

Strategic Plan

Organisational Governance and Control

March 26



L&Q

Contents

Introduction.....	2
Link to the new corporate strategy	3
Transformation and Change Portfolio	4
Strategic Plan – Organisational Governance and Control.....	5
Theme 1 – Improvement of governance and decision making	5
Theme 2 – Improving resident involvement and democracy.....	6
Theme 3 – Service Design Programme (<i>Delivered as part of the Transformation and Change Portfolio</i>).....	7
Theme 4 – Technology Programme (<i>Delivered as part of the Transformation and Change Portfolio</i>)	8
Theme 5 – Process and Continuous Improvement Programme (<i>Delivered as part of the Transformation and Change Portfolio</i>)	9
Strategic Risk: Organisational Governance and Control.....	10

Introduction

L&Q's second corporate strategy, adopted from 2026, refreshes our purpose: *'to provide social homes that everyone can be proud of'*. It also sets out three strategic commitments:

- 1 We'll provide social homes to meet housing need
- 2 We'll provide good landlord services
- 3 We'll be efficient and maximise our impact

To support and deliver these commitments, we have developed nine strategic plans, each aligned to one of our strategic risks. These plans are grouped around themes and set out:

- The activities we plan to deliver over the next five years
- The key milestones by when we will deliver this activity
- The measures we will use to track progress
- The strategic risk definitions and statements that govern delivery

Each strategic plan covers the five-year period (2026-31) outlined in our corporate strategy and will be reviewed and updated annually to ensure alignment with our five-year budget, Long-Term Financial Plan, risk appetite and any legislative or regulatory changes, as well as to the other eight Strategic Plans. Each Strategic Plan links with one or more annual Run the Business (RTB) plans across the teams responsible for delivery, which translate the Strategic Plan into specific initiatives for each financial year. Figures used are correct at document cover date.

These Strategic Plans are the tools we will use to track progress against our new corporate strategy and to provide assurance to the Group Board through our governance framework. They set out consistent board-level planning and assurance across all directorates, giving the Group Board confidence that the delivery of our corporate strategy is aligned, realistic, affordable, compliant, and within agreed risk appetite.

This document is the Strategic Plan for Organisational Governance and Control.

How to use this document:

The strategic activities set out in this Strategic Plan may involve specific resource requirements (i.e., training) and may be influenced by cross-functional activities, including those associated with our Transformation and Change Portfolio. Therefore, this document should be reviewed in conjunction with People and Talent, Organisational Governance and Control, and Data Control Strategic Plans.

The Executive Portfolio Accountability Owner for this plan is the Executive Group Director – Governance and Transformation. They hold the authority to set the direction, standards and parameters for their teams and associated activity, and agreement will be sought with those responsible for delivery, working collaboratively towards alignment wherever possible.

Accountable owners and delivery leads should use this plan as the single planning baseline for prioritisation, budgeting and delivery through the annual RTB planning and budgeting cycle. They should also report progress quarterly against the agreed RTB plans and Key Performance Indicators (KPIs), Performance Indicators (PIs) and Key Risk Indicators (KRIs), and escalate significant variances and risks through the established performance reporting and governance cycle.

Link to the new corporate strategy

Commitment 3: We'll be efficient and maximise our impact

Strategic Outcome: We'll be **resilient** so we can deliver our core operations through any challenge.

Things that we'll do:

- We'll understand our current and potential organisational risks and how these could affect us at all times, and will always work towards a stated risk appetite. This will mean we can make informed decisions about risks, and ensure effective controls are in place to mitigate and manage them.
- We'll prioritise continuous improvement, sustainable organisational performance, and effective risk mitigation in order to achieve external financial and consumer ratings

Strategic Outcome: We'll maintain a **viable** business model which provides enough surplus for us to reinvest in existing social homes and for growth.

