

Corporate Strategy 2026 - 2031

STRONGER COMMUNITIES
through GREAT HOMES



FOCUSED



INNOVATIVE



TRUSTED

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1. Executive Summary



This new, five year strategy is the culmination of discussions with Board members, colleagues, customers and key partners over several months. A strategy day, facilitated by an external strategist, was held for the Board in October 2025, the results of which were developed by a Colleague Working Group which shaped thoughts and ideas into this document.

The next five years promise to be a hugely exciting time for Homes in Somerset (HiS) as it combines with Somerset Council's (SC) 'in-house' housing management service to create a 10,000 home landlord. This strategy sets a clear course for the period 2026-2031 and reaffirms our purpose to build stronger communities through great homes.

To achieve this, this strategy focuses our attention over the next five years on the following three strategic areas:

1. **Customer Driven**
2. **Transforming Together**
3. **Building a Better Future**

To help achieve our strategic aims we remain guided by our three core values – being Focused, Innovative and Trusted.

In summary, this strategy ensures our continued laser-focus on our customers, plans the successful integration of two organisations and, finally, ensures that sufficient time is dedicated to preparing for the future in order to improve services to customers.

2. Our background

Both our local and national operating environments are subject to constant change. The Board regularly analyses political, economic, social, technological, environmental and legal factors (PESTEL). These reviews inform the development of this strategy, key highlights of which are set out below.

Our last corporate strategy (2023–2026) was launched shortly before the creation of a unitary authority in Somerset and set a clear objective to expand our area of operation in support of SC. A strong focus on partnership working supported this expansion and, following a request from SC to help deliver more new council housing, we changed our name from Homes in Sedgemoor to Homes in Somerset in April 2025.

The previous strategy also reinforced our commitment to being 'customer driven', ensuring the customer voice continued to shape our services. This commitment remains more important than ever and is a central pillar of our new corporate strategy. HiS's current performance, both financial and non-financial, remains at the upper end of the social housing sector and is something we are extremely

proud of. This strategy seeks to maintain and, where possible, improve performance.

An Options Appraisal, held over 2025/2026, on the future management of SC's housing, identified HiS as the preferred model for managing the combined stock of 10,000 homes. SC has now agreed to transfer the management of 6,000 homes to HiS from September 2026. This represents a significant vote of confidence and a major opportunity to successfully bring together HiS and SC's in-house delivery team. Delivering this transition is therefore a central pillar of this strategy.

Finally, our operating landscape and service demands are changing rapidly. We recognise that meeting increasingly complex customer needs will require our services to adapt and evolve. With 10,000 homes under management and around 25,000 customers relying on us for safe, affordable housing, we have set ourselves an ambitious objective to build a more responsive, convenient and sustainable future.



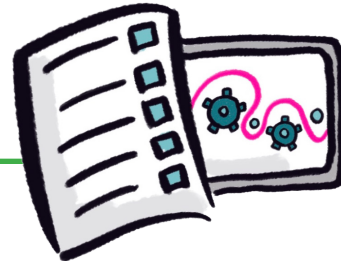
3. Where are we now?

HiS is an Arms-Length Management Organisation (ALMO) established in April 2007 with the remit of managing and maintaining around 4,000 homes on behalf of Sedgemoor District Council. Following the creation of a single unitary authority in April 2023, ownership of HiS transferred to the new SC.

As we approach our 20th anniversary, we are among 15 ALMOs nationwide managing a total stock of around 226,000 affordable homes. First established in 2002, ALMOs were created to provide customer-focused management by enshrining a strong voice for customers. This founding principle remains a strong part of the ALMO 'DNA' to this date and HiS intends to remain at the forefront of best practice in this area.

In return for managing SC's housing stock, HiS receives an annual management fee. SC remains our sole shareholder and our responsibilities for managing the stock are set out within a 30-year management agreement (most recently renewed in 2026). Importantly, HiS is not an asset owning organisation but exists solely to manage SC's stock in a proficient manner. Failure to do this could result in a default of the requirements in the management agreement and, ultimately, termination of the agreement entirely. For this reason, it is imperative that HiS always meets the requirements of the management agreement ensuring it secures its annual fee and safeguards its long-term future.

