Implement a Board Recruitment Plan that strengthens Board skills and community representation.
4. Ensure a corporate structure which supports our growth strategy.
5. Develop and implement a corporate communication strategy that showcases our successes, including delivery of a new website.

Section 3: Strategy

2. Strategic Objective – Excellent Services



We will deliver a wide range of excellent services, which meet local needs and which are positively received by our tenants and customers.

We already deliver services beyond that of a traditional housing association. Our financial inclusion and community engagement services are recognised as sector leading amongst our communities and peers. We are in a unique position in Ayrshire of delivering a Care and Repair Service to older and vulnerable homeowners in East Ayrshire and will continue to develop this service.

With the population of East Ayrshire predicted to decline and significantly age in the next 20 years, we are committed to delivering services that fit the needs of those customers.

Having implemented new key internal systems in 2025, we developed a new Systems and Digital Strategy which will improve and streamline our internal capabilities, creating efficiencies which allows us to focus on what is important to customers and provide the personal touch.

We will develop our understanding and response to our customers changing needs and will use this as an opportunity to review and grow our services.

Over the 5-year period of this plan we will:

1. Implement our Digital Strategy which supports our organisational development and cyber resilience, whilst also bridging the digital gap within our communities.
2. Strengthen customer insight/data analysis which supports continuous improvement and future decisions.
3. Develop new services which support our growth strategy and respond to changing community needs, including the potential use of a subsidiary entity for service delivery.
4. Improve how we showcase our excellent services including accreditation and awards.
5. Respond to climate change challenges including measurement of our carbon footprint and taking action to reduce our emissions.

Section 3: Strategy



3. Strategic Objective – Desirable Homes

We are committed to providing high-quality, warm, and affordable homes that meet and exceed required standards, responding to our tenants' needs. It also reflects our ambition to maintain homes for rent that meet the needs and aspirations of our changing communities. We know that household composition and local demand will continue to change over time, and this will shape the future requirements of both our existing homes and any new housing we provide.

Our Growth Strategy will set out how we maximise opportunities to build and acquire homes, whilst also considering the future of homes that no longer meet local needs or support our long-term strategic objectives. We will use our Asset Management Strategy to support decisions on how we invest in our homes to keep them fit for the future, improve energy efficiency, and reduce our environmental impact.

Tenant safety will remain a core priority throughout the life of this plan. We want our homes to support independent living for as long as possible, helping tenants to live safely and well within their communities and will continue to deliver our tenant safety programme, covering gas, electrical and fire safety, as well as legionella and asbestos management. Alongside this, we will make greater use of stock information, SMART technology and data to improve safety, support early intervention, and help reduce fuel poverty.

Over the 5-year period of this plan we will:

1. Successfully deliver 49 new homes at Craigens Road, and secure and progress a development programme
2. Deliver an Asset Management Strategy and Planned Investment Programme which supports the delivery of the proposed Social Housing Net Zero Standard
3. Make best use of resources and funding to support independent living within our communities.
4. Develop and implement a disposal and acquisition strategy that aligns with our asset and growth strategies.
5. Continue implementing a tenant safety programme, using stock information and SMART monitoring data to support tenant safety, and reducing fuel poverty.

Section 3: Strategy



4. Strategic Objective – Thriving Communities

We are committed to strengthening communities through partnership, inclusion, and investment. As a community anchor organisation, we recognise that our role extends beyond housing alone and over the next five years, we want to ensure that the benefits of our work are felt as widely as possible.

Within the life of this plan, we will work with partners to develop innovative projects that attract additional investment, create opportunities for local people, and maximise the wider benefits of our procurement and development activity. We want our work to contribute not only to housing outcomes, but also to stronger local resilience, improved wellbeing, and greater social and economic opportunity.

This objective also reflects our ambition to broaden our impact by working more closely across housing, health, and social care, exploring opportunities to support new and emerging customer groups. As our communities change, we will continue to develop services that are inclusive, responsive, and rooted in equality, diversity, and inclusion.

We will:

1. Work in partnership developing innovative projects which secure new and additional funding that benefits our communities.
2. Ensure procurement and new build projects maximise and promote a range of community benefits.
3. Work collaboratively with East Ayrshire Council and the Health and Social Care Partnership to deliver health, housing, and social care integration.
4. Explore options to deliver services to new customers including older residents, and owners, aligned to our growth strategy
5. Implement and expand Equality, Diversity, and Inclusion actions.