Things that we'll do:

- We'll follow this corporate strategy and oversee what we do with strong, practical governance to ensure we are relentlessly focusing on delivering our three commitments.
- We'll integrate any housing providers or homes acquired into the L&Q operating model to make sure our governance arrangements, people structures, systems, policies and processes do not diverge from those needed to deliver this corporate strategy.
- We won't act as early adopters of new technology or ways of working, but we'll learn from others, and may innovate where risk and cost is minimised, and where benefits and value for money can be maximised.
- We'll aim to create the operating model blueprint for a large housing provider, playing our role in thought leadership to support the wider sector in delivering social rented homes and good landlord services.

Strategic Outcome: We'll focus our resources on areas of **highest impact** connected to our **social purpose**.

Things that we'll do:

- We'll ensure our ways of working and our governance support decision-making and actions is always resident-focused and supports the relentless pursuit of our core social purpose.

Transformation and Change Portfolio

Some of the activity set out in the Organisational Governance and Control Strategic Plan contributes to L&Q's Transformation and Change Portfolio. This is a collection of programmes and projects designed to support our strategic commitments by transforming how we repair and maintain homes, deliver services for residents and customers, and manage our supply chain.

The illustration below provides an overview of the agreed scope for Transformation and Change at L&Q, and the five programmes it is delivering. The Organisational Governance and Control Plan will deliver activity which forms part of the Service Design, Technology and Process and Continuous Improvement programmes within Transformation and Change.

Activity contributing to the wider portfolio can also be found in the strategic plans for Data Control and People and Talent.

Our scope is to transform end-to-end how we: Repair and maintain our homes • Deliver services to residents and customers • Manage our supply chain			
We have five programmes	With objectives delivered by multiple projects	That will transform end-to-end journeys	Which will deliver business benefits
Service Design	We will implement new service designs that include processes and procedures, and workforce structures and capabilities. These will align with our group target operating model to deliver improved end-to-end journeys, ensuring clear roles and expectations. Our service designs will inform wider technology, data and information requirements	1. Find a home 2. Move to my new home 3. Manage my rent and payments	Measures <ul style="list-style-type: none"> Reduction in number of role types involved in delivering a process Reduction in process steps Improvement in delivery of Service Level Agreements (SLAs) Outcomes <ul style="list-style-type: none"> We're agile, and can invest/divest quickly We're efficient and effective We're performing well and adaptable
Organisational Culture and Leadership	We will evolve the culture, leadership and behaviours required to deliver our new target operating model, so these enable us to realise reliable, repeatable and consistent services	4. Get something fixed or sorted 5. My situation has changed 6. Want to move home	
Technology	We will deliver technology that is cheaper and simpler to maintain and sustain, enabling greater online transaction capability for residents and supporting the delivery of reliable, repeatable and consistent services	7. Want / need to move out 8. Raise an issue or complaint 9. Planned repairs / improvement work	
Data and Information	We will transform our data quality, operations, and governance to improve the accuracy and control of our information, enabling us to be a data and insights driven organisation that proactively serves residents	10. Ready empty homes 11. Compliance in all properties	
Process and Continuous improvement	We will implement and embed new processes and procedures to drive service improvement and support Transformation and Change deliverables	12. Supply chain	

Strategic Plan – Organisational Governance and Control

The table below outlines the activity that will take place over the next five years relating to the following themes:

Theme 1 – Improvement of governance and decision making

We will embed robust governance structures, improve assurance, decision-making, and strengthen regulatory compliance through continuous improvement

Strengthening structures and mechanisms of governance

1. Implement recommendations in line with the 2025/26 governance review:
 - By the end of 2026/27, we will design and implement a new Board and Board Committee structure.
 - Refresh the board skills and complete board & committee recruitment exercises in line with that framework*.
 - Design and operationalise a new approach to annual governance effectiveness review and align the approach to board development activity*.
 - Develop and embed a centralised approach to governance planning which seeks to (i) ensure clear governance pathways for key decisions and assurance items; (ii) reduce duplication and effort in governance activity*.
2. By the end of 2027/28, we will redesign and implement new officer level governance structures
3. By the end of 2028/29, we will conduct an external governance review and adjust approaches to governance in line with findings
4. By the end of 2027/28, we will develop and implement a new approach to the rationalisation, governance and oversight of subsidiaries and Joint Ventures that takes into account the evolving risk profile of activities carried out at a subsidiary and Joint Venture level*.

