



Asset Management Strategy

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Executive summary

This Strategy sets the long-term direction for Homes for Life's property assets: 304 rented homes, 11 shared equity interests and the Association's office at 57 Market Street, Haddington — 316 property interests in all. It brings asset condition, compliance, customer outcomes, energy performance and financial planning into a single decision-making framework. The Energy & Investment Strategy is an integral part of that framework rather than a separate decarbonisation programme running alongside it.

The portfolio. Homes for Life manages 304 rented homes across nineteen settlements in East Lothian. Twenty-seven date from 1970; the remaining 277 were developed between 1999 and 2010, so more than nine in ten of the homes were built within a single twelve-year period. That history has created a distinctive asset profile. The stock is in good condition and every home generates positive value over thirty years — but because the homes were built together, their major components reach the end of their lives together, concentrating investment need into a single decade. The question facing the Association is therefore not whether to keep its homes, but how investment in them is prioritised and paid for.

The strategic challenge. Three pressures are converging. First, investment need is concentrated in the first decade of the plan and exceeds the provision currently available within the Business Plan. Second, expectations and standards continue to rise. Replacing components like for like is no longer enough: the Association's standard is for homes that are affordable to heat, healthy to live in and fit for the future, achieved through enhanced fabric at renewal, improved ventilation and reducing space heat demand towards approximately 70 kWh/m²/yr. Third, funding is constrained. Borrowing capacity for investment in existing stock is currently estimated at around £3.0 million, while government grant is competitive, awarded one year at a time and not continuously available. Together, these pressures mean investment decisions can no longer be based on component age alone. They require robust evidence, clear priorities and a sustainable funding strategy.

The investment challenge. The funding requirement has two distinct parts. The first is the cost of replacing components as they reach the end of their expected life. Over the next 30 years, this requires around £13.1 million, compared with £11.1 million currently provided within the Business Plan. The resulting £2.0 million gap is largely a timing issue, reflecting the concentration of major component replacements before 2037. The Business Plan already recognises that the long-term investment profile requires review, and this Strategy provides the detailed evidence to support that work.

The second part is a strategic choice rather than a maintenance need. The Association has chosen to move beyond like-for-like replacement by investing in homes that are more affordable to heat, healthier to live in and better prepared for future standards. Delivering that higher standard adds approximately £3.9 million over the life of the Strategy, of which the majority — around £3.2 million — is the introduction of renewable technologies into

homes: solar photovoltaic panels, battery storage and heat pumps. Rather than relying solely on borrowing or rental income, this additional investment is intended to be supported through external grant funding and, where appropriate, third-party investment.

Together, these two elements create a total investment requirement of approximately £17.0 million, against £11.1 million currently reflected in the Business Plan. Around one third of the funding gap relates to the timing of lifecycle investment, while around two thirds reflects the decision to invest beyond simple replacement. As the Asset Strategy and Business Plan are being developed together, this Strategy provides the evidence base that will inform the Association's long-term financial planning.

What the evidence shows. Three main findings shape this Strategy. First, every rented home and therefore every asset management zone generates a positive 30-year Net Present Value. The portfolio is fundamentally viable, and the evidence does not support disposal as a response to short term funding challenges. Second, limiting investment to like-for-like replacement would improve the portfolio's net present value by around £3.8 million, but only by delaying improvements that reduce tenant energy costs, prepare homes for future standards and protect long-term asset performance. Third, the central challenge is not whether the investment is worthwhile, but how it is funded and delivered. The key decisions are therefore about the timing of investment and the balance between organisational affordability and tenant affordability.

Balancing organisational and tenant affordability. The Strategy tested whether investment could be spread more evenly over time to reduce the borrowing requirement. The components most commonly deferred to meaningfully smooth costs would be windows and external doors; but these are also the exact components delivering some of the largest reductions in household energy demand. Deferring them relieves pressure on the Association's funding requirement, but it delays the energy savings tenants would otherwise receive, and delays them longest in electrically heated homes where affordability pressure is already greatest. On current modelling, smoothing would add approximately £181,000 to tenants' cumulative energy costs. Homes for Life will therefore weigh organisational affordability and tenant affordability together whenever investment timing is reviewed, so that the saving from deferring work is never considered without the cost that deferral places on tenants. Applied to this programme, that test is what rules the smoothing scenario out.

The recommended approach. The Association retains the whole portfolio and invests in it, delivering zone by zone through a phased, place-based programme running from 2028 to 2037 and opening in 2027/28. Homes and zones are sequenced on an evidence-based prioritisation framework — twelve indicators across six themes, weighted by the Board (Section 4.1) — rather than on component age or on any single measure. Work is funded on its value case and delivered on the programme calendar. The Association borrows against

the stock to invest in it rather than selling homes, and seeks government grant and third-party investment to close the remainder of the gap.

The positions this Strategy adopts. The appraisal is structured as a series of positions reached in order, so that each rests on its own evidence rather than being carried by a single bundled conclusion. Each row states what the evidence shows, the position the Strategy takes, and where it is set out in full.

We know	The position adopted	Set out at
Every home and every zone carries positive 30-year value.	Retain the portfolio and keep investing in it. Disposal is not a response to investment pressure.	5.1, 5.7.1
A home that is cheap to heat and free of damp costs less to run, and less to maintain.	Bring every home to the standard: enhanced fabric at renewal, renewed ventilation, and demand moving towards approximately 70 kWh/m ² /yr.	3.8, 5.7.1
Doing the minimum is worth £3.8m on net present value alone.	Not adopted. That gain is bought with tenant detriment, standards risk and value erosion.	5.7.1
The same destination reached a decade later leaves tenants paying for the wait.	Deliver zone by zone from 2028 to 2037, opening in 2027/28 with the homes the twelve-indicator matrix ranks highest.	5.7.2
The portfolio is viable across the thirty-year plan.	Borrow to invest against it, and deliver on the zoned pathway rather than at smoothed dates. That allows investment to proceed without relying on strategic asset disposals, while reducing the tenant cost of delaying improvements	5.7.3
Third parties will fund solar and battery in exchange for a share of the savings.	Seek that investment for the homes where the tenant case is strongest, if the right partner and offer can be found.	5.7.3
Selling homes is the one funding lever that cannot be reversed.	Hold disposal as a last resort. No home is on a disposal path, and no rented sale proceeds until the social evidence reports.	5.7.4
No single measure should be able to decide an investment on its own.	Judge every home on twelve indicators across six themes, and weigh the cost to tenants beside the cost to the Association.	4.1, 5.6
Standardising the specification improves whole-life value and procurement leverage.	Commit to the specification, not to the supplier.	5.2

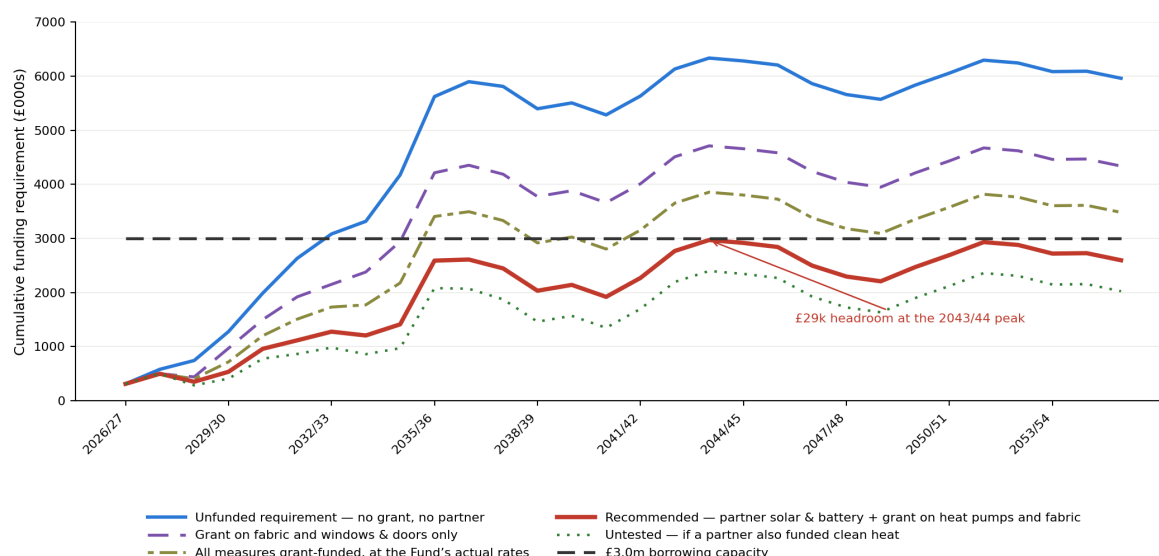
What is not being recommended. Five things are set out in full in this Strategy and are not the recommendation. Each is listed below with the reason and the section where it is set out.

Not being recommended	Why, and what applies instead	Set out at
Smoothing the investment profile	Modelled so the Board can see what it would cost tenants, and rejected on that evidence.	5.6
Targeted disposal	Retained as a contingency against a future growth opportunity. No home is on a disposal path.	5.7.4
Sequencing on a single energy threshold	The Social Housing Net Zero Standard is treated as direction of travel rather than a date to plan against. Sequencing follows the twelve-indicator matrix.	4.1, 5.7.2
Approval of any particular commercial arrangement	Any third-party renewables transaction returns to the Board as a separate business case covering value for money, a defined minimum tenant benefit, legal and accounting treatment, procurement compliance and retention of strategic control.	5.7.3
Commitment of borrowing terms	Loan structure, term, interest cost and covenant impact are settled with the Association's finance consultant before any borrowing is committed.	5.3, 5.7.3

Funding the programme. Borrowing alone reaches the fabric programme but not the energy programme. Measured as the peak cumulative funding requirement, a like-for-like programme — standard windows and doors, energy work confined to the twelve worst homes — needs about £1.29m and sits well inside capacity, but leaves 292 homes with no route to a future standard. Enhanced windows and doors and the full fabric measures across the whole stock can be self-funded, at about £2.06m. What borrowing cannot reach is solar, battery and clean heat: adding them takes the requirement to about £6.33m, which £3.0m does not come close to.

What closes the gap. External funding is claimed at every rate available. A funding partner meets the whole cost of solar and battery; Scottish Government grant is claimed at 60% on the heat pump extra-over and at 50% on fabric measures and on the enhancement above like-for-like windows and doors. Together that is £3.35m, and it covers 85% of the energy programme. The requirement falls from £6.33m to £2.97m — inside capacity by £29,000. What external funding cannot reach is the lifecycle timing gap: about £2.02m of ordinary component renewal running ahead of Business Plan provision, for which no grant exists, because the Fund pays for improvement above like-for-like and not for like-for-like itself.

Unfunded energy work accounts for about £0.59m. These are the two pressures that create the requirement rather than a decomposition of it: the peak is the deepest point of a cumulative cash position, not a sum of its parts, so the two figures are not expected to add to £2.97m. The margin is therefore thin not because the funding strategy underperforms, but because two problems are stacked on one facility and only one of them has grant available.



Cumulative funding requirement under each funding route, against the £3.0m of borrowing capacity available for stock investment. No route funded by grant alone reaches the ceiling. The recommended route combines partner-funded solar and battery with grant at 60% on the heat pump extra-over and 50% on fabric and the window enhancement, and clears it by £29,000 at the 2043/44 peak.

The margin, and how it is managed. £29,000 is not a margin, and the position is managed rather than assumed. The requirement peaks in 2043/44, and the years around it — 2042/43 to 2045/46, and again in the early 2050s — run within £300,000 of the ceiling. Each annual review tests whether the chosen route still closes the gap against the funding landscape as it then stands, and reports the answer to the Board with the delivery consequence if it does not. Three levers are held against a year that turns out tight.

Phasing works across two years. The first lever is contractual rather than financial. A zone's works can be split across two financial years by agreement with the contractor, spreading the cash without reducing the scope or deferring the tenant benefit by a full cycle. One constraint governs it: grant-funded elements must be delivered, invoiced and evidenced within the funding year, because the Fund makes single-year awards and requires drawdown by the March deadline. Phasing therefore applies to the borrowed element, and any split is designed so that the grant-funded works complete inside the award year.

Splitting a zone. The second lever is to divide a zone, or to divide the work within one, so that the annual requirement stays under the ceiling. It is available but not preferred. It

means a second visit to the same street, and in the larger zones it means some households waiting while neighbours are done. Where it is used, tenant engagement precedes the decision rather than explaining it afterwards, and the sequence within the zone is set on the same evidence as the sequence between them.

Cost movement in a tight year. The third consideration is a risk rather than a lever. Every figure here is stated at current prices. Construction costs have been comparatively stable in recent years, but that stability is not a forecast, and the concentration of work into the years around the peak leaves the programme exposed to tender prices moving faster than the plan assumes. A single-year award compounds it: a grant claim is fixed at the costs submitted at application, and any shortfall falls to the Association. Tender returns are therefore tested against the modelled costs before each capital-ready year is committed, and a material movement is a trigger for early Board review under Section 7.

Two ways of carrying that risk. The first is to follow the route with the greatest headroom available at each decision point, accepting a narrower or slower programme in exchange for a funding position that survives a lost bid. The second is to proceed year by year on the best funding available in that year, accepting that resource needs to be allocated to keep up to date with the funding opportunities that are available. The first protects affordability at the cost of delivery; the second protects delivery and accepts variable outcomes. Which is followed is settled through the annual review against the funding landscape as it then stands, and the reasoning is recorded each time.

What partnership costs, and what it brings forward. Where a partner meets the capital, the value of the generation is shared rather than retained: on typically offered market figures, roughly £1.06 of twenty-five-year energy value is transferred for every £1 of capital avoided. Against that, a partner installs across the portfolio within about twelve months, where the Association's own programme would deliver solar and battery zone by zone to 2035/36 — about four years later for each home. Priced independently, that brings roughly £915,000 of savings to tenants by 2037/38 against £530,000 under the phased programme. Within the period this Strategy covers, the gain from earlier delivery is larger than the loss from sharing. Terms differ materially between providers and no offer has been fully explored; the exact cost to tenants under the arrangement finally recommended will be presented to the Board in a separate paper before any commitment is made.

Priority when funding is limited. Because additional funding is limited, prioritisation carries more weight here than it would in a fully funded programme, and the Strategy is explicit about what sets it. The prioritisation framework at Section 4.1 advises the order in which homes and zones should be treated. The cost to tenants of delay contributes to that order and to the choice of solution — it is one of the twelve indicators and it also informs which measures are specified — but it settles neither on its own. No single measure decides an investment. Where a funding opportunity would move a zone out of order, that is a

departure recorded and reported to the Board with the reason and with the effect on the homes displaced.

Status of the evidence. Every figure in this Strategy carries its status on the face of the report that uses it: surveyed, modelled or assumed. Compliance, energy and financial evidence is current. Component dates and lifecycles are modelled and are replaced by surveyed dates as the stock condition survey reports, which will refine the delivery programme without changing the conclusions it supports. Items still to arrive are listed at Section 8 and tracked to zero.

In summary. Homes for Life's greatest asset is not simply its housing stock but the long-term value that stock continues to generate. The objective is to unlock that value through intelligent investment rather than erode it through unnecessary disposal — and to do so with the cost to tenants of every timing decision visible on the page beside the cost to the Association.

At a glance

Purpose. This Strategy provides the framework for managing Homes for Life's property assets over the next five years. It explains how the Association will understand the performance of every asset, prioritise investment, balance customer outcomes with financial sustainability, and ensure homes continue to meet current and future standards. It is the Association's overarching asset strategy, and sits above the annual asset management plan and the operational maintenance programmes. The Energy & Investment Strategy sits beside rather than beneath it as the technical delivery strategy for one element of asset management: this Strategy decides what is invested in and why, and that Strategy establishes how the energy and fabric element is specified, sequenced and funded.