SWOT Analysis (As at July 2025)

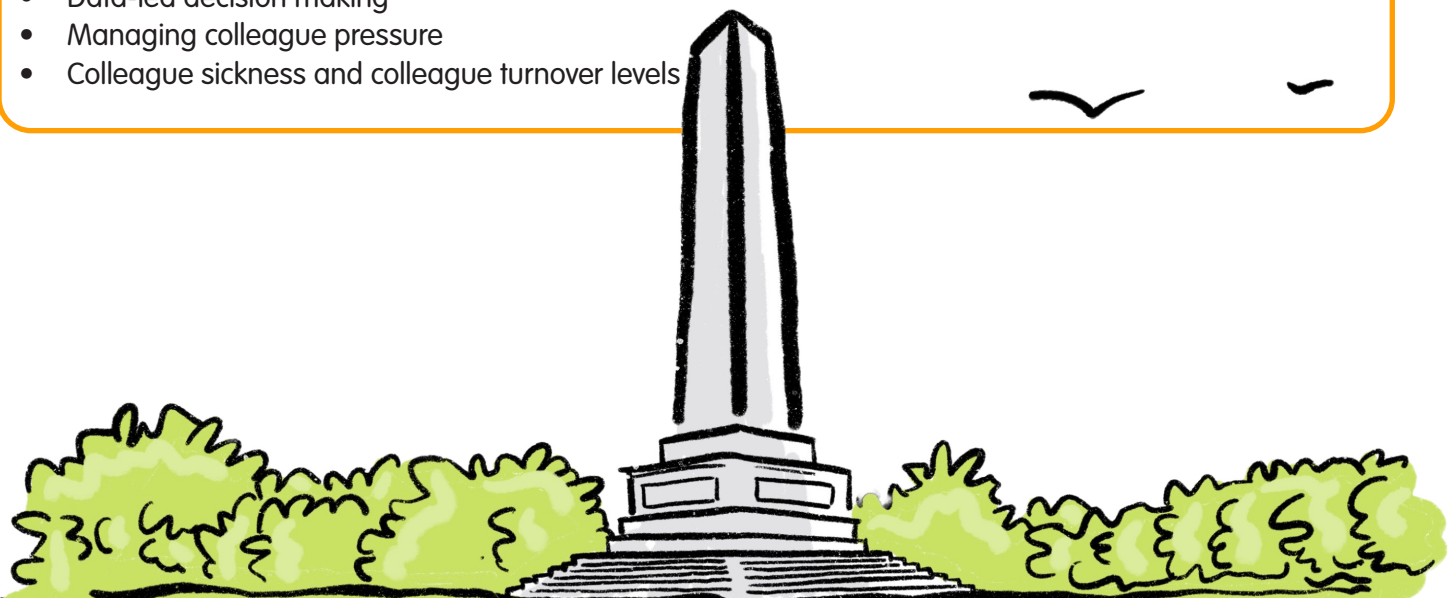


Strengths:

- Collaborative culture
- Colleague belief and commitment
- Customer focused and committed to giving customers a strong voice
- Strong networking
- Expertise and professional colleagues
- Collaboration with Somerset Council Adults and Children Services
- Good external reputation
- Good reputation with customers
- Local and community focused
- Good performance including income recovery
- Majority of Tenant Satisfaction Measures in Upper Quartile for two years in a row
- Value for money
- Board member succession planning in place
- Board member retention
- Innovative delivery of services
- Agile and adaptable
- Sustainable Medium Term Financial Plan (MTFP)
- Stock investment underpinned by stock condition surveys
- Robust compliance arrangements with skilled team in place
- Joint working with Somerset Council
- Robust performance framework
- Operating as an Arms Length Management Organisation (ALMO) which enables dedicated focus on housing management
- Awareness of operating environment
- Risk management arrangements
- Good governance arrangements in place
- Strong and stable Executive Team
- Five-year Housing Revenue Account (HRA) is pro development
- Strong and fully HRA-funded programme