Improving the quality of information used for assurance and decision making purposes

5. By the end of 2027/28, we will develop and embed new guidance, quality standards and quality assurance processes for the contents and style of governance papers in line with the outcomes of the 2025-26 governance review.
6. Continue to embed and mature our organisational approach to risk management and three lines of assurance model and reporting on the outcomes (through internal controls and assurance reporting). Enabling robust, risk informed decision making and governance focus on areas of highest risk, with a particular emphasis on:
 - By the end of 2026/27, we will complete coverage and fully embed first and second line assurance mechanisms, in complement with third line assurance, and built into Internal Controls and Assurance reporting

- Throughout strategy period, Continuous improvement of controls and their application, informed by testing of effectiveness via three lines of assurance mechanism. Continuous improvement of reporting (Internal Controls and Assurance reporting) to support governance and decision making

Better managing L&Q's legal and regulatory compliance landscape

7. By the end of 2026/27, (i) we will develop a new approach to mapping L&Q's regulatory and legal compliance landscape*. (ii) we will develop and embed a new approach to managing regulatory and legislative change*.
8. By the end of 2027/28, we will create and embed an approach to assessing and tracking the risk and organisational effort associated with regulatory and legal compliance activity and link this to the three lines of assurance model*.
9. By the end of 2027/28, we will develop an approach to ensure we are "inspection ready" and minimise the disruption of regulatory inspections.
10. We will continue to develop evidence-based positions to feed into consultations and influencing activity relevant to our regulatory and legal compliance landscape with a view to encouraging efficient, non-duplicative and effective regulation of social housing.

**continuous improvement annually thereafter*

Theme 2 – Improving resident involvement and democracy

We will strengthen resident engagement, transparency, and accountability in governance and decision-making, ensuring L&Q builds trust and delivers decisions informed by residents' needs

1. Implement a compliant approach to the Social Tenants Access to Information Regime (STAIRs)
[See also Theme 5 for Transformation and Change delivery]
 - By the end of Q3 2026/27, we will have Basic compliance on publication scheme
 - By the end of Q1 2027/28, we will have a full regime
2. By the end of Q4 2027/28, we will redesign our approach to corporate reporting to more efficiently and effectively meet the needs of different stakeholder groups
3. From 2027/28 we will design and implement an approach to evaluating and learning from transparency requirements in order to gain benefits of improved trust in L&Q.
4. We will continue to iterate the resident assembly concept to ensure it:
 - Is fully knitted into board decision making cycles.
 - Produces meaningful outcomes that influence L&Q.
 - Forges ongoing connections between leadership, board members and residents.

5. By the end of 2028/29, we will explore and make proposals for wider stakeholder participation in governance and decision-making groups to ensure L&Q has appropriate accountability to its wider stakeholder community.
6. We will continue to develop the approach to evaluating and reporting on resident involvement and communicating impact to residents and other stakeholders to: (i) Maximise impact. (ii) Evidence and build confidence in the benefits of the approach. (Annual plans developed, external support alternate years)
7. By the end of 2026/27, we will redesign and in 2027/28 implement a new customer insight offer for L&Q that seeks to ensure all decisions are taken based on good quality, balanced evidence of the diverse profile of residents and their perceptions, needs, wants and aspirations.
8. By the end of 2027/28, we will assess the capabilities of officers and governance participants to work with enhanced customer insight information and work with organisational development and the governance team to address any skills needs & in 2028/29 skill enhancing activity
9. By the end of 2030/31, we will explore the feasibility of incorporating wider social impact methods and measures into future iterations of strategy and monitoring working with experts in L&Q Foundation and the strategy and performance teams.