The strategy at a glance.

We know	Therefore we will
Our homes are financially viable and continue to generate positive long-term value — every home and zone is NPV-positive.	Retain and continue investing in the existing portfolio.
Investment demand exceeds current financial provision over the next decade.	Prioritise investment using evidence rather than age alone.
Delaying investment improves the Association's cash flow but increases tenants' energy costs.	Consider both organisational affordability and tenant affordability in every investment decision.
Better asset intelligence leads to better decisions.	Improve stock intelligence and continuously refine investment priorities.

Investment should deliver wider outcomes than simple compliance.	Prioritise healthy, affordable, safe and sustainable homes.
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What success looks like. By 2031 the Association will have:

- an accurate, survey-verified understanding of every asset;
- a fully costed and prioritised long-term investment programme;
- improved tenant safety and regulatory compliance;
- reduced tenant energy costs, measured and reported;
- demonstrably better, evidence-led investment decisions;
- stronger long-term financial resilience; and
- an investment programme capable of responding to future regulatory change.

1. Introduction & strategic context

Why this Strategy matters. Homes for Life’s housing stock remains one of its greatest strengths. Every rented home continues to generate long-term value and demand remains strong. The challenge facing the Association is therefore not whether to invest, but how to prioritise investment in a way that balances tenant outcomes, regulatory compliance and financial sustainability. This Strategy sets out the framework for making those decisions.

Why now. The Association’s previous approach successfully maintained its homes. This Strategy is different because it shifts the focus from maintaining homes to optimising investment decisions — a step change, not an update. The evidence for why that shift is needed now fills the rest of this document.

How our portfolio was created. Homes for Life Housing Partnership was formed in July 1998 to bring new affordable homes to East Lothian’s towns and villages. Its first development, Longstone Avenue in East Linton, completed in February 1999; two phases of trickle transfer from East Lothian Council followed in 1999 and 2001; and a concentrated development decade then delivered almost all of the stock this Strategy manages today, one distinctive scheme at a time across the county (the full scheme chronology is at Section 3.1). The Association’s office at Tolbooth Gate, 57 Market Street, Haddington opened in November 2000 beneath the Association’s Market Street flats, and office and flats were comprehensively refurbished in 2023. That history matters to this Strategy: a stock built largely within a single decade ages largely within a single decade — which is why the lifecycle programme peaks in the way Section 5 describes — and many settlements carry a single, distinctive scheme whose character the investment and disposal appraisals must respect.

Our purpose. Homes for Life exists to provide high-quality affordable homes that enable people and communities to thrive, under values of compassion, collaboration, trust and professionalism. This Strategy is the named delivery vehicle for the corporate objective to invest in the Association’s homes: every home managed efficiently and generating demand; in good condition, with a costed and affordable maintenance programme; making a positive contribution to the business plan; and delivering value and amenity to tenants and the wider community. Where an asset cannot meet that definition at reasonable cost, the Strategy provides the appraisal route to remodel, repurpose or disinvest.

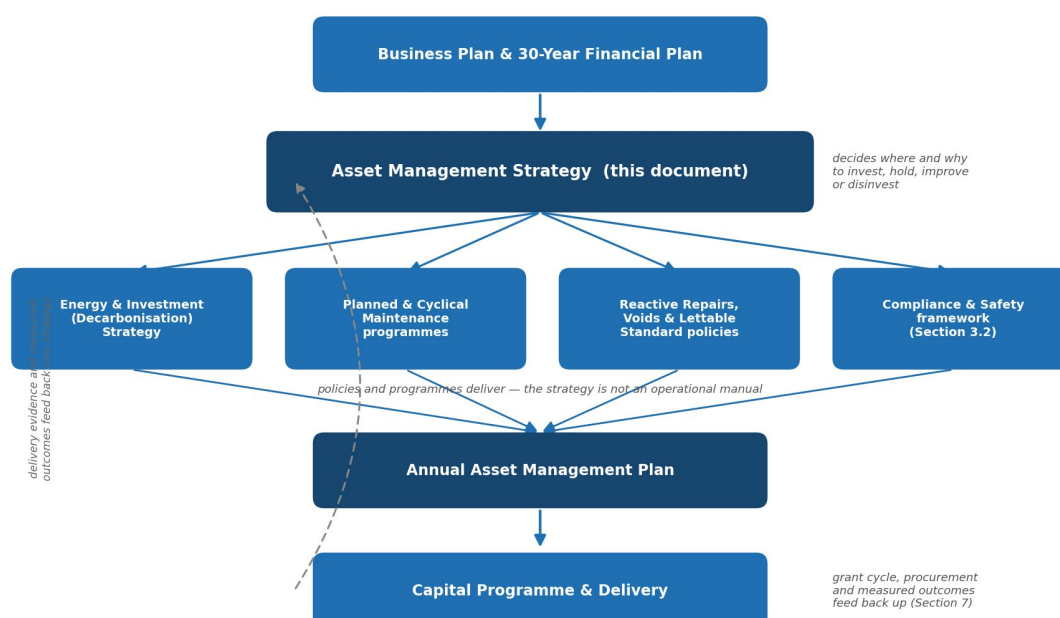
Status, period and review. This is a five-year strategy, covering 2026/27 to 2030/31. It follows the Scottish Housing Regulator’s Recommended Practice on Integrated Asset Management (February 2023), and is structured around the Recommended Practice’s five principles: governance, understanding the assets, valuing the assets, using outcomes as evidence for investment, and informing the strategy. The cross-walk is at Appendix I. The Strategy is reviewed no later than five years from adoption, and earlier on the triggers in Section 7. The annual asset management plans beneath it are refreshed every year. Tenants shape the Strategy through the involvement set out in Section 6, and it is published on the Association’s website with a summary available on request.

Scope. This Strategy covers the whole asset base: 316 property interests in all. The 304 rented homes form the analytical core of Sections 3 to 5 — 288 at social rent and 16 at mid-market rent, the latter let through Homes for Life Plus Ltd and treated on a group basis. To these are added the 11 shared equity homes in which the Association retains a share, and the office at 57 Market Street, Haddington, the only non-housing asset. The operational detail sits in Section 3.1. The shared equity interests are valued in the disposal appraisal, where their sale raises funds without removing any home from rented supply.

The portfolio comprises 304 homes across nineteen East Lothian settlements, from Musselburgh in the west to Innerwick in the east, organised into 32 asset-management zones and 18 finance schemes. Section 3.1 carries the settlement-level analysis, including the material distinction between postal towns and actual settlements. One profile fact belongs here, because it shapes everything that follows. 206 homes are modelled on mains gas, 53 on electric storage heating and 45 on standard-rate electricity — 41 air source heat pumps and four electric room heaters. Roughly a third of tenants therefore buy their heat at three to four times the gas rate. That is the context in which the space heat demand figures should be read.

Document	Role
Business Plan & 30-Year Financial Plan	Sets the financial envelope, covenants and long-term financial capacity (Indigo House, January 2026). The Business Plan is being prepared alongside this Strategy: the investment requirement set out here is presented for the Plan to take forward.

Asset Strategy (this document)	The overarching strategy: understands, values and prioritises the whole asset base and decides where to invest, hold, improve or disinvest.
Energy & Investment (Decarbonisation) Strategy	The technical delivery strategy for the energy and fabric element of this Strategy. It answers how: specification, measure sequence, the 70 kWh/m ² /yr derivation, ventilation, the heat-transition hierarchy, grant mechanics and the archetype and zone models. Where this Strategy states a position on energy investment, that Strategy demonstrates how it is delivered and funded.
Repairs & Maintenance, Tenant Participation, Procurement, H&S	Operational strategies and policies delivering and assuring this strategy's intentions.



The asset management framework: this Strategy sits at the centre, deciding where and why to invest; the supporting strategies, policies and programmes deliver; the annual plan schedules; and delivery evidence feeds back into the next decision. The table above states each document's role.

The strategic environment. The operating environment is volatile. Standards continue to tighten — the Housing (Scotland) Act 2025, the Investigation and Commencement of Repair (Scotland) Regulations 2026, and the Social Housing Net Zero Standard, which remains unpublished: its consultation closed in March 2024, only interim guidance has followed, and neither a final metric nor a commencement date has been confirmed. The Strategy therefore treats the Standard as a no-regrets direction of travel rather than a date to plan against. Construction capacity in a semi-rural market is constrained, and energy prices remain unstable — the Ofgem price cap rose 13% in a single quarter to July 2026. The Strategy is built to be resilient to these movements: evidence-led, reviewed on defined triggers, and holding flexibility over sequencing and pace rather than committing

prematurely to fixed end-states. Homes for Life therefore faces three strategic challenges: an investment need that exceeds provision and is concentrated in the decade ahead; regulation that continues to tighten; and affordability — for the Association and for its tenants alike.

Investment philosophy. Homes for Life regards its housing stock as long-term social and financial infrastructure. Homes are not simply assets to be maintained, nor liabilities to be managed, but investments that generate value for tenants, communities and the Association over many decades. The purpose of this Strategy is therefore to maximise that long-term value through informed investment decisions. Retaining, improving or disposing of an asset are all legitimate options, but only where evidence demonstrates that the chosen course delivers the greatest overall value. (Section 5 opens with this philosophy in full.)

1.1 Strategic vision

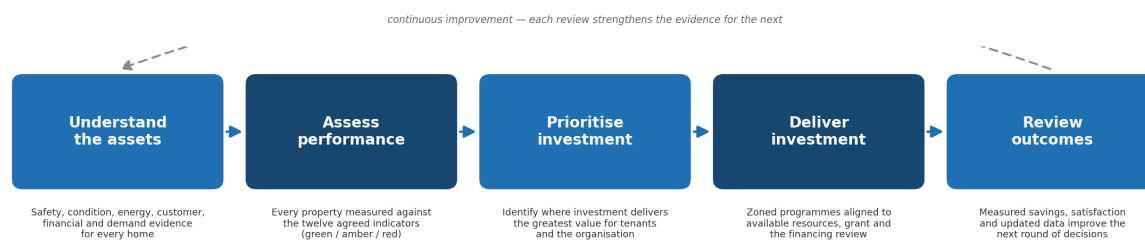
Homes for Life will make investment decisions that maximise long-term value for tenants, communities and the Association. Investment is no longer driven solely by component age or compliance deadlines: decisions are based on a balanced assessment of safety, customer outcomes, financial performance, sustainability and long-term resilience. Every pound invested should improve one or more of five outcomes:

- tenant safety;
- affordability;
- comfort and wellbeing;
- environmental sustainability; and
- long-term financial resilience.

These five outcomes are the strategic tests against which every investment decision in this document — and every appraisal that follows from it — is assessed. They are the philosophy of the Strategy; everything else is method.

1.2 How the Strategy works

Asset management is not simply about replacing components. It is a structured process for understanding how every property contributes to the Association's objectives, and for ensuring investment delivers the greatest possible value. The Strategy follows a simple decision-making cycle, and every chapter of this document is one step of it:



The asset management decision cycle. Understanding the assets is Sections 1 and 3; assessing performance is Section 4; prioritising is Section 5; delivering is Section 6; reviewing outcomes is Section 7 — and each review strengthens the evidence for the next.

2. Governing bodies lead and are assured (Principle 1)

Evidence before opinion. Homes for Life’s approach to governance is founded on evidence-led decision making. Strategic decisions are not based on component age, precedent or individual opinion alone, but on validated evidence drawn from asset condition, customer outcomes, financial performance, energy performance and risk. Where evidence is uncertain, the Board seeks additional assurance before committing investment. This approach ensures that investment decisions remain transparent, repeatable and capable of external scrutiny — the Annual Assurance Statement ultimately rests on. The sections below set out how that principle operates: the Board sets the direction (2.1), relies on tested evidence (2.2), and assures itself and others that the Strategy is working through the assurance framework set out below.



How governance supports better investment decisions: the Board sets priorities, tests the evidence, decides, monitors and assures — and each assurance cycle sharpens the next.

2.1 Agreeing the strategic direction

The Board has agreed the strategic priorities that steer all asset choices: statutory compliance and tenant safety first; home quality and condition; energy affordability and the pathway to net zero; sustaining demand for the stock; and preserving the financial capacity to consider future development. Each investment decision in this Strategy is traceable to one or more of these priorities, and the Strategy, its targets and its annual delivery plans are owned by the Board.

2.2 Making informed decisions: the evidence the Board relies on

Investment decisions are informed by five complementary sources of evidence: customer insight; financial affordability; asset intelligence; risk and compliance; and independent assurance. The Strategy weighs them together rather than considering any single measure in isolation. That is the essence of integrated asset management, and each source is set out below.

Customer insight. Asset decisions draw on customer evidence: turnover, refusal rates, waiting-list demand, and satisfaction with the home, the neighbourhood and the quality of service, read by property type and locality. Sustained low demand or poor satisfaction across a group of homes is an asset-performance signal in its own right, not a housing-management matter alone.

What that evidence currently supports. Affordability evidence is held at development level and does discriminate: benefit dependency, arrears incidence and arrears per home vary materially across the portfolio, and they inform the place and affordability indicator at Section 4.1. Demand and satisfaction do not. Both are recorded at organisation level rather than by property, so neither separates one group of homes from another, and the customer theme in the scoring framework does not currently move any zone's position. That is a gap in the evidence, not a judgement that customer experience matters less.

What the gap looks like in practice. Hares Close is the clearest example. On tenant evidence it stands out: 57% of tenancies are on Universal Credit against a portfolio average of 45%, 36% of rent accounts carry arrears against 27%, and arrears per home are the third highest in the stock. The development sits in a former works yard enclosed by tall buildings and accessed through lanes, and is understood to let less readily than homes locally at Barga Court and in over the portfolio more generally. That impression is not evidence, and it does not describe a demand problem — these homes let. Without turnover and refusal data the distinction cannot be tested, and no asset decision can rest on it.

How the gap closes. A new housing management system is being introduced during the coming year and will hold turnover, void and refusal data at property level for the first time. The independent tenant satisfaction survey runs at least every three years, supplemented by transactional feedback captured at the point of service — repairs, allocations and complaints — and by the involvement described in Section 6.3. The scoring framework is

refreshed on that evidence at each annual review, at which point the customer theme is expected to separate zones for the first time.

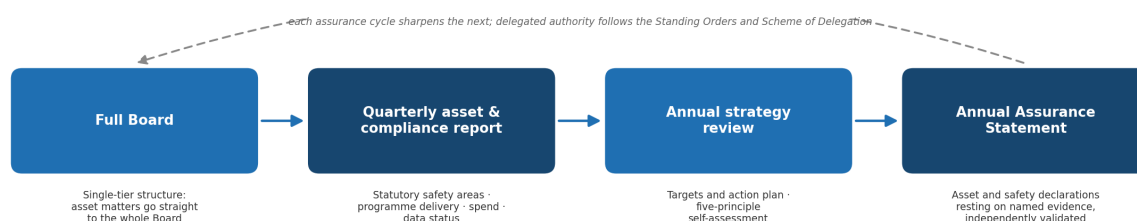
Financial affordability. The Board requires every significant investment decision to demonstrate both **organisational affordability and tenant affordability** — the dual-ledger requirement whose evidence and decision rules are set out in Section 5.6.