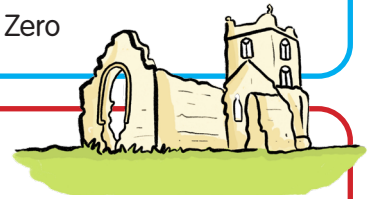
Weaknesses:

- Reactive
- Income significantly dependent on management agreement
- Small teams
- Customer insight needs to be developed
- Need to build on diversity in Board and Executive teams
- The need for cost effectiveness in some areas of service delivery
- Data-led decision making
- Managing colleague pressure
- Colleague sickness and colleague turnover levels



Opportunities:

- Options Appraisal 2025/26 – Potential decision to enlarge the Arms Length Management Organisation (ALMO)
- 'Ageing in Place' agenda – lifetime tenancy plans
- Development of new homes and management of alternative tenures – significant investment programme
- Cost effective energy efficient homes (climate agenda)
- Embrace new technology such as AI
- Commercial opportunities – eg undertaking more extra care housing support
- ICT/ Digital Strategy and work with Somerset Council to improve the IT infrastructure
- Shared services – Somerset Council – to explore opportunities for efficiencies
- Build customer capacity to scrutinise business
- Embrace the professionalisation agenda
- Customer engagement and involvement
- Remodeling and regeneration of stock
- Utilisation of data held
- Best practice sharing with Somerset Council colleagues
- Alignment activity with Somerset Council – Asset Management, ICT, Net Zero



Threats:

- Options Appraisal 2025/26
- Potential decision to close the ALMO
- Stock assessed in context of wider Housing Revenue Account pressures
- Major Infrastructure Projects impact on resources and supply chain – Hinkley/Gravity access to skilled workforce
- Low economic growth
- Reliance on Somerset Council services (SLAs)
- Losing customer good-will
- Ability to retain and remunerate colleagues in a competitive market
- Increasing activity from Housing Ombudsman
- Access to customers' properties – re inspections
- Housing Revenue Account under financial pressure – medium to long term challenges
- Somerset Council budget savings leaving gaps in services
- Somerset Council's financial challenges
- Political instability. Potentially move away from two-party model.
- HiS and Somerset Council do not effectively respond to the changing policy landscape

4. Where do we want to be?

Our strategic goals for 2031 are:

1. To have maintained, enhanced and evidenced our commitment to being 'customer driven'.
2. To have successfully integrated two organisations into a 10,000 home landlord.
3. To have a tangible picture of future customer needs and a coherent plan to meet those needs that we think will have a clear impact on customers and services.
4. To continue to support Somerset Council, notably in the exploration of emerging developments in local government reorganisation.

At the end of this strategy we want to have successfully integrated two organisations into a 10,000 home landlord operating across Somerset. This success will be evidenced by a unified culture, seamless systems and top quartile performance. By 2031 we will also have delivered and maintained the target operating model defined in the business case for bringing the two organisations together. This transformation and integration work will require careful planning. This planning is well underway under the umbrella of 'Project Fusion'. Our plans envisage that Project Fusion will be complete by March 2029.

A one-page summary of this strategy is provided in Appendix 1.



5. How do we get there?

We have identified core strands aligned to each pillar of this strategy. The 15 strands are as follows:

Strategic Pillar 1: Customer Driven

Core Strand 1: Helping all to live well - We want to contribute to our customers' wellbeing by providing safe and affordable homes.

Core Strand 2: Community cohesion - Our role extends beyond providing homes to making sure that we play our part in building cohesive communities in Somerset.

Core Strand 3: Using customer and home insight effectively – We recognise that providing an excellent service to our customers is only possible through good data.

Core Strand 4: Brilliant communications - Sharing what we are doing and why is essential to providing excellent services to our customers. We also need to align our communications to our Equality, Diversity, and Inclusion (ED&I) Strategy.

Core Strand 5: C1 Inspection rating - We want to support Somerset Council to ensure that our landlord services are always compliant with the Regulator of Social Housing's Consumer Standards.