Theme 3 – Service Design Programme *(Delivered as part of the Transformation and Change Portfolio)*

We will implement new service designs that include processes and procedures, and team structures and capabilities. These will align with our group target operating model to deliver improved end-to-end journeys, ensuring clear roles and expectations. Our service designs will inform wider technology, data and information requirements

As part of our Transformation and Change Portfolio, new service designs will be introduced for the following business functions:

1. Supply Chain Management
 - By the end of Q3 2026/27, we will have fully implemented and begun to embed the new Supply Chain management arrangements across the organisation. Benefit tracking will continue and continuous improvement applied.
2. People-related services (Complaints, Housing Management, Allocations and Lettings, Customer Contact, Lease & Home Owner Support, Rent Service Charge & Billing)
 - By the end of Q4 2026/27, we will have new designs for service delivery and will start benefit tracking.
3. Property (Asset) related services (Routine Repairs, Minor Works & Empty Homes, Major Works, Cyclical Maintenance & Asset Compliance, and Aftercare, Defects and Heat Energy Networks)
 - By the end of Q2 2026/27, we will have established leadership structure synergies in Property and Investment.

- By the end of Q1 2027/28, we will have new designs for service delivery, and start benefit tracking for Routine Repairs, Minor works, and Empty Homes.
 - By the end of Q3 2027/28, we will have new designs for service delivery, and start benefit tracking for Major Works, Cyclical Maintenance & Asset Compliance, Aftercare, Defects and Heat Energy Networks.
4. Place (Community) related services (Estate Services and Community Investment)
- By the end of Q4 2027/28, we will have new designs for service delivery, and start benefit tracking for Estate Services and Community Investment.

Theme 4 – Technology Programme *(Delivered as part of the Transformation and Change Portfolio)*

We will deliver technology that is cheaper and simpler to maintain and sustain, enabling greater online transaction capability for residents and supporting the delivery of reliable, repeatable and consistent services

1. During Q3 of 2026/27, we will implement new Routine repairs scheduling solution.
2. By the end of 2026/27, we will roll out test technology environment for North West operations to replicate South East operations.
3. By the end of 2026/27, we will implement specific deliverables for Finance and Income Management solution, focusing on security, compliance, performance, scalability, reliability and monitoring.
4. By the end of 2027/28, we will implement new Allocations and Lettings; Tenancy Management, Refunds and resident repairs solutions.
5. By the end of 2027/28, we will commence discovery, requirements gathering, and procurement planning - Home Management solution(s), informed by Service Design.
6. By the end of 2028/29, we will implement technology solutions for further processes identified through Service Design (including Complaints handling). These solutions will ensure integration with other core platforms, delivering functionality to support service delivery.
7. By the end of 2028/29, we will commence discovery, requirements gathering and procurement planning - for cloud-based, omnichannel contact centre solution (integrated with core strategic platforms) and to enable enhanced digital channels, leveraging AI for intelligent routing, speech analytics, chatbots, and self-service, informed by Service Design.
8. By the end of 2029/30, we will commence discovery, requirements gathering and procurement planning for April 2031 implementation – Human Resources operations solutions (subject to approval of expansion of Transformation and Change portfolio scope).
9. By the end of 2029/30, we will commence discovery for potential replacement or enhancement of existing Development Sales applications (Dev Appraisal, Arena, QC1, D365), covering the lifecycle from planning and pre-development, through build, to sales and integration into aftercare/housing management (subject to approval of expansion of Transformation and Change portfolio scope).

10. By the end of 2030/31, we will retire remaining existing in-house solution ('Arena') modules, or make a strategic decision to retain a small number that continue to deliver operational or strategic value.
11. By the end of 2030/31, we will implement new Source to Pay solution

Theme 5 – Process and Continuous Improvement Programme *(Delivered as part of the Transformation and Change Portfolio)*

We will implement and embed new processes and procedures to drive service improvement and support Transformation and Change deliverables

Knowledge Hub, and consistent application of processes and procedures for resident facing journeys and supply chain delivery

1. Establish a Knowledge Hub and central process repository. Implement a Continuous Improvement Framework across L&Q. Map and publish end-to-end (E2E) journeys for consistent service design.