Rent affordability is protected on the other side of the balance. Investment scenarios are tested against the 30-year financial plan's rent assumptions, and any scenario requiring rent increases beyond the plan is consulted on with tenants before adoption. Each annual rent consultation presents the investment choices behind the proposed rent: the alternative scenarios under consideration, the component standards and lifecycle periods genuinely open, and the rent and energy-bill consequences of each. Tenants can therefore see what their rent buys and influence priorities before decisions are made, consistent with Charter Outcome 14.

Asset intelligence. The Board requires assurance that asset information is accurate before relying on it. Data status — surveyed, modelled or assumed — is stated on the face of every report, so the Board always knows the weight the evidence will carry. Where data is modelled, the decision it supports is provisional until the survey confirms it.

Risk and compliance. Asset risks including tenant and resident safety are reflected on the corporate risk map with mitigations and budget provision (Section 5.5), and Board and officer asset-management skills are assessed through the annual appraisal cycle, with gaps addressed through training or external advice.

Assurance. Two further layers sit behind that. Compliance across the statutory tenant and resident safety duties is independently verified, and the Strategy itself is tested against the Recommended Practice at each annual review. Delivery of this framework is the evidence base for the Board's Annual Assurance Statement: what the Board is able to say about its assets each year is a product of what this Strategy has produced.



Delivery of this framework is the evidence base for the Board's Annual Assurance Statement. The assurance the Board takes on assets each year, including the independent compliance validation, data status, risk mitigations and affordability testing described in Section 2.2, is compiled so that the Statement's asset and safety declarations rest on named evidence rather than assertion. Taken together, this governance framework ensures that

every significant asset decision is aligned with the Association’s strategic priorities, supported by robust evidence and capable of independent assurance.

3. A comprehensive understanding of the assets (Principle 2)

Every property is described and classified in a single asset database drawing together general, technical, operational, financial and customer data from all landlord systems. This integrated database is the evidence base for every investment decision described later in this Strategy: Chapters 4 and 5 do not introduce new information — they interrogate information and allow modelling of different outcomes.

What the evidence tells us

- The portfolio is modern, built largely within one development decade, and remains in strong long-term demand.
- Tenant safety performance is strong and independently assured.
- The principal investment challenge is timing rather than condition: renewals concentrate in the decade ahead.
- Every home remains financially viable over 30 years.
- The electrically heated homes present the greatest opportunity to improve affordability.
- Place, demand and accessibility increasingly influence investment decisions alongside condition.

Sections 3.1 to 3.9 substantiate each of these conclusions.

3.1 General property indicators

Each home is recorded within a single property register: UPRN, address, settlement, postal town, locality, data zone, property type, construction, age, floor area, asset-plan zone and finance scheme. The register is the common reference point for the component, energy and financial evidence used throughout this Strategy. It also covers the wider interests identified in Section 1: the office at 57 Market Street is recorded as an asset in its own right, with its components managed alongside the housing stock, and the 11 shared equity homes are recorded with the Association’s retained interest and disposal status. The full schema and per-home register are at Appendix A.

The portfolio in summary. 304 homes across nineteen settlements; one principal development decade; predominantly modern construction; a concentrated lifecycle profile. In detail: 188 flats, 79 houses and 37 bungalows; 288 let at social rent and 16 at mid-market rent through HFL Plus (Section 1); built in one concentrated decade:

Growth of the portfolio	
1999	Longstone Avenue, East Linton · first trickle transfer from East Lothian Council

2000	Hares Close, Cockenzie · office at Tolbooth Gate, Haddington opens
2001–03	Second trickle transfer · Kennedy Court, Davidson Terrace & Roodlands Court, Haddington
2002	Goldenstones Avenue, Dunbar · Limeylands Court, Ormiston · Prestonkirk & Smiddy Wynd, East Linton
2003	MacFarlane Court, Elphinstone
2004–05	Old Course Gate, Musselburgh · St Andrew House & Forth Street, North Berwick
2005	Muirfield Gardens & Drive, Gullane · Walden Place & Terrace, Gifford
2006	Barga Court, Cockenzie
2023	Office and Market Street flats comprehensively refurbished

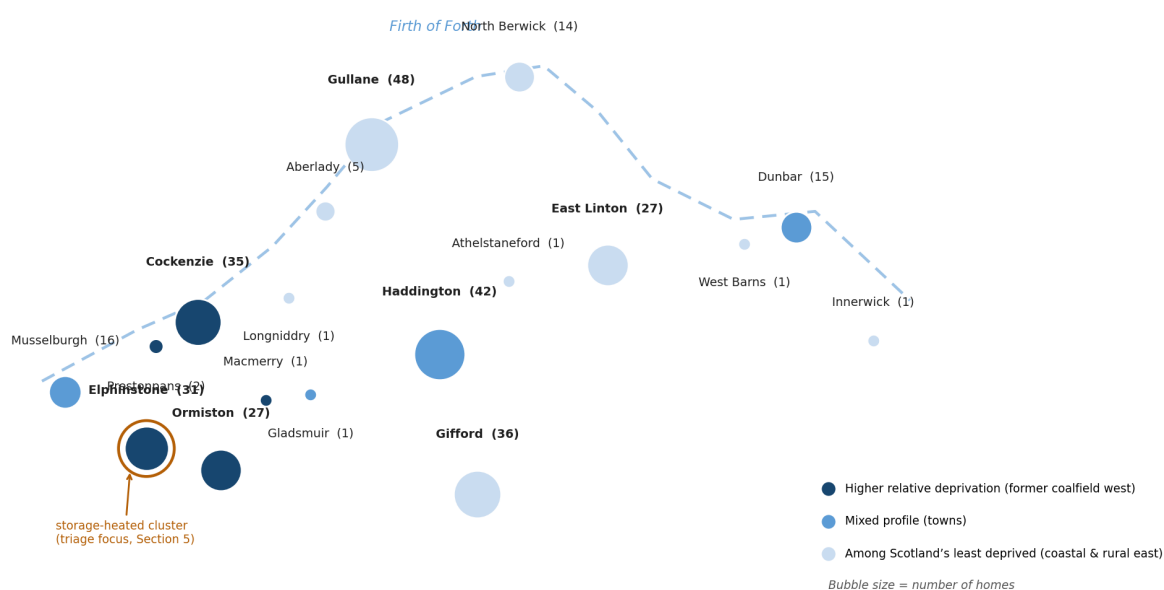
Settlements and place. The register records each home’s actual settlement as well as its postal town, because postal-town labels place stock in the main towns when the homes are in the villages around them — the Association has no homes in Tranent itself, for example, and the 60 homes with a Tranent postal address are in Elphinstone, Ormiston, Gladsmuir and Macmerry. Settlement is therefore the geography used for the demand, place and disposal analysis throughout this Strategy. In all, the 304 homes sit in nineteen settlements:

Settlement	Homes	Postal town*	Settlement	Homes	Postal town*
Gullane	48	—	Aberlady	5	Longniddry
Haddington	42	—	Innerwick	3	Dunbar
Cockenzie	36	Prestonpans	Athelstaneford	1	North Berwick
Gifford	36	Haddington	Gladsmuir	1	Tranent
Elphinstone	31	Tranent	Longniddry	1	—
East Linton	27	—	Macmerry	1	Tranent
Ormiston	27	Tranent	Prestonpans	1	—
Musselburgh	16	—	Stenton	1	Dunbar
North Berwick	14	—	West Barns	1	Dunbar
Dunbar	12	—	All settlements	304	

**Where different from the settlement. Source: asset management system address data (Asset Home Master Loader, July 2026), reconciled to the property register. Rented homes only; the 11 shared equity homes sit within the same settlements.*

To complement this grouping by area, the schematic map that follows illustrates the geographical distribution of the stock across East Lothian and introduces the place-based context that is used later in this Strategy when considering customer outcomes, investment priorities and disposal options. The detailed analysis of deprivation, affordability and energy characteristics is presented in Section 3.7.

The portfolio across East Lothian: 304 homes, SIMD context and the affordability intersection



Schematic map (positions approximate): the stock in its places. Bubble size shows homes per settlement. The map is background geography only — the affordability evidence used in this Strategy is the tenant-base analysis at Section 3.7 and is not represented here. To be redrawn without the deprivation shading before sign-off.

3.2 Tenant & resident safety performance

What is monitored. The statutory tenant and resident safety areas — gas, electrical, fire (including the 2022 interlinked detection standard), water safety, asbestos, lift safety where applicable, and damp and mould are recorded against every asset, with damp and mould treated within this category consistent with the Energy & Investment Strategy's ventilation-first priorities. Each home carries a safety risk rating that maps its hazards, legal requirements and applicable Codes of Practice to the compliance monitoring and risk processes in Section 2.2, and the investment needed to maintain compliance is always the first call on the programme.

Current assurance position. Tenant and resident safety remains the Association's highest investment priority, and the evidence provides assurance that it is being delivered. Performance across the statutory compliance areas is monitored throughout the year using Board-approved compliance KPIs covering each safety discipline, validated annually by the independent compliance review committed at Section 2.2, and forms a core element of the

Board's Annual Assurance Statement. Current compliance performance is strong, with no systemic failures identified; where issues arise — the contractor-caused electrical inspection lapses at Section 4.3 are the live example — they are managed through the corporate risk framework and the targeted programmes described in this Strategy. The position is externally reported as well as internally monitored: evidence from the Annual Return on the Charter shows SHQS compliance at 91.7%, projected to rise to 96.7% on completion of the 2026/27 programme (Sections 3.2 and 4.3).

Reinforced autoclaved aerated concrete (RAAC). A desktop review of construction records — covering the predominantly 1999-onward stock and the small 1970s transfer cohort that falls within the RAAC era — confirms that no Homes for Life property contains RAAC. The position has been confirmed to the Scottish Housing Regulator and will be revalidated through the stock condition survey.

3.3 Condition and investment need: the costed 30-year programme

Overall, the stock is in good condition; the investment story is about a concentration of need, not decay. Because most homes were developed within the same decade, their major components reach renewal together, so investment need concentrates in the decade ahead. Shorter-life components such as kitchens and bathrooms are largely complete from previous investment, which is why little need shows against them. The evidence below sets out how that need is measured, the current compliance position, and what the programme costs. The costed programme and the smoothed profile are at Appendix C.

Evidence. Stock condition data and remaining component life are translated into a fully costed 30-year programme. Pending the survey, component dates are modelled from installation records and sector-typical lifecycles, and in-house review; these are labelled as placeholders. The stock condition survey will aim to inspect 100% of the stock, recognising that achieved coverage may be reduced by tenant access difficulties; access is pursued through repeat appointments and the tenancy agreement's access provisions, and any home not inspected is prioritised at the next survey opportunity, with its modelled data flagged until then. Between full external surveys the condition base is refreshed continuously, with void inspections, completed-works records and cyclical servicing findings written back to the database so the programme is always priced from the best available evidence. Where inspection shows a component has worn faster than the modelled assumption, the revised replacement date reflects accelerated depreciation of the original investment, not stranded investment — a distinction Section 5.3 defines precisely.

Current compliance. 91.7% of the stock currently meets the Scottish Housing Quality Standard (ARC 2025/26), rising to a projected 96.7% as the 25 single-criterion failures are cleared through the 2026/27 programme (Section 4.3). No property is held in abeyance and no exemption is claimed. Readiness for the Social Housing Net Zero Standard is assessed at Section 3.8 and in the Energy & Investment Strategy.

Investment need. The current position, in today's prices:

30-year programme	Amount in £000's
Lifecycle need — all components	13,114
of which windows	2,716
of which external doors	959
Energy & decarbonisation uplift (zone packages + Phase 1)	3,935
Total need	17,049
Business-plan (HPLAN) provision	11,090
Surplus / (shortfall)	(5,959)

Reading the figures in this Strategy alongside the other. The two documents measure the same programme from different places, and their headline figures are not alternatives to one another. The Asset Strategy states **total investment** — everything the Association must spend on its homes over thirty years, lifecycle renewal included. The Energy & Investment Strategy states the **additional energy investment only** — what the enhanced specification, ventilation, renewables and clean heat cost over and above the like-for-like renewal that happens anyway. A figure quoted on one basis will not reconcile to a figure quoted on the other without the lifecycle counterfactual being added back or taken out.

Funding requirements are quoted on a third basis again: the peak cumulative funding requirement, which is the most the Association is out of pocket at any point, not the sum of what it spends. Wherever a figure appears in either document, the basis it is stated on is named with it.

Smoothing the profile by deferring whole zones of window and door renewal would reduce the peak-year requirement from £1.90m to £1.02m and relieve approximately £1.5m of funding pressure across the plan. Sections 5.3 and 5.6 set out why that scenario is modelled but not adopted, and Section 5.7.3 sets out what the Association does instead.

3.4 Mixed tenure performance

The Association's shared ownership interests are concentrated in a single scheme. All twelve sit at Muirfield in Gullane, within Zone 13, and they divide into two groups that carry entirely different consequences for the investment programme.

Property	Form	Communal element	Consequence for the programme
Muirfield Gardens 1, 2, 20, 21, 36 and 37	Flats, ground and first floor	Yes — roof, structure, common access and any works to the fabric of the block	Consent and cost apportionment are required before common works proceed
Muirfield Drive 1, 3, 9, 11, 17 and 19	Semi-detached houses	No	Works are confined to the individual property; no consent requirement arises

Only the flats matter here. A semi-detached house in shared ownership raises no common-works question at all: there is no shared roof, no common close and no scheme decision to take, so the six Muirfield Drive properties carry no deliverability constraint. The six flats do. They sit in paired blocks of a ground and a first-floor property, and any works to the roof, structure or common fabric of those blocks require the co-owner's consent and a share of the cost.

The exposure is small but it is not evenly spread. Six flats out of 304 rented homes is a minor share of the portfolio, but all of them fall inside Zone 13 — Muirfield Gardens and Muirfield Drive, 47 rented homes and the largest single package in the delivery programme, currently scheduled for 2031. The consent requirement therefore lands on the biggest scheme rather than being dispersed across small ones, which is why it is a programming matter and not an administrative one. Co-owner engagement on those three blocks begins at the point Zone 13 is brought to capital-ready status in at least the year before delivery, not when the contractor is appointed. The association may choose to engage earlier and may also choose to allow the shared owners in the semi-detached homes to be part of the investment works at their cost.

Where owners face significant costs, the Association uses the mechanisms available to keep shared works moving — staged payment plans, the missing-shares procedures of the Tenements (Scotland) Act 2004, and signposting to grant and equity-loan support — so that co-owner affordability is managed rather than simply recorded. Where co-owner non-participation would frustrate compliance, the appraisal in Section 5.2 considers remodelling, asset swap or disposal alongside improvement. A whole block's compliance and improvement can hinge on its smallest share, so mixed tenure is an investment-planning fact rather than an administrative footnote.

3.5 Service performance

What is tracked now. Per-property current and historic cost — void rent loss, responsive repairs and cyclical spend, with apportioned management costs — is tracked over time. Persistent outliers are investigated for controllable causes before any disinvestment conclusion is drawn, and high service cost alone is not treated as evidence of poor asset

performance until those causes are understood. The responsive record also feeds forward: repeated failures on a component challenge its assumed life, and may justify bringing planned replacement forward where that offers better whole-life value.

What the evidence cannot yet do. The present position has its limits. Repairs cost is blended across all 304 homes rather than held per tenure, so the mid-market homes — whose finish includes items such as window blinds and white goods, and which carry a slightly higher repair rate in consequence — are not separately costed. Responsive jobs are not consistently coded to the component they relate to, so the link between repair history and lifecycle assumption is made by judgement rather than by query. And service cost is not currently readable against the twelve-indicator matrix at Section 4.1, which means the responsive repair cost indicator is scored on a coarser basis than the framework intends.