Core Strand 6: Retain 'local' feel – We want to ensure that we continue to offer responsive and accessible services to our customers across Somerset.

Core Strand 7: Customers are involved and heard - We can only deliver our ambitious service goals by listening and acting upon customer feedback.

Strategic Pillar 2: Transforming Together

Core Strand 8: Project Fusion – Delivery of our project to combine two delivery models into a single organisation.

Core Strand 9: Culture and people – We want to continue to strengthen our culture and develop our people to provide the very best services.

Core Strand 10: Strengthening and developing strategic partnerships - We want to maximise the role we can play in improving outcomes in Somerset.

Core Strand 11: Being prepared for local government reorganisation – We must constantly assess the landscape and future implications of local government reorganisation.

Strategic Pillar 3: Building a Better Future

Core Strand 12: Fit for purpose corporate structure - We want to ensure that our corporate structure continues to maximise outcomes for HiS and SC.

Core Strand 13: Extended services for existing and new customers - We need to ensure that we continually adapt to and innovate to meet the service demands of our customers.

Core Strand 14: Research led – Having sufficient knowledge of our local, regional and national operating environment will support our decision making on strategy and operational services.

Core Strand 15: Digital homes - Monitoring the homes we manage to ensure customer safety will become increasingly complex. We want to utilise digital technologies to increase customer convenience and reduce cost.



A visual of the new strategy is contained in Appendix 1.

6. Measuring success

Customer Driven

Helping all to live well: We want to contribute to our customers' wellbeing by providing safe and affordable homes.




Objectives

Outcomes

- Develop and implement a coherent and costed asset management strategy for maintaining and improving Somerset's council housing
- Support the implementation of Somerset Council's 2026-2031 Development Strategy
- Develop and implement a medium term Sustainability Strategy

- Top quartile sector performance for Tenant Satisfaction Measures (TSMs) (via bi-monthly reports to ET /Board)
- Provide 580 new council homes in Somerset (via bi-monthly report to Somerset Council and Board)
- Meet 2030 minimum home energy efficiency requirements (via bi-monthly report to Board)

Community Cohesion: Our role extends beyond providing homes to making sure that we play our part in building cohesive communities in Somerset.

<ul style="list-style-type: none"> • Broaden community partnerships and service quality, focusing specifically on supporting the health agenda • Provide specialist leadership in the management of antisocial behaviour • Maintain a current and relevant Equality, Diversity, and Inclusion (ED&I) standard 	<ul style="list-style-type: none"> • Satisfaction from customers (TSMs) • Delivery of objectives within ED&I Strategy 
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Using customer and home insight effectively: Providing an excellent service to our customers is only possible through good data.

<ul style="list-style-type: none"> • Maintain accurate and up-to-date information on customers and their homes • Link key projects and service activity to data and insight from baseline position to conclusion 	<ul style="list-style-type: none"> • Ensure 90% of customer and home data is less than four years old (via bi-monthly reports to ET/Board) • Report customer satisfaction results in TSMs (via monthly reports to ET/Board)
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Brilliant communications: Sharing our excellent results and services through communicating effectively internally and externally. We also need to align our communications to our ED&I Strategy.

<ul style="list-style-type: none"> • Maintain an organisation-wide Communications Plan (all channels) for both internal and external audiences 	<ul style="list-style-type: none"> • Delivery of plan (via regular reporting to Executive Team) • Achieve 82% customer satisfaction with communications
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C1 Inspection rating: We want to support SC to ensure that our landlord services are always compliant with the Regulator of Social Housing’s Consumer Standards.

<ul style="list-style-type: none"> • Support SC to prepare for the first regulatory inspection by undertaking a mock inspection of all landlord services • Develop and implement a mock inspection action plan 	<ul style="list-style-type: none"> • Deliver action plan arising from 2026 mock inspection (via six monthly report to SC/ET/Board) • Obtain minimum C2 rating in first inspection (likely 2027) and C1 in second (likely to be 2031) • Provide a regular update to SC and Board on compliance with Consumer Standards (via 6 monthly report to SC/ET/Board)
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Retain ‘local’ feel: Ensuring that we continue to offer responsive and accessible services to our customers across Somerset.