Section 3: Strategy

Managing Risk

Risk management is a key part of our business, with strong governance ensuring we are "risk aware," identifying and taking action to mitigate risks. We have adopted a comprehensive approach to risk management ensuring that we:

- Make informed decisions, reducing incidents and control failures.
- Provide assurance to the Management Board, the Audit Committee, and the Senior Management Team.
- Are flexible and responsive to new internal and external demands.
- Can achieve our key targets and priorities.

Risk Management Framework

We have put in place a framework, including a Risk Map, which sets out the processes through which risks are identified, assessed, controlled, monitored, and reviewed.

This framework is designed to:

- Integrate risk management into the culture of the organisation.
- Raise awareness of the need for risk management.
- Encourage a positive approach to risk management.
- Support improved decision-making, innovation, and performance through a good understanding of risks and their likely impact.
- Acknowledge and quantify our appetite for each risk and establish controls to suitably mitigate the risk to that level.

Audit Committee

The Audit Committee plays a central role in risk management and governance, advising the Management Board on the adequacy of the Association's systems of control. It oversees methods for ensuring that exposure to risk and weakness are identified and assessed and that adequate controls are put in place.

The Audit Committee also supports the Board by undertaking a detailed review of the Association's compliance with the Scottish Housing Regulator's Regulatory Standard. It also reviews in detail the work undertaken by Internal and External Auditors. This work underpins the submission of the Annual Assurance Statement to the Scottish Housing Regulator.

Monitoring and Review

The Business Plan, and its components, including the Risk Map, and Financial Plans are key elements of robust Board Governance. They support regulatory compliance and the production of our detailed annual Assurance Map, which forms the basis of our Annual Assurance Statement to the Scottish Housing Regulator. The Business Plan and its objectives also form part of our wider performance framework, with its commitment to continuous improvement.

To ensure our Business Plan remains robust, we will review and update it every year as part of our annual Business Planning process. This will include an update of our financial projections, Strategic Delivery Plan Objectives, and Business Plan Priorities reflecting our operating environment. The Management Board will also undertake a full comprehensive review of the Plan, including our Vision and Core Values every five years.

Section 3: Strategy



Financing the Plan

We are fully committed to safeguarding our short, medium, and long-term financial viability and resilience. We will make the best use of our resources to deliver the aspirations of the plan without any detriment to current tenants.

Financial Health

We are in a robust financial position, with a healthy level of cash reserves, drawn loan financing at a favourable interest rate and committed facilities to meet our immediate financial needs. We are careful to manage our resources but are susceptible to cost increases from the unpredictable geo-political climate.

Financial Planning

We regularly update our 30-year financial plan to assess the implications of our strategic intentions and changes to financial assumptions on our long-term finances. The 30-year plan is used to demonstrate our ability to meet our financial commitments, compliance with loan covenant obligations and support the delivery of our strategic plans.

To ensure our financial planning is robust and can respond to future uncertainties, we carry out sensitivity analysis to stress test our key assumptions.

To advise our capacity for large capital projects, we have also had our assumptions and modelling reviewed by a sector a financial planning specialist.

Our 30-year plan makes certain allowances for what may be required from the Social Housing Net Zero Standard (SHNZS) however, until the standard is finalised, we cannot predict the financial requirements with any certainty. Like the rest of the Scottish RSL sector we are likely to require external funding, and/or significant rent increases to meet all the conditions of the standard.

Key financial data from our latest 30-year plan:

	2026/27	2027/28	2028/29	2029/30	2030/31
	£000	£000	£000	£000	£000
Operating Surplus	1,323	1,630	1,721	1,861	1,954
Planned Investment	1,782	1,614	1,529	1,454	1,626
New Homes	6,001	3,867	-	-	-
Loan repayments	571	571	1,071	1,471	671
Cash	3,322	1,136	1,121	1,057	1,868
Bank facilities outstanding	(4,857)	(5,786)	(4,714)	(3,243)	(2,571)

(Source March 2026 Board papers)

A copy of the 30-Year Plan can be found here: https://shirehousingassociation.sharepoint.com/:b:/r/sites/FileHub/Board/Board%20and%20Audit%20Committee%20Papers/Board%20Papers/2026-27/Business%20Plan%20Links/30%20year%20plan.pdf?csf=1&web=1&e=X09L6v





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This report is available in PDF format on our website

Shire Housing Association Limited is a Registered Charity number SC038664