What the annual review should be able to see. New systems and the completed stock condition survey change what is answerable. The first annual review at which they are operational should be able to produce the following without a special exercise, and the reporting pack is built to that specification.

What the review should show	Why it is wanted
Repairs, voids and cyclical cost per property and per zone, for the year and as a trend	Identifies the outliers that warrant appraisal, and shows whether last year's intervention changed anything
The same cost split by tenure — social, mid-market and the office	Each tenure carries its own cost base rather than being averaged into the others; closes the HFL Plus gap at Section 3.1
Responsive jobs coded to component, with repeat-failure counts by component and archetype	Turns repair history into direct evidence on lifecycle assumptions, so modelled lives are corrected by what actually fails
Cost and job volume in the twelve months before and after a planned renewal	Tests whether investment reduces the running cost it was expected to reduce — the benefits-realisation measure at Section 7
Void cost, re-let time and reason for termination by zone and property type	Separates a demand signal from an operational one; a home that is expensive to re-let is a different problem from one that is slow to turn round
Damp, mould and condensation jobs by property, with recurrence and reopen rates	The ARC indicator that most directly tests the ventilation programme, at property level rather than in aggregate
Contractor performance by package — completion, right first time, appointments kept, satisfaction	The contractor-concentration risk at Section 5.5 is monitored on evidence rather than on impression
Cost against the model's assumed £930 responsive and cyclical figure per home	The NPV assumption is verified against outturn rather than carried forward untested

What the review should show	Why it is wanted
Post-works satisfaction and measured bill savings for each completed cohort	Closes the delivery loop set out at Section 6.4, beginning with the Limeylands cohort
Data completeness and exception counts on each of the above	The Board can see how far to trust the answer, consistent with the data-status requirement at Section 2.2

None of this is a new reporting burden for its own sake. Each line above already appears somewhere in this Strategy as an assumption to be tested, a risk to be monitored or an indicator to be scored, and the list is simply what the asset database has to be able to answer for those commitments to hold. Where a line cannot yet be produced at the first review, that is recorded with the data status rather than left as a silent gap, and the indicator that depends on it is scored accordingly.

3.6 Financial performance (NPV)

Each asset group carries a 30-year net present value: rental income less revenue expenditure and capital investment, discounted to today's money. The portfolio NPV is £14.7m — approximately £48,500 per home — with net present value maintained at zone level. Assets making a negative contribution would be flagged for the Section 5 appraisal, and investment peaks are flagged for the external financing review described in Section 5.3. Consistent with the Executive Summary and Section 5.1, the portfolio demonstrates positive long-term financial value across every home — confirming that investment timing, not portfolio viability, is the principal challenge this Strategy manages. The zone and per-home NPV schedules are at Appendix F.

3.7 Customer & place performance

The database records each asset's ability to meet need and generate demand — turnover, refusals, waiting-list pressure — alongside suitability and accessibility, and place indicators drawn from Place Standard-style assessment where available — including common areas, grounds, shared access, parking, drainage, lighting and bin storage, so the appraisal sees the whole asset, not only the dwelling. The housing team's non-financial indicators are collected on an exceptions basis: attention goes to the homes that break the pattern, not to data that confirms it. Turnover, refusals, bids per vacancy, antisocial-behaviour cases and complaints are tracked per zone, and fuel-voucher and financial-assistance referrals are tracked as a direct affordability signal; imperfect as that signal is, a concentration in electrically heated homes would corroborate, and could accelerate, the investment sequencing in Section 5. Demand is not treated simply as a housing-management measure: persistent refusals, turnover or dissatisfaction can indicate that a home, property type or location is becoming less sustainable, and triggers further investigation before significant investment is committed.

Affordability context — why. Tenant affordability is shaped by capacity to pay as well as by the price of heat. The Association's systems cannot see household incomes, but they can see what stands proxy for them: benefit dependency, payment method and rent account performance. This Strategy therefore assesses affordability from its own tenant base rather than from wider population indicators.

What we did. Every current tenancy is joined to its home and its asset-plan zone, giving each development a profile of Universal Credit and Housing Benefit dependency, the share paid by Alternative Payment Arrangement, the share on Direct Debit, the proportion of rent accounts in arrears, and arrears per home. The overlay sits alongside the register, so affordability can be read at development and zone level beside the condition, energy and financial evidence.

What it tells us. Across 290 current tenancies, 45% are on Universal Credit and a further 12% on Housing Benefit, so a majority of the Association's tenants depend on benefit for some part of their rent; 29% are paid by Alternative Payment Arrangement, and 27% of accounts carry arrears, totalling £25,380, or £88 a home. The strategically decisive finding is where that dependency sits. It is highest at Prestonkirk House in East Linton (78% on Universal Credit), Market Street in Haddington (67%) and Walden Place in Gifford (58%) — none of them settlements that wider area indicators would identify. At Macfarlane Court in Elphinstone it is 37%, below the portfolio average, with arrears per home at half the average. Measured across developments, benefit dependency has no relationship to space heat demand, and the proportion of accounts in arrears runs mildly the other way. Affordability exposure in this stock is therefore broad rather than localised: a portfolio-wide condition the investment programme must address everywhere, not a characteristic of particular settlements.

Where SIMD still helps. The gap between the SIMD picture and the Association's own tenant data is itself a finding: area-level deprivation does not describe who lives in these homes. That does not make the index worthless. Where the Association has no tenancy of its own to read — a prospective new build, an acquisition, a stock transfer — SIMD remains a reasonable way to infer the likely affordability context of an area, and it is retained for that purpose. It is not the basis on which existing stock is assessed.

Accessibility and adaptability. The Association records known adaptations, accessibility characteristics and unmet needs within the asset database. Investment and option appraisals consider whether homes can continue to meet changing household needs, and whether adaptations can be integrated efficiently with planned works. They also consider whether particular property types should be protected or prioritised for their accessible or adaptable characteristics. The adaptations screen in the disposal framework is one expression of this, and an ageing tenant population makes it a growing one.

3.8 Energy performance and fabric first

Energy evidence extends beyond SAP banding to the measures that determine tenant outcomes: space heat demand (stock average $\approx 71 \text{ kWh/m}^2/\text{yr}$, with a tail of homes well above it), heating type and fuel, and each home's existing glazing and its fuel-specific energy price. Space heat demand is one indicator within the framework at Section 4.1 rather than a trigger in its own right: it measures fabric, not the tenant's bill, and on this stock the two rank homes differently.

Key finding: pricing every home at a blended tariff or space heat demand calculation without price context concealed where the greatest customer benefit lies. Priced at each home's own fuel — electricity at 24–27p/kWh against gas at $\approx 6.9\text{p}$ — the electrically heated third of the stock carries nearly three-quarters of the value of the fabric programme, and becomes the highest-value target for fabric improvement.

The position of the Energy & Investment Strategy is adopted here: demand reduction through enhanced component specification at renewal — StormGuard glazing, HomeGuard insulated door sets, insulation top-ups typically ahead of heat-system change. EPC evidence covers all of the 304 rented homes. Across the banded profile is strong for the sector — 6 homes at band A, 29 at B, 239 at C, 25 at D and 5 at E — but banding is precisely the blended view this section moves beyond: the delivery case rests on space heat demand and fuel-specific prices, not the certificate.

Climate adaptation and resilience. Decarbonisation is only half the climate question; the other half is resilience to the climate already changing. The appraisal framework therefore considers overheating risk — the archetype modelling at Section 6.4, including solar-control glazing where orientation demands it, is the delivery route — alongside intense-rainfall drainage, and, as the stock electrifies, the outage resilience of electrically dependent homes, where battery storage under the renewables route has value beyond bills and heat pumps also include cooling options. The Energy & Investment Strategy carries the technical assessment; this Strategy commits to weighing adaptation alongside decarbonisation whenever a zone is specified.

What the standard means. This Strategy refers throughout to “the standard.” It means a home that is affordable to heat and healthy to live in, and it is expressed as an outcome for the household rather than as a product specification. Three commitments give it effect, and every home in the portfolio receives all three.

Fabric first. Demand is reduced before the heating system is changed. Components are renewed at enhanced specification rather than like-for-like — StormGuard triple glazing at approximately $0.7 \text{ W/m}^2\text{K}$ and HomeGuard insulated doorsets, with insulation top-ups where the archetype supports them. A home that needs less heat is cheaper to run whatever it is heated by, and whatever happens to energy prices.

Healthy, not only warm. Every home receives renewed ventilation. A warmer, tighter fabric without adequate ventilation moves the problem rather than solving it, and this is why Phase 1 of the programme leads with ventilation and indoor air quality rather than with heat.

A measured performance direction. Modelled space heat demand moves towards approximately 70 kWh/m²/yr. The stock average today is approximately 71 kWh/m²/yr, so the work is not in moving the average but in closing the tail — the homes well above it, where both the tenant benefit and the cost are concentrated. Which of those homes is treated first is settled by the twelve-indicator matrix at Section 4.1, not by space heat demand alone.

The technical derivation of the 70 kWh/m²/yr figure, the archetype models behind it and the measure-by-measure pathway sit in the Energy & Investment Strategy. What matters for the decisions taken in this Strategy is the commitment itself: every home reaches a specification that reduces what it costs a household to keep warm, and does so without creating a condensation or air-quality problem in the process. Where a home cannot reach the standard through the zoned programme, that is recorded and appraised against the framework in this Strategy.

3.9 Grouping & classifying assets

Assets are grouped by construction archetype, property type and locality into the 32 asset-plan zones inherited from the Energy & Investment Strategy, cross-referenced to the 18 HPLAN finance schemes. Zones are the default unit of delivery and comparison; individual homes are still assessed on their own circumstances where they diverge from their zone. Zone and settlement groupings are also presented visually: mapped for Board reporting so that concentration, delivery sequencing and disposal exposure can be read as geography, not only as tables. The zoning catalogue and the archetype note are at Appendix D.

4. Understanding the value of the assets (Principle 3)

Every property performs differently. Some generate higher maintenance costs; some experience stronger tenant demand; others perform better financially or use far less energy. Understanding those differences is what allows investment to be targeted where it creates the greatest value. Homes for Life therefore measures every property against a common performance framework — twelve indicators spanning safety, condition, financial performance, customer outcomes, demand, energy, sustainability and place — so that assessment is balanced rather than resting on any single measure, and investment decisions become steadily more evidence-led as asset intelligence improves. This section sets out that framework.

What performance tells us

- Most homes perform well across multiple measures rather than only meeting minimum standards.
- Safety and compliance are strong and independently assured.
- Financial performance is consistently positive: every home carries a positive 30-year NPV.
- Customer experience is mixed: asset fundamentals lead the nation, while repairs satisfaction requires improvement.
- The electrically heated homes present the greatest opportunity to improve affordability.
- Overall, performance supports continued investment rather than disinvestment.

4.1 Defining key performance indicators

The database is distilled into an agreed set of twelve key indicators, owned jointly by maintenance, housing management, finance and strategy. They are not twelve separate KPIs but one framework in six themes: Twelve sits within the range of eight to sixteen key measures the Regulator's Recommended Practice suggests, and is the smallest set that covers the five recommended-practice principles while giving each owning function measures it recognises and is accountable for.

Theme	Indicators
Safety	Safety compliance · SHQS / standards compliance
Asset	Component condition & remaining life · responsive repair cost
Financial	30-year NPV contribution · tenant cost of inaction per year of delay
Customer	Tenant satisfaction · void loss & demand
Sustainability	Space heat demand · tenant energy cost at the home's own fuel price
Strategic	Mixed-tenure constraint · place quality

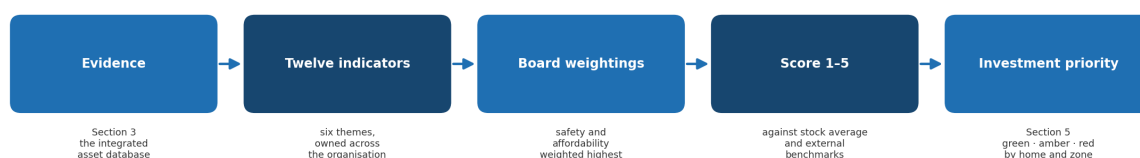
The framework is one system, read together. Weightings reflect Board priorities, with safety and affordability weighted highest. The weight attached to each of the twelve indicators is set by the Board and reproduced at Appendix B. The recommended weightings are:

Theme	Indicator	Recommended weight
Safety	Safety compliance	15%
Safety	SHQS / standards compliance	10%
Asset	Component condition & remaining life	10%

Asset	Responsive repair cost	5%
Financial	30-year NPV contribution	10%
Financial	Tenant cost of inaction per year of delay	8%
Customer	Tenant satisfaction	8%
Customer	Void loss & demand	6%
Sustainability	Space heat demand	8%
Sustainability	Tenant energy cost at own fuel price	10%
Strategic	Mixed-tenure constraint	4%
Strategic	Place & affordability (tenant-base)	6%
Total	Safety 25% · Sustainability 18% · Financial 18% · Asset 15% · Customer 14% · Strategic 10%	100%

The weightings applied. Safety carries the largest thematic weight (25%) because it is always the first call on investment. Energy affordability carries 18%, with the tenant's energy cost weighted equal to NPV. The cost to tenants of delay carries 8%, pricing delay itself. No indicator exceeds 15%, so no single measure can decide an investment alone. Two themes do not currently separate homes from one another: compliance is binary and this stock is compliant, so every home scores the same on safety, and tenant satisfaction is held at portfolio level rather than by property. Together they account for 39% of the weighting and are, for this portfolio, inert — the framework discriminates on condition, cost, energy and place. Both would separate homes immediately for a landlord with compliance failures, and satisfaction becomes live once collected by zone.

The recommended weightings are published in full below. The indicator set and weightings are reviewed at least every three to five years, and sooner on defined triggers: completion of the stock condition survey, a change in regulatory standards, or sustained energy-market movement. The scoring model itself is validated at each review: the Board considers whether the resulting rankings remain consistent with professional judgement and known asset performance, and adjusts them where they no longer reflect strategic priorities.



From evidence to investment priority: the same pipeline for every home and every zone.

4.2 Assessing asset performance

This assessment brings the evidence for every home into a single, consistent view of performance. Its purpose is to show where homes are performing strongly, where improvement is required and where fuller appraisal is justified before investment is committed. It supports professional and Board judgement rather than replacing it.

Every home is scored on a five-point scale using the Association's own stock as the main point of comparison, with fixed thresholds assigning a green, amber or red rating. National performance information provides wider context but does not feed directly into the property-level score.

Rating	Meaning	Response
GREEN	Performing well	Continue planned investment and monitoring
AMBER	Weakness or emerging pressure	Investigate and consider targeted intervention
RED	Significant or sustained weakness	Undertake a full options appraisal

Section 5.1 shows all 32 zones in the healthiest NPV band. The weighted twelve-indicator view is more discriminating, and identifies homes under pressure that a financial view alone would not. Scores run on the following scale:

Score	Meaning
1	Clearly ahead of the stock average
2	Above the stock average
3	At or around the stock average
4	Below the stock average
5	Clearly behind the stock average; requires intervention

The scored outcome. Category scores combine into a single weighted score for every home, and zones take the rating of the majority of their homes. The outcome across the portfolio:

Rating	Homes	Zones
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Green — 2.5 or below	218	9
Amber — above 2.5 to 3.5	86	23
Red — above 3.5	0	0

No home is close to the red threshold: the highest weighted score anywhere in the stock is 3.03, against a red threshold of 3.5. The amber cohort is a group of homes under pressure, not a group of failing assets.