<ul style="list-style-type: none"> • Local feel where we can provide a sense that services, decisions, and communications are rooted in and responsive to the specific community, reflecting local knowledge, visible presence, trusted relationships, and an understanding of the area’s unique needs and identity. • Embed learning within services 	<ul style="list-style-type: none"> • Tenant Satisfaction Measures (TP11) Proportion of respondents who report they are satisfied that their landlord makes a positive contribution to the neighbourhood.
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Customers are involved and heard: We can only deliver our ambitious service goals by listening and acting upon customer feedback.

<ul style="list-style-type: none"> • Implement our Community Engagement & Influence Strategy 2026-2029 	<ul style="list-style-type: none"> • Delivery of strategy actions on time (via six monthly report to ET/Board) • Annual report to Board 'how we have heard the customer voice' (presented to October Board Innovation Day) • Relevant Tenant Satisfaction Measures
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Transforming Together

Project Fusion: Delivery of our project to combine two delivery models into a single organisation.

<ul style="list-style-type: none"> • Assemble project team and devise coherent project plan (2026-2029) 	<ul style="list-style-type: none"> • Delivery against project plan (via monthly reports to SC/ET/Board) • Delivery of Medium Term Financial Plan milestones
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Culture & People: Strengthening our culture and developing our people to provide the very best services.

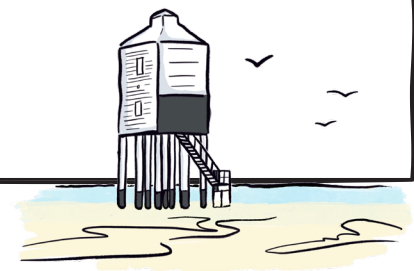
<ul style="list-style-type: none"> • Define our new culture and successfully embed it alongside our values • Ensure that we develop our people to meet both corporate and personal ambitions • Develop and implement a Behaviour Framework 	<ul style="list-style-type: none"> • Compliance with the new Competence and Conduct Standard (via Consumer Standards update) • Maintain minimum Gold Investors in People award
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Strengthening and developing strategic partnerships: We want to maximise the role we can play in improving outcomes in Somerset.

<ul style="list-style-type: none"> • Broaden our influence across strategic partnerships • Maintain a Partnership Strategy 	<ul style="list-style-type: none"> • Delivery of the Partnership Strategy (via annual report to ET/Board) • Delivery of one key strategic partnership project each year
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Being prepared for local government reorganisation: Constantly assessing the landscape and future implications of local government reorganisation.

<ul style="list-style-type: none"> • Maintain a watching brief on local government reorganisation • Work with SC and strategic partners to identify opportunities and challenges 	<ul style="list-style-type: none"> • No measures
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Building a Better Future

Fit for purpose corporate structure: We want to ensure that our corporate structure continues to maximise outcomes for Somerset Council.

<ul style="list-style-type: none"> • Continually review the corporate structure landscape for our sector • Maintain the highest possible standards of corporate governance • Support SC to maintain an open and transparent relationship with the Regulator of Social Housing 	<ul style="list-style-type: none"> • Governance Framework review performance (via annual report to Board) • Conduct an external review of corporate structure during the lifetime of this strategy
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Extended services for existing and new customers: We need to ensure that we continually adapt to and innovate to meet the service demands of our customers.

<ul style="list-style-type: none"> • Undertake a strategic review of future service demands of our customers (2028 onwards) • Consider existing or new services to meet demands 	<ul style="list-style-type: none"> • Completion of strategic review
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Research Led: Having sufficient knowledge of our local, regional and national operating environment will support our decision making on strategy and operational services.