Aids and Adaptations

2. By the end of 2026/27, we will continue to embed new aids and adaptations process.

Social Tenant Access to Information

3. By the end of 2026/27, we will develop and publish the Publication Scheme on the L&Q website (Version 1 and Version 2). Design and implement a framework and process for managing time-bound information requests from tenants and their representatives. Define and gather system and security requirements needed to support compliance with STAIRs. Produce verified content, governance processes, and policies for accurate, compliant information publication.

Electric Vehicle Charger Management

4. By the end of Q1 2026/27, we will have procured a new service provider to ensure our Electric Vehicle Chargers are managed effectively

Vulnerable Residents Data Enhancement

5. By the end of Q1 2026/27, we will conclude our pilot for identifying and capturing vulnerable resident data in accordance with Ombudsman guidance

Renters Rights Act

6. By the end of Q1 2026/27, we will be prepared for the changes to tenancy terms and conditions that come into effect as part of the Renters Right Act

New Shared Ownership

7. By the end of Q3 2026/27, we will deliver functionality that enables us to offer the new Shared Ownership 10 tenure type on new builds and sales

Damp and Mould

8. By the end of Q2 2026/27, we will have developed enhanced capability to deliver and report on operational compliance with the Damp and Mould and Emergency Hazard requirements of Awaab's Law

Strategic Risk: Organisational Governance and Control

2026/27 Strategic risk description

Risk that: governance, operating model and internal control systems may fail to enable performance and/or provide effective assurance, and/or respond to external factors

Caused by: gaps or inconsistent adherence to controls

Resulting in: failure to deliver our strategic objectives and/or demonstrate compliance with regulatory and statutory requirements.

Key Risk Indicators

N/A

Risk Appetite Level

The aim of Transformation and Change Portfolio activity set out in the Organisational Governance and Control Strategic plan is focused on establishing a clear operating model and internal control systems which will reduce risk in the longer term. We retain a **low appetite** for the Organisational Governance & Control risk but will tolerate medium risk levels whilst we deliver our strategic plan aimed at getting us to a stronger position by the end of the strategy period.

2026/27 Risk appetite statement

We will accept

- The governance rating by the RSH will be G2 in short/medium term. The assurance framework will not be 100% robust and dependent on the governance review recommendations being accepted and implemented.
- Board and committee structures will continue to be maintained and supported by Members demonstrating the current skill mix. These will be retained as appropriate until improved governance

We won't tolerate

- A breakdown in systems of internal control that indicate a G3 rating is likely.
- Key strategic decisions being undertaken by Board members without access to any further professional insight, skilled support, and competent advice if appropriate.
- Embark on or undertake activities that do not align to the delivery of our strategic objectives.

<p>arrangements have been determined and member skills are able to be matched accordingly.</p> <ul style="list-style-type: none"> • Maintaining existing systems of internal control until underlying structures demonstrate sound assurance of an improved approach to governance. • Although the centralised range of policies and procedures are accessible by all colleagues on the Knowledge Hub, we may not be able to offer assurance of full compliance across the whole of L&Q during 26/27. • The volume and circumstances of customers remain complex by nature, and decisions made that impact on residents will not meet the expectations and needs of 100% of residents and we can expect challenge to L&Q plans. • The target state and outcomes for our transformation and change delivery will be achieved in an incremental way, over the course of the strategy period, and we will therefore accept the higher cost, risk and complexity of doing business and serving residents in the meantime. • Minor breaches of internal operational targets, provided that effective Run the Business plans are in place, progress is monitored, and actions are communicated effectively. 	<ul style="list-style-type: none"> • Carry out key risk-based discussions and decision-making outside of the established governance structure and processes. • Breaches of key policies and training that place people or the organisation at significant risk of harm, loss, or damage. • Make service delivery decisions that affect residents/customers without evidence of documented “line of sight” to their experience and expressed concerns & needs. • Deviation from the transformation and change roadmap and target outcomes without decision making and direction through the governance structure.
--	--

Expected risk status and proposed risk appetite level for 2026/27					
	Key		Current Risk Status		Risk Appetite
Organisational Governance & Control Strategic Risk	Very low	Low	Medium	High	Very High