Where the amber sits. The pressure is concentrated by heating type rather than spread across the portfolio:

Main heating type	Homes	Amber	Green
Mains gas boiler	206	19	187
Electric storage heating (Economy 7)	53	53	0
Standard-rate electric, including heat pumps	45	14	31

Every Economy 7 home in the stock is amber, and the electrically heated homes account for most of the cohort. They combine higher fabric heat demand, more expensive purchased energy and the greatest tenant cost from each year that investment is delayed — three weaknesses that compound rather than offset. This is why the investment programme in Section 5 prioritises the worst-performing zones rather than relying on component age alone.

***Status of these scores.** The scores above are a static calculation that predates the correction to the energy-cost method. Because the correction reduces modelled energy costs on electrically heated homes relative to gas-heated ones, some amber homes are expected to move to green on that evidence, and no home moves toward red. The concentration itself — that the electrically heated homes are the most exposed in the stock — is unaffected.*

What differentiates one home from another. The assessment compares homes using the six property-level measures held for each: component condition and remaining life; 30-year financial contribution; the tenant cost of delaying investment; space heat demand; energy cost based on the home's heating system and fuel; and place and affordability, derived from benefit dependency, arrears incidence and arrears per home by development (Section 3.7).

Safety and customer performance are assessed at organisation level. Compliance is binary and this stock is compliant; satisfaction is recorded across the Association rather than by property. Together those categories carry 39% of the weighting and do not separate one home from another in this portfolio, so the scoring outcome is driven by the asset, financial, sustainability and strategic categories. That is a gap in the evidence rather than a judgement that safety and customer experience matter less, and it closes as the housing team's exception dataset lands (Section 3.5). Where compliance exceptions apply to particular

homes, they are recorded separately and addressed through the 2026/27 programme. The Association's compliance, void, arrears and service results are set against published national results in Section 4.3.

Weightings are applied to the overall score for each performance category rather than to individual indicators, consistent with the illustrative method in the Recommended Practice. The category weightings are the Board's expression of priority. A different balance of priorities would reorder the programme, and the Board can see what that reordering would be.

A decision-support tool, not a decision-making tool. The scoring and traffic-light assessment does not determine investment priorities. Its purpose is to highlight where further appraisal is required. The Board's investment decisions are made through the options appraisal process in Section 5, where performance is considered alongside customer outcomes, affordability, deliverability, risk and long-term value — the same discipline this Strategy applies to the tenant-base affordability evidence in Section 3.7: evidence that directs attention, never a trigger that replaces judgement.

4.3 ARC 2025/26 benchmark position

Section 4.2 assesses individual homes. This section sets the Association's overall performance against published national results — the Annual Return on the Charter for 2025/26, Board-approved 20 May 2026. These benchmarks provide context for the Board's assessment of service and organisational performance; they do not determine the rating of any individual home.

ARC indicator (2025/26)	Homes for Life	Scottish avg*	Strategic interpretation
Overall satisfaction (Ind 1)	83.4%	86.7%	▲ Slightly below benchmark — monitor through customer engagement
Kept informed (Ind 2)	89.4%	89.7%	✓ At benchmark
Satisfied with participation (Ind 5)	93.4%	85.9%	✓ Significant strength
Stock meeting SHQS (Ind 6)	91.7% → 96.7%	87.0% (RSLs 92.5%)	✓ Strong; the 2026/27 programme restores a clear lead
Right first time (Ind 10)	98.6%	88.0%	✓ Significant strength
Emergency repairs (Ind 8)	3.45 hrs	3.5 hrs (RSLs 3.2)	✓ At benchmark
Non-emergency repairs (Ind 9)	11.15 days	8.7 days (RSLs 8.3)	▲ Contract-management priority
Satisfaction with repairs (Ind 12)	51.8%	87.0%	▲ Distorted by survey timing; contractor communication being addressed

Damp/mould cases reopened (Ind 32)	71.4% (5 of 7)	n/a – new	▲ Small sample; Year 1 ventilation programme targets the pattern
Void loss / re-let time (Ind 17/26)	0.07% / 24 days	1.4% / 57 days	✓ Significant operational strength
Gross rent arrears (Ind 23)	0.51%	6.9%	✓ Significant strength
Rent seen as value for money (Ind 21)	74.2%	81.8%	▲ Improve through visible affordability outcomes (Section 5.6)

**Scottish averages from the SHR National Report on the Charter 2024/25, with RSL-specific averages in brackets where these are the fairer comparator; comparator values will be refreshed following publication of the 2025/26 national report.*

Overall, the Association performs strongly across the core asset management indicators. Void performance, rent arrears, emergency repairs, right-first-time repairs and SHQS compliance all compare favourably with the national position, demonstrating a well-managed housing portfolio.

The benchmarking also identifies four priority improvement areas. Non-emergency repair performance and repairs satisfaction require continued contract-management improvement. Damp and mould recurrence is being addressed through the Year 1 ventilation-led investment programme, while improving tenants' perception of value for money reinforces the Strategy's focus on reducing household energy costs alongside maintaining affordable rents.

✓ Where we are strong	▲ Improvement priorities
Void performance and re-let times · arrears · emergency repair speed · right first time · SHQS trajectory to 96.7% · participation satisfaction	Repairs satisfaction · non-emergency repair times · damp & mould reopen rate · value-for-money perception — each carries its management response in the table above

These benchmarks establish the Association's current position. Combined with the wider performance indicators described in Sections 3 and 4.2, they inform the investment appraisals and recommendations in Section 5.

5. Using outcomes as evidence for investment decisions (Principle 4)

What the appraisal concludes

- Continue investing in the existing portfolio: every home remains financially viable.
- No zone currently requires disposal on financial grounds; investment timing is the principal challenge.
- Prioritise the electrically heated homes, where earlier investment delivers the greatest customer benefit.
- Borrowing is preferable to unnecessary disposal of productive homes.
- Programme smoothing was tested and rejected: it must always weigh tenant costs alongside

Association cash flow.

The sections below present the evidence and options behind each conclusion.

Our investment philosophy. This Strategy treats every investment as an opportunity to improve overall asset performance, not merely to replace an ageing component. The clearest example is the window: renewal at enhanced specification also reduces energy demand, improves comfort and affordability, cuts condensation risk and protects asset value, which is why Sections 5.3 and 5.6 do not treat the window and door programme as a neutral lifecycle line.

Sections 3 and 4 establish how every home performs. This section explains how that evidence is used to make investment decisions. Every significant decision follows the same sequence: understand the issue; assess the evidence; consider the alternative options; evaluate the customer outcomes; assess the financial implications; test the strategic fit; then prioritise delivery. That discipline keeps investment decisions transparent, repeatable and evidence-based, while leaving room for professional judgement where individual circumstances require it.

5.1 What the evidence means for investment

The traffic-light framework described in Section 4 considers asset performance across the full range of indicators: safety, condition, customer outcomes, energy performance, place and financial performance. A green rating represents strong overall performance, amber highlights areas requiring intervention before performance deteriorates, and red identifies assets requiring strategic review (the full interpretation is at Section 4.2). Per-home and per-zone results are at Appendices B and F.

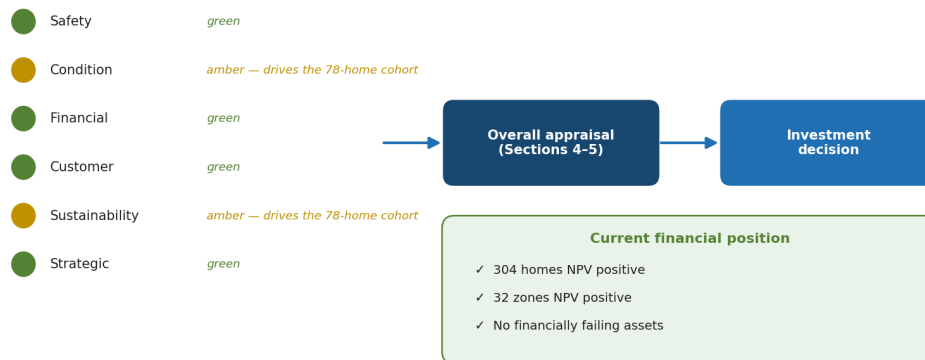
Financial performance tells an important story. When the framework is applied to the Association's current 30-year NPV analysis, every home and every zone remains financially positive. The portfolio is fundamentally sustainable, and the Strategy is focused on improving an already successful portfolio rather than rescuing failing assets.

Key findings

- All 304 homes remain NPV positive (the lowest home sits at $\approx$ £23k).
- All 32 asset management zones remain NPV positive (multi-home zones range $\approx$ £28k–£110k per home).
- Every zone falls within the sector's healthiest Planned & Cyclical Maintenance investment category.
- The Strategy is therefore about when and how to invest, not whether assets remain viable.

Current position. There are currently no red assets on the financial (NPV) assessment. Amber and any future red ratings arise first through the wider performance framework rather than through financial viability alone, and the wider performance assessment bears this out: its amber cohort is driven by energy cost, condition and the cost of inaction, not by financial failure. Financially, every home remains in the green.

Weighted framework by theme (first scoring run, portfolio view)



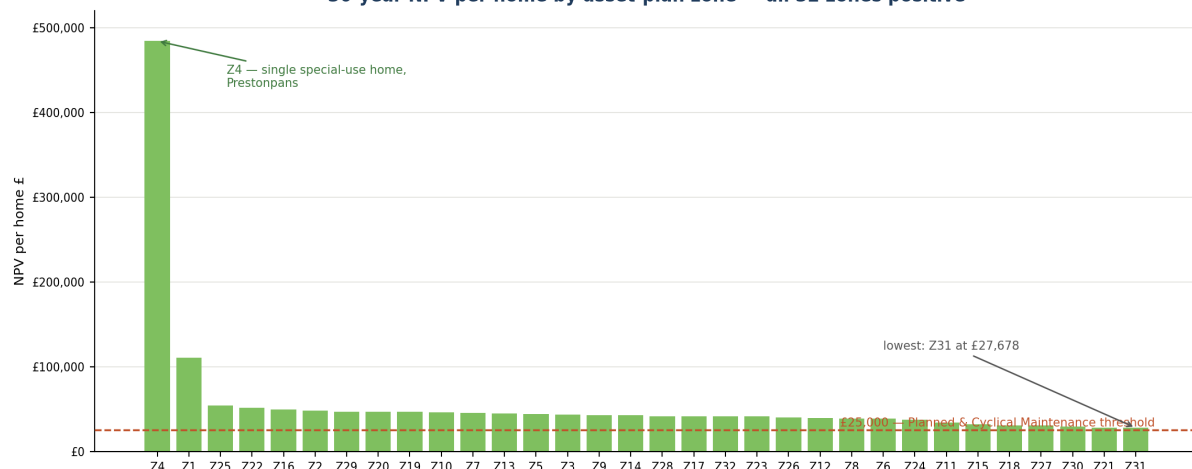
Two themes require intervention on the overall assessment: condition, where mid-life components concentrate, and sustainability, where the electrically heated homes sit. Financially, nothing is failing.

Why every asset is financially positive — the assumptions

- actual July 2026 rents (portfolio average ≈ £117 a week);
- a 3% real discount rate over 30 years;
- each home's lifecycle and retrofit costs netted off;
- ≈ £930 per home responsive and cyclical maintenance;
- ≈ £600 per home direct management;
- 1.5% voids and bad debt.

These assumptions are reviewed annually.

30-year NPV per home by asset-plan zone — all 32 zones positive



The chart illustrates why the Strategy recommends continued investment rather than disposal. 30-year NPV per home by zone: all 32 zones positive and in the Planned & Cyclical Maintenance band, the "basis of a vision" view. Zone 4 (5 Bankfoot,

special-use) is the single-home outlier at £484,082; Zone 1 (Old Course Gate, mid-market rent) is the highest multi-home zone at £110,268; the lowest, Zone 31 in Haddington, still returns £27,678 a home.

Two zones carry specific assumptions that do not change this conclusion: Old Course Gate, where mid-market rents lift the zone's value, and 5 Bankfoot, a specialist unit assessed separately from mainstream housing. Both are set out in the appendices.

The significance of this analysis is straightforward. Homes for Life does not own a portfolio requiring regeneration or disposal. It owns a financially sustainable housing portfolio where investment decisions are primarily concerned with improving customer outcomes, affordability and long-term resilience. The remainder of this chapter therefore focuses on prioritising investment, funding and delivery, not on determining whether homes should be retained.

5.2 Scoping and appraising options

Investment is not assumed to be the right answer for every home. The full range of alternatives is considered first, and the tests applied to each are set out below. Where all stock is positive, it remains important to set out the frame by which new stock being considered for purchase or to be built will be subject to.

Strategic component standardisation. One appraisal outcome is elevated to a strategic principle: rather than treating major component replacement as a series of individual procurement exercises, the Association has adopted a strategic component specification for those elements where a standard solution demonstrably improves whole-life value. This aligns future investment around common performance standards, so procurement, lifecycle planning and asset management operate as a single integrated programme rather than a collection of unrelated projects. The StormGuard windows and HomeGuard doors named in Section 5.6 are the current evidence-based solution that best satisfies that specification: the commitment is to the standard, not the supplier, and if the market ever produces a demonstrably better answer, the specification and this Strategy stand unchanged. Four strategic outcomes follow.

Whole-life value. The adopted window and door specification has an expected service life of approximately 60 years, roughly double conventional social-housing replacement assumptions. That extends replacement intervals, reduces future lifecycle investment, smooths capital demand beyond this Strategy's horizon, and improves the long-term resilience of the programme; the survey-priced lifecycle model will carry the adopted specification's service life as components are renewed.

Better procurement. Standardising the specification across the portfolio enables larger, planned procurements rather than repeated annual purchasing exercises — economies of scale, lower procurement and consultant costs, stronger quality assurance, installer familiarity and simpler contract management across the life of the Strategy, while lots remain sized so local SMEs can compete (Section 6.4).

Lower whole-life carbon. Product selection considers whole-life environmental performance alongside operational energy efficiency: durable vacuum-treated and aluminium-clad timber construction, FSC engineered timber in the door build-up, local manufacture reducing transport impacts, and a 60-year design life halving replacement frequency. The initial embodied carbon may not differ radically from alternatives; the embodied carbon per year of service is considerably better, whole-life carbon is the measure this Strategy manages.

Better customer outcomes. A consistent high-performance specification improves thermal comfort, cuts heat loss at the tenant's own fuel price, simplifies future maintenance, and creates one recognisable standard of home across the portfolio — the Homes for Life standard in Section 6, made tangible at the window frame.

Worked example — Macfarlane Court, Elphinstone (windows and doors accelerated to 2027/28)

Although the windows retain some remaining technical life, the Association has brought the programme forward because the evidence demonstrates greater overall value from earlier intervention:

- similar component generation and condition to Limeylands, renewed 2026/27;
- electrically heated homes at 24–27p/kWh, where tenant energy savings are the greatest in the stock (≈ £540 per home per year);
- a development where 37% of tenancies are on Universal Credit and heating costs are the highest in the stock, so the bill reduction lands where the exposure is greatest (Section 3.7);
- strongly positive 30-year NPV supporting continued investment;
- procurement aligned with the strategic window and door programme above, and the highest modelled heating costs in the stock — the six most expensive homes to heat are all in this court.

No single factor determined the decision. It reflects the combined assessment of customer affordability, asset condition, place, financial performance and long-term value — the integrated framework changing an investment decision in practice.