<ul style="list-style-type: none"> • Build research capability and capacity to embed evidence-led practice across HiS • Establish a structured research and insight programme to inform future service design and investment decisions 	<ul style="list-style-type: none"> • Additional capacity secured for research • Internal training programme established to inform decisions • An agreed research programme is in place and reviewed annually
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Digital homes: Monitoring the homes we manage to ensure customer safety will become increasingly complex. We want to utilise digital technologies to increase customer convenience and reduce cost.

<ul style="list-style-type: none"> • Undertake a strategic review of existing digital monitoring technologies for homes • Devise and implement a 'Digital Strategy for Homes' 	<ul style="list-style-type: none"> • Completion of the 'Digital Strategy for Homes'
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Our key performance measures aligned to these measures of success are included in Appendix 2.

Section 6: Our Values

To ensure the effective delivery of this strategy and create the pre-requisite culture, our existing corporate values remain relevant and meaningful. Our values are:

FOCUSED

As a managing agent we need to be completely focused on our role and responsibility in order to deliver the very best services possible. Being focused is not about doing the most work but doing the most important work to the highest standard.



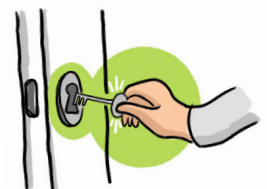
INNOVATIVE

To succeed we need to be open to new ways of thinking and working. We must create a working culture that is naturally dynamic, embracing innovation and learning so that we continually assess how we do things and strengthen them.



TRUSTED

Trust is the belief and confidence in the integrity, reliability and fairness of a person or organisation. An essential human value that quantifies and defines our interdependence in relationships with others.



Section 7: Resources

The costs associated with this strategy have been factored into the 2026-2031 Medium Term Financial Plan.

Section 8: Review

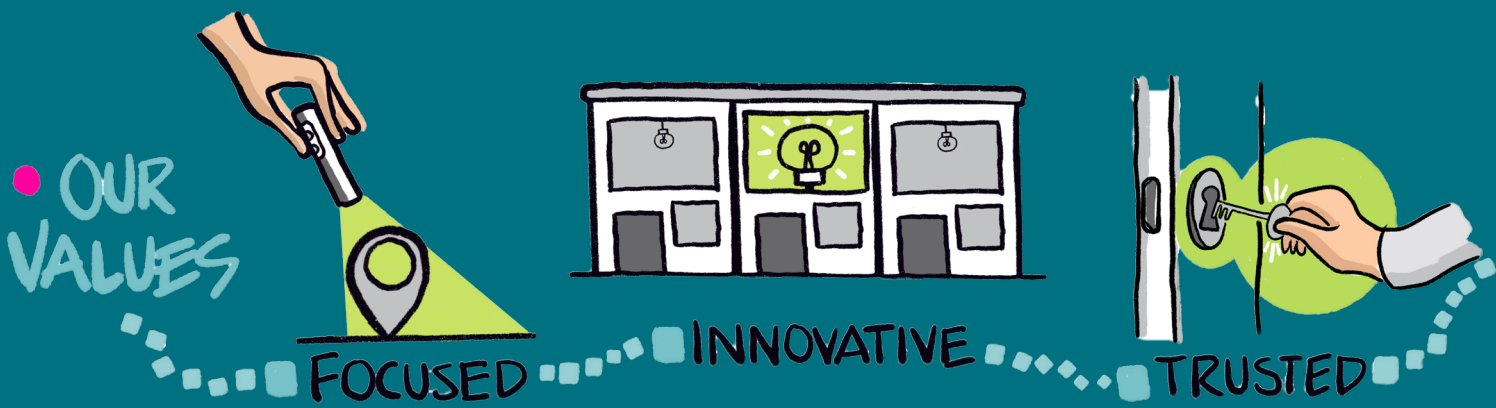
This strategy will be continually reviewed by the HiS Executive Team and six-monthly progress reports will be provided to the Board.