5.3 Financial performance & business-plan impact

The financial evidence shows that Homes for Life has a strong housing portfolio but faces a concentration of investment over the next decade. This section explains why that funding pressure exists, how it can be managed, and why the Strategy recommends funding investment rather than reducing it. The costed programme is at Appendix C; the one-page funder view is at Appendix J.

Stranded investment. Accelerated depreciation and stranded investment are different concepts, and Board members, auditors and lenders should interpret them accordingly. The stock condition survey will refine the remaining life of some components where observed condition differs from the modelled lifecycle assumptions; where inspection shows a component has deteriorated more quickly than anticipated, the revised replacement date reflects accelerated depreciation of the existing investment — the asset simply delivered less service than assumed, and nothing was wasted by renewing it.

Stranded investment is different. It arises where an investment made today is specified below what future requirements will demand — standard glazing where the standard will require enhanced, or a like-for-like boiler where clean heat is coming. The money is spent, the component is new, and it still has to be replaced early. Avoiding that is why the specification question is settled before the timing question.

The three instruments we use: the survey improves the accuracy of the register; better evidence improves the sequencing; and the strategic component specification (Section 5.2) protects against stranded investment. Three functions, three different tools, combining for the optimum outcome.

The funding challenge is one of cash-flow timing, not viability. Need exceeds provision from the outset and most heavily in the first decade, when the windows and doors at the end of their lifecycle fall due together: the profile peaks at $\approx$ £1.90m in 2035/36 against provision of $\approx$ £0.45m. That decade accounts for £5.62m of the £5.96m thirty-year gap. The pressure does not end with the programme. A further £0.58m accumulates through the 2040s before provision begins to catch up, so the cumulative requirement peaks in 2043/44 rather than at the end of delivery. The Association therefore needs finance that holds across the delivery decade and beyond it, on a stock where every home repays the investment over the 30-year plan.

The current year stands outside that requirement. Nothing in the 2026/27 programme is predicated on borrowing. The Limeylands Court windows and doors renewal, the stock condition survey and the data and design work that brings Phase 1 to capital-ready status are funded from business-plan provision and from the 50% grant already secured against the Limeylands package. Borrowing is assumed to be available from 2027/28 onward, and the external financing review at this section reports before the first year that depends on it. The practical consequence is that the Board can adopt this Strategy and let the current year proceed while the financing question is still being settled: the programme does not stall waiting for a facility, and no commitment made this year presumes one.

The smoothing scenario, and why it is not the plan. Investment need can be smoothed against business-plan provision by moving whole zones of window and door renewal to later years. Doing so would relieve about £1.5m of funding pressure across the plan and cut the peak year from £1.90m to £1.02m. The Strategy models it in full and does not adopt it. The components most easily deferred are the ones that reduce tenant energy bills, so smoothing transfers about £181,000 of cost from the Association's accounts to tenants' — and concentrates it in the electrically heated homes least able to carry it. Borrowing achieves the same cash relief without that transfer, which is why it is recommended instead.

The principle in summary: smoothing the profile would relieve $\approx$ £1.5m of business-plan pressure and transfer $\approx$ £181k to tenants' energy bills. The Association borrows instead. Both numbers go to the Board together, every time. The delivery calendar itself has been rebalanced to the same discipline: nine zone packages were re-dated in July 2026, seven earlier, two later, holding annual

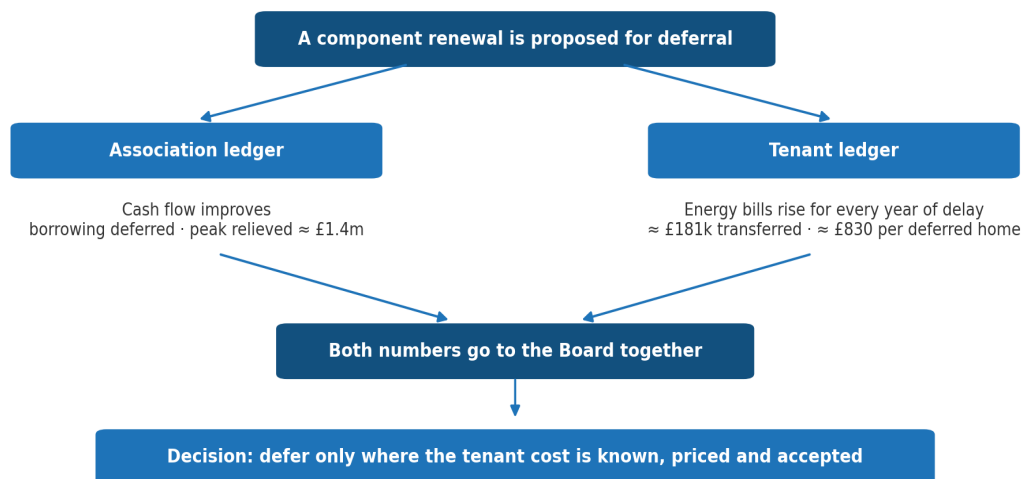
investment need within a ≈£640–750k band across the delivery decade, with one year (2031/32) elevated by the single largest scheme, the 47-home Muirfield zone in Gullane, whose scale only phasing could flatten further. The choice the Board faces is not “renew at the component date” against “smooth by deferral.” The recommended strategy funds works on their value and delivers them through a consistent programme, in which advancing work into a lighter year is preferred to deferring it out of a heavy one — acceleration is free, or beneficial, on the tenant ledger, while every deferral has the price shown in Section 5.6. The objective is not to reproduce the theoretical lifecycle programme; it is to create the highest-value deliverable programme. Once investment priority has been established, individual projects may move forward or backward within reasonable limits to maintain a consistent annual workload, maximise procurement efficiency, support contractor capacity and improve delivery, without materially reducing customer benefit. Smoothing, where the word appears in this Strategy, is one consequence of that delivery optimisation, the priced-deferral instrument within it, not the philosophy itself.

From lifecycle dates to the final delivery programme: value decides what and where; delivery optimisation decides when; and both ledgers price any deferral on the way through.

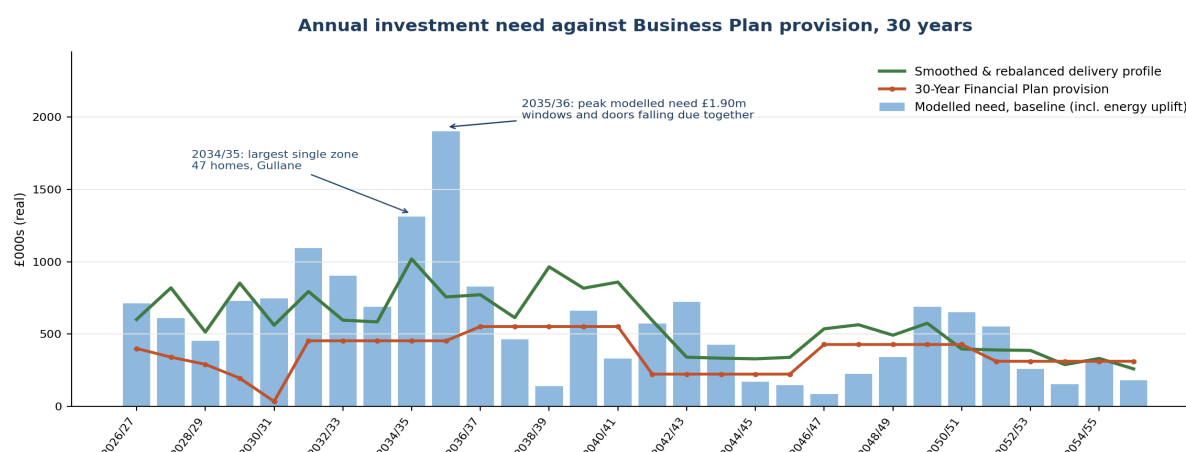
What this means

- Investment priorities are set by value.
- Delivery dates are adjusted to create a consistent programme.
- Delaying work is only accepted where the impact on tenants is understood and priced.
- Procurement efficiency is considered alongside customer benefit.

The dual ledger: a deferral is only accepted once both sides are known



The two ledgers applied to a deferral decision: a deferral is only accepted once its consequence on both balance sheets is known.



Annual investment need vs 30YRFP provision (£000s, real): modelled need including the energy uplift (bars), the smoothed and rebalanced delivery profile (green) and the 30-Year Financial Plan provision (orange). The funding challenge is the first-decade bulge, peaking at $\approx$ £1.90m in 2035/36; thereafter smoothed need and provision broadly track.

This Strategy requires the other half of the ledger to be presented alongside that appraisal. The windows and doors being deferred are the Association’s principal fabric-improvement measures — NorDan StormGuard glazing and HomeGuard insulated doorsets, expected to remove 16–33% of each home’s energy use. Deferring them defers an affordability gain, and the cost of that appears in tenants’ energy bills rather than in the Association’s accounts.

Priced at each home’s own fuel and glazing using the Ofgem price cap for July–September 2026, the smoothing carries a net tenant cost of approximately £181,000 — around £830 for each of the 224 deferred homes — against annual portfolio bill savings of $\approx$ £64,000 once the works are delivered. The £0.32m tenant cost of waiting at Section 5.6 is the same arithmetic against a different comparator: the smoothed dates set against the proposed 2028–2037 pathway. The rates and the per-home method are at Appendix E, and Section 5.6 sets out the evidence in full with the decision rules adopted in response.

Component date, not delivery year. The dates in this table are the register’s lifecycle renewal dates for windows and doors in each zone, and they are what the smoothing rules act on. They are a different measure from the zone delivery years in Appendix D, which are the years each zone’s whole package is programmed. A zone can therefore show a component date here and a different delivery year there without either being wrong.

Zone (smoothed scenario for windows & doors)	Homes	Component date	Smoothed date	Tenant cost if smoothed
Z19 · Kennedy Court, Haddington	14	2031	2037	£33,070
Z20 · Walden Terrace & Walden Place, Gifford	35	2035	2040	£28,368
Z24 · Prestonkirk House & Smiddy Wynd, East Linton	16	2032	2038	£19,015
Z13 · Muirfield Gardens & Muirfield Drive, Gullane	47	2035	2038	£17,302

Z1 · Old Course Gate, Musselburgh	16	2034	2041	£15,253
Z17 · Roodlands Court, Haddington	11	2033	2040	£9,525
Z22 · Market Street, Haddington	8	2053	2056	£9,146
Z29 · Goldenstones Avenue, Dunbar	12	2032	2036	£6,912
Z12 · Luffness Court, School Road and Kirk Road, Aberlady	5	2039	2046	£6,912
Z15 · St Andrew House and Forth Street, North Berwick	13	2035	2042	£6,721
Z2 · Barga Court, Cockenzie	22	2036	2039	£5,766
Z18 · Davidson Place and Davidson Terrace, Haddington	8	2031	2037	£5,653
12 further zones, each under £5,000	17	Various	various	£22,392
Delivered early or on time under the smoothed rules	60	—	—	£0
Brought forward of component date	20	Various	earlier	–£5,046
Total — what smoothed the profile would cost tenants	304			£180,988

Kennedy Court, Haddington carries the largest single deferral cost — £33,070 across 14 homes over six years — and under the recommended pathway it is delivered ahead of that smoothed date. Smoothing also works in the other direction: three zones move ahead of their component dates.

5.4 New development & headroom

Growth remains an ambition, and how the existing portfolio is funded determines whether that ambition stays achievable. This is also the test that governs the disposal backstop at Section 5.7.3, which is a last resort rather than a funding line: capital would be released from selected homes only where a growth opportunity meeting the Association’s own standard for health and affordability could not be funded from borrowing capacity alongside the existing-stock programme.

Improvement, funding and disposal decisions across the portfolio create, or constrain, the headroom to borrow for new build or new home acquisition. Disposal proceeds and NPV improvement from targeted intervention are counted as contributions to development capacity, and any future new-build profile will favour forms this Strategy shows to be sustainable: low space heat demand, low service cost, strong demand and simple tenure. new development will not be pursued independently of existing-stock obligations.

Section 5.3 and acquisitions or asset swaps are considered where they consolidate a block or strengthen a settlement position (Section 5.2). The uniform strength of demand is itself strategic evidence: where borrowing headroom allows, building or buying in almost any East Lothian settlement is defensible on demand grounds, with preference for sites of lower land value or land the Association already owns.

5.5 Risk management

The risks that could prevent delivery are identified, owned and mitigated rather than simply listed. The asset risk register is at Appendix H.

Risk	Description	Mitigation
Funding pressure forces a return to programme smoothed	The recommended programme avoids the ≈ £181k transfer to tenants' bills by delivering on the zoned pathway. If borrowing is constrained, smoothed returns as the only lever, and its cost falls on the 98 electrically heated homes	Financing review before commitment; dual-ledger reporting on any smoothed decision; Phase 1 cohort ring-fenced; re-priced at each Ofgem cap; annual Board review
Contractor concentration and performance	Delivery of the compliance programme and the zoned pathway depends on a thin semi-rural contractor market; a single contractor's access and scheduling failures have already caused ten missed EICR deadlines and the 2025/26 repairs-satisfaction collapse (Section 4.3). Concentration risk rises as the zoned programme scales.	NEC4-aligned, zone-packaged procurement to broaden the market (Section 6.4); contract-management response in place with performance reporting to Board; framework/second-supplier options tested before each delivery year; compliance deadlines tracked separately from repairs performance.
Asset data integrity pending survey	Component dates are modelled placeholders; register build years conflict with the Association's scheme history (Section 3.1); three homes hold no lodged EPC; at least one certificate has been shown to overstate a home's space heat demand; and the HFL Plus component schedule and lease terms for the 16 mid-market homes are outstanding. Investment sequencing, lifecycle pricing and the Phase 1 cohort all currently rest on this evidence.	Stock condition survey commissioned, with survey data replacing modelled dates on completion; data status stated on the face of every Board report (Section 2.2); build-year reconciliation and the three missing EPCs prioritised in the survey scope; appraisals revisited on survey completion.
Third-party renewables: counterparty and value risk	Option E places third-party-financed solar and battery at the core of the funding route; off-balance-sheet does not mean off-risk — long-term energy value is shared, and counterparty default,	Value-retention tests applied before contract; legal and technical due diligence on the counterparty; step-in, performance and end-of-term provisions negotiated; exposure

	underperformance or unfavourable terms would transfer cost or risk back.	reported to Board with the funding decision and at each review.
Financing committed ahead of an evolving market	The risk is not that the programme costs more, but that borrowing capacity and covenant headroom are committed to measures that need not have consumed them. The borrowing requirement assumes the Association funds solar and battery installation from its own resources — £1.77m across the 208 homes where the measures are costed, at £8,500 per home — while the market for third-party funded delivery is developing quickly.	Option E quantifies the effect: with this element funded externally alongside grant, the peak cumulative funding requirement falls from £6.33m to £2.97m. Borrowing for it will not be committed before the market has been tested.

5.6 The tenant cost of inaction: an unintended consequence of financial smoothing

What a delayed window costs a tenant. Deferring a window renewal saves the Association money and costs the tenant money. This section prices both. What a household saves depends first on what the new glazing replaces: triple glazing cuts a home's energy use by about 30% where it replaces single glazing, by 24% against pre-2002 double glazing and by 13% against later units. It then depends on what that household pays for heat. The 206 gas-heated homes buy at about 6.9p a unit. The 98 electrically heated homes pay between 24p and 27p — three to four times as much. The same physical improvement is therefore worth three to four times more to an electrically heated household, which is why the timing of these works is a tenant question and not only a funding one. Rates and saving assumptions are at Appendix E.

The saving is heavily concentrated: the electrically heated third of the stock carries ≈ £33,500 (53%) of the ≈ £64,000 annual saving, and therefore 53% of the cost of waiting. These are the worst-performing homes — the Macfarlane Court bungalows on Economy 7 storage heating each stand to save around £470 a year. Smoothing is regressive in effect, postponing savings longest for the households with the most expensive heat and the poorest fabric. Homes for Life will treat these homes first, through Phase 1.

Borrowing to deliver on the zoned pathway avoids that transfer. Under the recommended programme 225 of the 304 homes receive their windows and doors earlier than levelling would give them — an average of more than four years earlier — and the portfolio moves from a £181,000 cost to tenants to a modest net benefit against component dates. The figures above are therefore the cost of the option being set aside, not one the Association is taking on.

Scenario analysis. The investment model compares three delivery choices on a like-for-like tenant-bill basis over the 30-year plan (to 2055/56). The proposed strategy delivers the Phase 1 cohort plus the zoned StormGuard/HomeGuard programme over 2028–2037. All

three scenarios also include the grant-accelerated Limeylands Court (2026/27) and Macfarlane Court (2027/28) renewals, committed lifecycle work in every case.

Metric (tenant-bill basis, W&D measures only)	Smoothing only	Phase 1 + smoothing	Proposed strategy
Homes with windows and doors renewed by end 2030	79	81	103
Homes with windows and doors renewed by end 2036	94	96	284
Annual saving in payment by end 2030	£25,390	£29,287	£40,263
Annual saving in payment by end 2036	£27,843	£31,436	£61,458
Cumulative tenant savings to 2055/56	£1.33m	£1.37m	£1.64m
Tenant cost of waiting vs proposed strategy	£0.32m	£0.28m	—
— average per home	£1,042	£913	—
Association capital for Phase 1 (2027/28)	Nil	≈ £165k	£217k

The role of Phase 1. Phase 1 is not a compliance exercise. The Social Housing Net Zero Standard has not been set, and no home is brought forward here because it is about to fail a standard that does not yet exist. Phase 1 is brought forward on risk: the homes where poor fabric, high tenant energy cost, condition and safety combine, as measured by the twelve-indicator framework at Section 4.1. Selecting on the matrix rather than on a single space heat demand threshold matters for two reasons. That threshold is fuel-blind, and on this stock the homes with the worst demand and the homes with the worst bills are largely different homes. And a single metric allows one erroneous certificate to decide a programme, which testing of the earlier list demonstrated. Membership is confirmed on the matrix run and the stock condition survey, sized to an indicative ≈ £165,000, and the cohort remains ring-fenced from smoothing.

Decision rules adopted. The Association adopts four rules. First, smoothing decisions affecting components that are also energy measures are presented to the Board with both sides of the ledger: the business-plan relief secured and the tenant cost of inaction, priced per home at fuel-specific rates. Second, the Phase 1 cohort is exempt from smoothing and cannot be deferred to suit a zone’s renewal cycle. Third, deferrals are re-priced at each Ofgem cap revision, so the Board sees the tenant cost at current prices. Fourth, modelled savings are treated as forecasts to be verified: every package is evaluated before and after

installation, and realised savings on the Phase 1 cohort are reported to the Board and used to refine the programme before it scales. The stock condition survey and Sava space-heat modelling will confirm the Phase 1 cohort membership and the glazing assumptions, which currently rest on EPC data.

5.7 Whole-stock options appraisal 2026

Six whole-stock options were assessed, spanning the range of investment and disinvestment options the Regulator's Recommended Practice sets out, and every option scored against the Section 5.2 criteria. The appraisal is structured as three decisions taken in order: **first**, whether to keep going as things are or to adopt the emerging standard; **second**, if the standard is adopted, the right pace of delivery; and **third**, how the chosen pace is paid for — additional borrowing, disposal of stock, or a blend with contractual relief.

A fourth question arises only if disposal forms part of the funding answer: what should decide which homes are sold.

Three decisions, taken in order: 1. Adopt the emerging standard, or keep going as things are? 2. If adopted, at what pace? 3. Funded how — borrowing, contractual relief or disposal? Selection of homes for sale arises only under decision 3.

The options. Option A (provision-only) delivers whatever the business-plan provision affords each year, with no additional borrowing. Option B (do-minimum) treats the worst homes only and renews windows and doors like-for-like. Option C (smoothing only) delivers the full lifecycle programme at enhanced specification, but only on the smoothed dates. Option D is the proposed strategy — fund on value, deliver on programme — funding works on their value case and delivering them through the calendar at Appendix D, within a ≈£640–750k annual band to 2037, funded by additional borrowing. Option E is Option D with solar PV and batteries delivered through a third-party income-share model, removing that capex. Option F is Option D with the peak borrowing requirement substantially met by targeted disposals.

	A Provision-only	B Do-minimum	C Smoothing only	D-F Proposed strategy
30-yr investment need £m	≤11.1 (capped)	11.9	13.1	17.2 (E: 15.3)
Peak additional borrowing £m	nil	1.3	n/q	D 6.4 · E ~4.4 · F ~1.0
Portfolio NPV £m	n/q	18.6	n/q	D 14.6 · E 16.2 · F 13.7

Homes at the full strategy standard by 2037	26	11	64 (304 by lifecycle)	304
Cumulative tenant savings to 2055/56	minimal	minimal	£1.33m	£1.64m + renewables
Homes with no route to standard	278	293	nil (delayed)	nil

How the options score. The same six options scored against the Section 5.2 criteria. The blend the Strategy adopts is not a seventh option: it is a drawdown order between two options that score closely, taken up only as far as the funding requirement demands.

Criterion (weight)	A	B	C	D	E	F
Quality & national standards (20%)	1	2	3	5	5	5
Tenant energy affordability & fuel poverty (20%)	1	2	3	5	5	5
30-yr financial contribution & funding requirement (20%)	3	5	3	2	4	4
Demand, lettable stock & place (tenant-base weighted) (10%)	2	2	3	5	5	3
Tenant & resident safety, damp/mould (10%)	2	3	3	5	5	5
Tenant disruption (5%)	4	4	4	3	3	3
Deliverability & funding risk (15%)	4	4	3	2	4	4
Weighted score (of 5)	2.1	3.0	3.0	3.9	4.5	4.3

5.7.1 The strategic question: continue as things are, or adopt the standard?

“Keep going as things are” is tested in both of its forms, and on the arithmetic alone it is the stronger case. Do-minimum avoids £5.1m of investment and lifts portfolio net present value to £18.6m, a £3.8m advantage over the proposed strategy. Against that, the quantified tenant benefit of proceeding is £1.64m of cumulative bill savings across the plan. These two numbers do not offset each other, and that the case for investing is therefore not primarily a financial one.

What that advantage costs. What the £3.8m buys is a portfolio that cannot meet the standards coming toward it. Under do-minimum, 292 homes are left with no route to the

strategy standard as the Social Housing Net Zero Standard and the Housing (Scotland) Act 2025 obligations tighten. Like-for-like glazing locks poorer U-values in for a further full component lifecycle. The tenant cost of inaction extends across almost the whole stock instead of being retired, and sale values would be expected to drift as the stock falls behind emerging standards. The £3.8m is therefore not a saving the Association could bank. It is a deferral of obligations that arrive anyway, taken at the price of the outcomes above.

The advantage stated three ways. Because the question will be asked in cash as well as in present value, all three measures are given. In cash terms the do-minimum spends £5.1m less over thirty years, and the Association's undiscounted net cash benefit is £5.1m higher. In present value terms the advantage is £3.8m; the difference between the two is discounting, since the additional investment falls mainly in the decade to 2037. And in borrowing terms — the binding measure — the do-minimum needs a peak of £1.29m against £6.33m for the Strategy standard unfunded, which is the source of its attraction: it is the only version of this programme that fits inside the Association's own borrowing capacity with no external funding at all. The recommendation is not that the do-minimum is poor value. It is that its value is bought by leaving 292 homes without a route to a standard that is coming anyway, and that the Association judges the external funding routes at Section 5.3 to be the better answer to the same constraint.

Provision-only is more instructive still. Held to the Business Plan provision with no additional borrowing, not one of the thirty-two zones is ever delivered. Lifecycle need alone outruns the provision from the first year and the backlog never clears, peaking at £2.4m, so no year ever carries a pound of spare capacity for an energy package. All 304 homes go untreated. Without new funding the Energy & Investment Strategy is not slower; it does not happen.

The position adopted. Homes for Life adopts the standard defined at Section 3.8 — every home affordable to heat and healthy to live in. Provision-only is recorded as evidence that the Strategy requires new funding, not as a live option. Do-minimum is set aside on non-financial grounds: its £3.8m advantage is real, and it is bought with tenant detriment, standards exposure and value erosion the Association is not prepared to accept.

5.7.2 The pace question: how fast should the standard be delivered?

Once the standard is adopted, Option C reaches the same specification but only at the smoothed lifecycle dates — the same destination arrived at a decade or more later for most homes. It delivers 64 homes at the strategy standard by 2036 against 304 under the proposed pathway, and carries a tenant cost of waiting of £0.32m over the plan, concentrated in the electrically heated third of the stock. Every scenario reaches the same ≈ £64,000 annual tenant saving eventually; what differs is who waits, and for how long. Pace is bounded on the other side by deliverability. A constrained semi-rural supply chain, the capital-ready pipeline, the annual grant cycle and tenant disruption set a practical ceiling, so the zoned pathway 2028–2037 — with 2026/27 committed to the grant-accelerated

Limeylands renewal and the ring-fenced Phase 1 cohort opening 2027/28 — is the fastest pace that is deliverable.

Deliverability test	Assessment
Technically achievable	Yes: proven components, zoned delivery, archetype-checked specification
Financially achievable	Yes, subject to the Section 5.3 financing review
Operationally achievable	Yes: paced to the semi-rural contractor market
Grant dependent	Partially: grant accelerates but is never a prerequisite
Customer supported	Tested through the involvement in Sections 2.2 and 6.3

The pace adopted. Limeylands first, on grant and component need. Phase 1 opens in 2027/28 with its membership set by the prioritisation framework and exempt from smoothing. Zoned delivery then runs to 2037. Pace is revisited on survey evidence and at each price cap revision.

5.7.3 The funding question: borrowing, disposal, or a blend

The funding question. One fact frames all three routes: this is additional finance for a cash-flow peak concentrated in the first decade, principally the window and door renewals falling due together, on a portfolio in which every home carries a positive 30-year NPV. Options D, E and F reach the same tenant outcome and differ only in how the $\approx$ £6.33m peak additional funding requirement is met,

Additional borrowing (D). This keeps every home in the stock but adds most to the borrowing requirement and consumes capacity that could otherwise support future development

Income-share renewables (E). This route would remove £1.77m of capex and improve portfolio NPV by $\approx$ £1.44m if applied across the stock. Because it rests on a contracted arrangement rather than a competitive award, it does not depend on government funding decisions and introduces no capital cost — at the price of sharing long-term energy value with a third party. It need not apply to every home: the framework at Section 4.2 identifies where the tenant value case is strongest, and those homes go to providers first. No provider offer or commercial terms have yet been sought.

What the fully funded route costs. The value of a solar and battery installation is priced independently rather than on the provider's figures. Valuing self-consumption at the electricity rates used throughout this Strategy and export at 5.5p, and allowing for panel

degradation and one inverter and battery replacement within the term, the array produces about £575 a home a year, of which roughly three-quarters is the household's bill saving and a quarter is export income. Over twenty-five years that is about £9,050 a home in cash. Discounted at the 3% real rate used everywhere else it is £6,350, against £8,500 of capital — 75p of value for every £1 spent. Self-funding therefore loses value on the Strategy's own measure, which is the first reason the partner route is preferred. How much a partner takes for meeting that capital cannot yet be stated. The largest part of the value is the tenant's bill saving, and the tenant keeps a saving under either route; what a partner captures is the export income plus the difference between what it charges the tenant for solar electricity and what that electricity is worth. No offer sets out that tariff, so the transfer is unquantified and is the single most important term to establish. A wider arrangement in which a partner also funded the clean-heat uplift would reduce the requirement to ≈ £2.40m and leave £601,000 of headroom. No such offer exists in the market as tested: the proposal in front of the Association covers solar and battery only. It is also possible that funding clean heat would require the tenant share to contribute toward capital, in which case the split between tenant, landlord and partner — and therefore the dual-ledger position — cannot be stated at all. It is recorded here as a market test to be pursued, not as a plan to be relied on.

Benefit brought forward. A funding partner delivers across the portfolio within about twelve months. Every home would hold solar and battery by 2027/28, against a zoned programme averaging 2031/32 — an acceleration of roughly four years a home. The capital position is unchanged, because the partner meets the cost either way; what changes is when the saving starts. Priced on the independently derived saving of £440 a home a year, cumulative tenant benefit reaches £366,080 by 2031/32 against £59,840 under the zoned programme, and £915,200 by 2037/38 against £529,760. Put the other way: a landlord-owned scheme would have to pass £760 a home a year to tenants to match the partner route by 2037/38 — more than the array yields on a gas-heated home. Within the period this Strategy covers, the timing gain exceeds the loss from sharing. Over the full thirty years the two converge to within 6%, so the argument is about the waiting decade and is made as such.

Testing the offer. Provider figures are not taken at face value. The indicative proposal models an annual tenant saving of £860 a home. At the electricity price used throughout this Strategy that requires 3,171 kWh of self-consumption, which is 117% of everything a gas-heated home on the Ofgem typical consumption figure uses in a year, and 92% of an Economy 7 home's. The proposal's own figures do not reconcile either: export earnings of £120 imply 2,182 kWh exported, leaving 1,983 kWh self-consumed, and revenue of £850 on that volume prices the electricity at 42.9p against a grid rate of 27.1p. Derived independently at 55% of household demand met by solar and battery, the saving is £403 in a gas-heated home, £516 on Economy 7 and £970 where a heat pump is already installed — a portfolio average of about £440. The quoted twenty-five-year totals also carry no panel

degradation, no inverter replacement and no battery replacement. Two consequences follow. The £440 basis is used for the timing comparison above. And because the value rises materially once a home is on a heat pump, a twelve-month portfolio-wide installation fixes the share while demand is still low: the term to negotiate is a share that steps with the load, not one set on today's consumption.

Targeted disposal (F). Selling homes could meet the requirement on its own. Five candidate portfolios are appraised. Each would raise between £5.5m and £7.6m, counting sale proceeds together with averted future investment those homes would no longer receive. The cost is between £0.8m and £1.2m of long-term value, and between 25 and 35 homes leaving rented supply. Because that exceeds the peak requirement, disposal is not forced by the arithmetic — the Association would rather borrow against homes it keeps. It is held as a contingency, and it does not compete with the funding-partner route: the two draw on different sources, so either can be taken further if the other falls short. These are cash figures at estimated values, before financing costs and before the pace at which homes become vacant.

What grant does. Grant is half the answer, and none of it is secure. Awards at current intervention rates cut the requirement from £6.33m to £3.85m on their own, and to £2.97m alongside partner-funded renewables — £1.58m of the £3.35m of external funding this Strategy relies on. It is won a year at a time in a competitive fund with no multi-year awards. Eligibility rules, intervention rates and the extra-over basis on which claims are made are set out in the Energy & Investment Strategy.