Section 9: Appendices

Appendix 1: One-page summary of the 2026-2031 Strategy

Appendix 2: One-page measuring successes table for the 2026-2031 Strategy

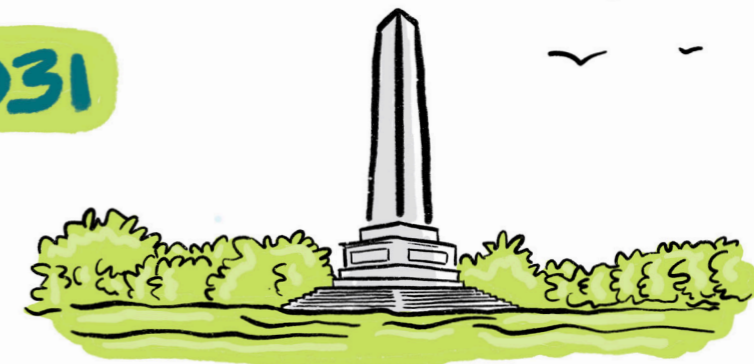




Address: Homes in Somerset, Bridgwater House, King Square, Bridgwater, TA6 3AR

Email: customer.services@homesinsomerset.org

Phone: 0800 585 360



OUR PURPOSE

STRONGER COMMUNITIES through GREAT HOMES

OUR THREE PILLARS

• C1 INSPECTION RATING

HELPING us ALL to LIVE WELL

• Retain Local Feel

Community Cohesion

• Using Customer and home insights EFFECTIVELY

• BRILLIANT Communications

• Customers are INVOLVED and HEARD

Strengthening and Developing PARTNERSHIPS

PEOPLE and CULTURE

PROJECT FUSION

Being prepared for Local Government Reorganisation

DIGITAL HOMES

FIT for PURPOSE Corporate Structure

RESEARCH LED

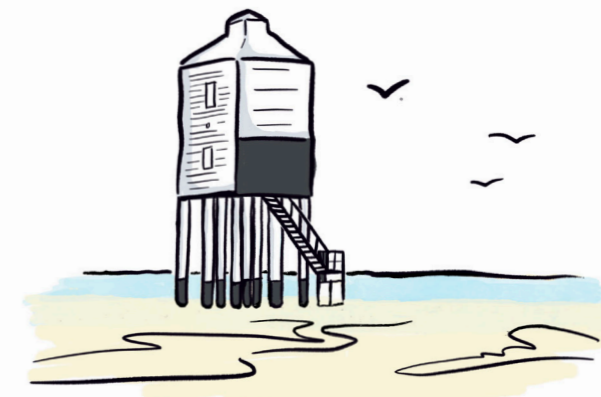
EXTENDED SERVICES for Existing and new customers

1. CUSTOMER DRIVEN

2. TRANSFORMING TOGETHER

3. BUILDING A BETTER FUTURE

OUR VALUES



Appendix 2: Measuring success

Pillar	Core Strands	Measuring Success	2026/27	2027/28	2028/29	2029/30	2030/31
Customer Driven	Helping all to live well (DAMSD)	1. Top quartile sector performance for Tenant Satisfaction Measures (TSMs) (via bi-monthly reports to ET /Board)	83%	75%	83%	92%	92%
Customer Driven	Helping all to live well (DAMSD)	2. Provide 580 new council homes in Somerset (via bi-monthly report to SC and Board)	158	77	80	96	169
Customer Driven	Helping all to live well (DAMSD)	3. Meet 2030 minimum home energy efficiency requirements (Via bi-monthly report to Board)	166	62	30	45	277
Customer Driven	Community Cohesion (DCCS)	1. Satisfaction with Neighbourhood (TSM)	71%	71%	71%	72%	72%
Customer Driven	Community Cohesion (DCCS)	2. Delivery of objectives within EDI Strategy	61%	89%	100%	TBA	TBA
Customer Driven	Using customer and home insight effectively (DCCS)	1. Customer data is less than 4 years old (via bi-monthly reports to ET/Board)	TBA	TBA	90%	90%	90%
Customer Driven	Using customer and home insight effectively (DCCS)	1. Home data is less than 4 years old (via bi-monthly reports to ET/Board)	90%	90%	90%	90%	90%
Customer Driven	Using customer and home insight effectively (DCCS)	2. Top quartile customer satisfaction in TSMs (via monthly reports to ET/Board)	84%	80%	82%	84%	85%
Customer Driven	Brilliant communications (HPC)	1. Delivery of plan (via regular reporting to ET)	100%	100%	100%	100%	100%
Customer Driven	Brilliant communications (HPC)	2. Achieve required customer satisfaction with communications	80%	80%	80%	81%	82%
Customer Driven	C1 Inspection rating	1. Delivery of action plan arising (via 6 monthly report to SC/ET/Board) from mock inspection	80%	100%	N/A	N/A	N/A
Customer Driven	C1 Inspection rating	2. Obtain minimum C2 rating in first inspection (likely 2027) and C1 in second (likely to be 2031)	N/A	C2	C2	C2	C1
Customer Driven	C1 Inspection rating	3. Provide a regular update to SC and Board on compliance with Consumer Standards (via 6 monthly report to SC/ET/Board)	2/2	2/2	2/2	2/2	2/2
Customer Driven	Retain 'Local' feel (DCCS)	1. Satisfaction that the landlord makes a positive contribution to neighbourhoods	74%	73%	73%	74%	74%
Customer Driven	Customers are involved and heard (DCCS)	2. Delivery of Influence and Engagement Strategy objectives (via 6 monthly report to ET/Board)	83%	92%	100%	TBA	TBA
Customer Driven	Customers are involved and heard (DCCS)	3. Annual report to Board 'how we have heard the customer voice' (presented to October BID)	1/1	1/1	1/1	1/1	1/1
Customer Driven	Customers are involved and heard (DCCS)	4. TSM: Satisfaction that the landlord listens to tenant views and acts upon them each	73%	65%	67%	70%	73%
Transforming Together	Project Fusion	1. Delivery against project plan (via monthly reports to SC/ET/Board)	70%	90%	100%	N/A	N/A
Transforming Together	Project Fusion	2. Delivery of MTFP Milestones (Via bi-monthly reporting to SC/ET/Board)	0	£900k	£2,050k	£3,500k	£3,500k
Transforming Together	Culture & People (HPC)	1. Compliance with the new Competence and Conduct Standard (via Consumer Standards update)	100%	100%	100%	100%	100%
Transforming Together	Culture & People (HPC)	2. Maintain minimum Gold Investors in People award	Gold	Gold	Gold	Gold	Platinum
Transforming Together	Strengthening and developing strategic partnerships (DCCS)	1. Annual Report to Board on delivery of the Partnership Strategy to ET/Board	1/1	1/1	1/1	1/1	1/1
Transforming Together	Strengthening and developing strategic partnerships (DCCS)	2. Delivery of 1 key strategic project each year in partnership	1/1	1/1	1/1	1/1	1/1
Transforming Together	Being prepared for local government re-organisation (CE) (Constantly assessing the landscape and future implications of local government reorganisation)	1. Maintain a watching brief on local government reorganisation; 2. Work with SC and strategic partners to identify opportunities and challenges - via annual report to Board	N/A	N/A	N/A	1/1	1/1
Building a Better Future	Fit for purpose corporate structure (GM)	1. Governance Framework review performance (via annual report to Board)	1/1	1/1	1/1	1/1	1/1
Building a Better Future	Fit for purpose corporate structure (GM)	2. Conduct an external review of corporate structure during the lifetime of this strategy	N/A	N/A	N/A	1/1	N/A
Building a Better Future	Extended services for existing and new customers (DAMSD)	1. Completion of strategic review	N/A	N/A	1/1	N/A	N/A
Building a Better Future	Research led (DFP)	1. a) Additional capacity secured for research	N/A	N/A	N/A	100%	N/A
Building a Better Future	Research led (DFP)	1. b) Internal training programme established to inform decisions	N/A	N/A	N/A	50%	100%
Building a Better Future	Research led (DFP)	2. An agreed research programme is in place and reviewed annually	N/A	N/A	N/A	1/1	1/1
Building a Better Future	Digital homes (DAMSD)	1. Completion of the 'Digital Strategy for Homes'	N/A	N/A	1/1	N/A	N/A