Recommendation. The programme is funded by grant and third-party investment together, with borrowing covering the residual. Neither external source is sufficient alone: grant alone leaves £3.85m and a funding partner alone £4.56m, against £3.0m of capacity. Together they bring the requirement to £2.97m. Borrowing then funds delivery on the zoned pathway rather than at levelled dates, which is what keeps every home, delivers the standard in full, retains for the Association the value that investment creates, and avoids the £181,000 transfer to tenants' bills that levelling would cause. The peak requirement is sized and stress-tested with the Association's finance consultant against the 30-year financial plan before any borrowing is committed.

Renewables: the element a partner funds. Solar and battery are the measures a third party can fund in full, and the recommendation assumes it. The assessment framework at Section 4.2 identifies where the tenant value case is strongest, and those homes go to providers first. If no acceptable offer arrives the requirement rises to £3.85m and the programme no longer fits within capacity — which is why the market is tested early and the position reviewed each year.

Disposal: the last resort. Targeted disposal is held as a backstop and is not part of the funding plan the Association intends to execute. It is triggered only by a set of circumstances that borrowing cannot reach: an opportunity to grow, on terms that deliver homes meeting

the Association's own standard for health and affordability, which the borrowing capacity available at the time cannot fund alongside the existing-stock programme. Absent that opportunity, the Association borrows and the portfolio is retained in full. Disposal is not a response to weakness in the stock, and no home is on a disposal path.

Timing is part of the test. The disposal portfolios are appraised against the stock as it stands today before investment. A home that has received its programme carries a different net present value and a different set of attributes, so the case for releasing it changes once it has been improved — and the Association does not invest in a home in order to sell it. The appraisal at 5.7.4 is therefore a snapshot with a shelf life, revisited if and when the question becomes live, rather than a standing shortlist.

The assumption this Strategy proceeds on. The Association borrows to invest in its stock, and seeks third-party investment for solar and battery on the homes where the tenant value case is strongest, taking that route only if the right partner and the right offer are found. The disposal framework is carried here so that a decision could be taken quickly and defensibly if it were ever needed. It is a capability, not an intention.

What the funding direction covers. The direction set out here is a direction and a programme of work to test it. It does not settle any particular commercial arrangement. Any income-share or third-party renewables transaction is taken forward as a separate business case, which must demonstrate value for money against the alternative of the Association funding the measures itself; a defined minimum tenant benefit; acceptable legal and accounting treatment, including whether the arrangement remains off balance sheet; procurement compliance; and appropriate retention of strategic control. That business case carries the terms that matter — contract term, the tenant share of savings and its indexation, ownership of the installed assets, roof access and maintenance liabilities, performance guarantees, termination, step-in and handback, treatment on disposal or demolition, lender consent, and consumer-protection and tenant-consent requirements. Loan structure, term, interest cost and covenant impact are specified with the Association's finance consultant against the 30-year financial plan before any borrowing is committed (Section 5.3).

Sensitivity. The choice holds under the Association's principal sensitivities: higher inflation, lower grant, higher borrowing costs, higher energy prices and lower rent increases. Grant moves the pace and the peak, not the choice. Energy-price rises strengthen rather than weaken the case, because they increase the tenant cost of every deferral. Higher borrowing costs bite hardest, because borrowing carries the residual after grant and partner funding — and that is the sensitivity the financing review at Section 5.3 stress-tests before any commitment is made.

What if neither reduction materialises. The plan is sized on borrowing alone. If no acceptable renewables partner emerges, nothing in the programme changes; the Association simply borrows the full requirement. The disposal backstop may never be

triggered. Both have specific circumstances where they improve the position but neither is assumed in the base case. The corollary is that the backstop should be read as cover in amount rather than cover in time: rented sales proceed only on vacancy, and the window in which a candidate property is both unimproved and vacant narrows as the programme delivers and the NPV would need to be reconsidered if a sale was proposed. Within the strategy, property sales are a response to a strategic opportunity, not a source of liquidity on demand.

5.7.4 If stock is sold: what should choose the homes?

Five candidate portfolios have been appraised, each expressing a different selection driver. They are built on actual rents and estimated sale values, and will be revisited once Home Reports are obtained. One consequence of the all-green portfolio must be stated before the drivers: every disposal candidate is a performing asset with a positive 30-year NPV. There is no naturally disposable stock. Any sale sheds a good long-term investment to fund the improvement of the rest — a cash-flow choice, never a quality judgement. Three drivers compete for the selection decision, and the portfolios make each of them concrete.

Disposal portfolio (model, 14 Jul 2026)	D1 Pure financial optimum	D2 Shared equity first + ratio order	D3 Mixed (max 6 sales per settlement)	D4 Income-share + shared equity	D5 Board steer (Zone 24 sold, no Gullane)
Homes / shares sold	25			27	35
of which shared equity shares	0	11	11	11	11
Effective contribution £m (proceeds + avoided investment)	7.40	7.55	7.55	5.50	7.27
30-yr NPV foregone £m	0.76	1.12	1.12	0.89	1.22
Cash released per £1 of NPV foregone	£7.89	£5.60	£5.59	£5.13	£4.91
Largest number of rented sales in one town	12	10	6	4	17 (East Linton)
Weighted score (of 5)	3.5	3.5	3.75	4.1	2.8

Driver 1, pure arithmetic. The ranking rule releases the most cash per pound of NPV foregone, and this points hard at the highest-value towns: sale values vary roughly five-fold across the stock (an Elphinstone flat, postal town Tranent, ≈ £135k to a Gullane house ≈ £350k) while 30-year NPVs vary far less, so Gullane keeps surfacing in the optimum. This is

arithmetic, not a judgement about the homes — and loading actual rents softens it, since Gullane rents and NPVs are above average and the pure optimum now spreads across six towns (a maximum of 12 Gullane sales, previously 17). Arithmetic selection maximises value for money (D1: £7.89 per £1 of NPV foregone) but is blind to standards risk and to community consequence, and left unconstrained it concentrates sales in single settlements.

Driver 2, stock that cannot reach the standard. This driver sells the homes hardest to bring to the standard. As a general rule it is rejected: the homes with the highest retrofit cost are the ones whose tenants carry the highest energy bills, so selling them moves the problem rather than solving it, and it removes the stock where investment delivers most. One group is different. The improvement plan identifies no retrofit measures at all for the nine conversion flats at Prestonkirk House, East Linton — the only homes in the portfolio with no route to the standard — and the neighbouring Smiddy Wynd bungalows carry the plan's only uncertain items, ventilation and floor insulation marked as questions rather than measures. Conversion, heritage and communal constraints make cost and feasibility genuinely unknown there in a way the NPV cannot see, and Zone 24 is where the Association carries its highest-uncertainty liability. If the backstop were drawn on, those sixteen homes have a stronger case than the arithmetic ranking produces — selling them removes risk the Association cannot presently price, where selling in Gullane would release well-understood homes whose works are routine. Feasibility work on Zone 24 is therefore commissioned regardless of any disposal decision.

Driver 3, social and community factors. The third driver is neither cash nor retrofit risk but the social consequence of selling: housing need and lettable supply by town, community concentration, the benefit-dependency and arrears profile of the affected developments, and the effect on the Association's presence in a settlement.

The social evidence still to come. The disposal appraisal rests on financial, strategic and place-based evidence, and that evidence supports the conclusion reached. A dedicated social collation is in preparation — waiting-list pressure, turnover and refusals by settlement and property type, tenancy-sustainment and community-impact evidence, the benefit-dependency and arrears profile at Section 3.7, and the circumstances of affected tenants and shared equity owners. It will refine which homes would be selected, not whether the backstop exists or how it is triggered. Until it reports, any consideration of rented disposal is limited to contingency planning and no rented home proceeds to sale.

How any sale proceeds. Whatever portfolio is drawn, the mechanics are fixed and tenant-protective. Rented homes are sold only on vacancy, in the ordinary course of turnover: no tenant is required to move, and no tenancy is ended, to enable a disposal. Shared equity shares are offered first to the sitting owner. The 16 mid-market homes are additionally bound by the intra-group lease to Homes for Life Plus and by the tenancies HFL Plus has granted, so any future consideration of them addresses the lease terms first — though none features in the current shortlists, which their high NPVs keep them out of on arithmetic

alone. Every disposal follows the Scottish Housing Regulator’s notification regime under the Housing (Scotland) Act 2010 and the Association’s own Standing Orders. Home Reports are obtained before any home is marketed and the appraisal is revisited on their evidence. Proceeds are tracked against the funding requirement they exist to meet.

Safeguards for tenants and communities. Tenants and shared equity owners affected by any live proposal are engaged directly, ahead of public marketing, under the involvement commitments in Section 6. An Equality Impact Assessment is completed on this Strategy at adoption, and on any drawdown of the rented portfolio before it proceeds. Where a proposed drawdown would materially change the Association’s presence in a settlement, community-level engagement precedes the decision: the place is consulted, not only the households directly affected.

Pace and deliverability. Vacancy-led sales move at the speed of turnover, and the Association’s turnover is exceptionally low — void loss 0.07%, average re-let 24 days. At recent letting rates the rented candidates may generate only [X–Y vacancies a year — insert from lettings data]. The backstop is therefore treated as cover in amount but not in timing. The financing plan does not depend on when rented sales complete, and the shared equity shares, which do not wait for a vacancy, are the fast component.

Recommendation. The disposal framework is adopted so that the Association can act quickly and defensibly if the circumstances at 5.7.3 arise. It is not an instruction to sell. If the backstop is drawn on, homes are selected through the D3/D4 architecture — shared equity shares first, then per-settlement caps and the affordability screen at Section 3.7, so that no single community carries a disproportionate share of the sales. The Zone 24 standards-risk case (D5) is retained as a live alternative, to be retested once the stock condition survey prices the Prestonkirk House and Smiddy Wynd uncertainties. Until the social-evidence collation reports, disposal activity is limited to the shared equity shares and no rented sale proceeds.

Keeping the decision under review. The options grid, the disposal portfolios and their scoring are at Appendix G, with the weightings the Board has set. The appraisal is revisited on completion of the stock condition survey, on completion of the social-evidence collation, at each Ofgem cap revision, and whenever disposal-market or borrowing conditions move materially.

Section 5 in summary. Six positions follow from the appraisal in this Section, together with five pieces of work that follow from them.

The positions this Section adopts:

Position adopted	Set out at
Retention of the portfolio, with continued investment in it	5.1, 5.7.1

The strategy standard — every home affordable to heat and healthy to live in	3.8, 5.7.1
Both ledgers weighed together wherever levelling affects an energy measure	5.6
The zoned delivery pathway to 2037, opening with the matrix-selected Phase 1 cohort in 2027/28	5.7.2
Partner-funded solar and battery with grant alongside, and borrowing for the residual requirement	5.7.3
Retention of the disposal framework as a contingency, with no home on a disposal path	5.7.4

Officers will then complete:

Officers will complete	Returns to the Board
The external financing review — loan structure, term, interest cost and covenant impact	Before any borrowing is committed
The stock condition survey, and the programme refresh that follows it	On completion; refreshes the delivery programme
The social-evidence collation for the disposal drivers	On completion; refines selection, not the conclusion
A business case for any third-party renewables arrangement	Before any commitment is entered into
The annual delivery plan, and the annual report on the tenant cost of inaction	Annually, with the asset and compliance report

Borrowing capacity and the funding routes. External borrowing capacity is understood to be approximately £3.5m, of which about £3.0m is available for investment in existing stock; the external financing review confirms the figure before anything is committed. Measured as the peak cumulative funding requirement, the like-for-like counterfactual needs ≈ £1.29m and the fabric programme in full — enhanced windows and doors with all insulation measures — needs ≈ £2.06m, both inside capacity. The full standard funded entirely from the Association’s own resources needs ≈ £6.33m. A fully grant-funded programme at the Fund’s actual rates needs ≈ £3.85m. With a partner meeting solar, battery and the clean-heat uplift, and grant claimed on fabric and the window enhancement, it needs ≈ £2.40m. Borrowing therefore funds the fabric programme but not the energy programme, and grant on its own does not close the difference. A funding partner for the renewables and clean heat is the condition on which this Strategy can be delivered.

What each route delivers. Measured as the peak cumulative funding requirement, and tested against the Fund's 2026/27 Guidance Note, the routes are these. The like-for-like counterfactual needs $\approx$ £1.29m and sits well inside capacity, but treats twelve homes and leaves 292 with no route to a future standard. The fabric programme in full — enhanced windows and doors with all insulation measures — can be self-funded at $\approx$ £2.06m. Funded entirely from the Association's own resources the full standard needs $\approx$ £6.33m. Grant on fabric and windows and doors alone needs $\approx$ £4.71m, and a fully grant-funded programme at the Fund's actual rates $\approx$ £3.85m — neither reaches capacity, because solar and battery attract 50% as energy-efficiency measures rather than 60% as clean heat, and because where a component is replaced at the end of its life the Fund meets only the difference between like-for-like and the improved measure. The recommended route combines a funding partner for solar and battery with grant at 60% on the heat pump extra-over and 50% on fabric and the window enhancement: $\approx$ £2.97m, inside by £29,000. Eligibility runs one way throughout — solar and battery qualify only alongside a clean heat technology, while a heat pump carries no such condition — so partner-funded panels leave the heat pump claim intact and simply fall out of the application.

Conditions attached to the Fund. Four conditions of the Fund shape delivery and are reflected in Section 6. Awards are single-year, so the annual zone-by-zone application cycle described there is replaced by one application covering several measures and locations. Grant is capped at £5m per organisation and at an average of £35,000 per property, neither of which binds here. Match funding must be secured by legally binding agreement before a grant offer is issued, which means any partner contract is signed before the grant application completes rather than held behind it. And only mechanical ventilation with heat recovery is eligible, so the ventilation and indoor air quality programme is funded from the Association's own resources. The Fund closed to new applications on 11 May 2026; the Strategy assumes it reopens and records that delivery is contingent on it doing so.

What this Strategy does not settle. The financing strategy, any third-party renewables arrangement and any disposal decision are each taken forward separately. This Strategy sets the direction and the work to test it; it does not commit the Association to any of those three transactions.

6. Strategy, targets & delivery (Principle 5)

Strategic outcomes. The purpose of this Strategy is not to complete a series of maintenance programmes; it is to improve long-term outcomes. Success is therefore measured against six strategic outcomes, and the targets and actions below exist to deliver them:

Outcome	What it means
Safe homes	Every home remains compliant with statutory requirements and landlord responsibilities.

Healthy homes	Investment improves comfort, ventilation and indoor environmental quality, and reduces damp and mould risk.
Affordable homes	Investment reduces household energy demand and helps tenants manage living costs.
Sustainable homes	Investment supports the transition to lower-carbon homes while protecting long-term affordability.
Financial resilience	Investment is planned to remain affordable within the Association's long-term financial capacity while protecting the ability to respond to future opportunities.
Better asset intelligence	Investment decisions become increasingly evidence-led as asset information improves.

The Homes for Life standard. Every Homes for Life home should be:

- safe and legally compliant;
- wind- and watertight, and in good repair;
- warm, healthy and adequately ventilated;
- affordable to heat at the tenant's own fuel price;
- accessible and adaptable where reasonably practicable; and
- resilient to a changing climate and to future regulatory change.

Component specifications, lifecycle periods and the zoned programme all serve this standard, and the targets below measure progress towards it.

6.1 Setting strategy targets

The strategic target dashboard: what success looks like at each horizon.

Theme	By 2027	By 2028	By 2031
Stock intelligence	Survey aiming at 100%	Live validated database	Continuous validation
Customer affordability	Limeylands savings measured	Phase 1 cohort delivered and verified	Measured bill reductions zone by zone
Compliance	SHQS 96.7%	Hold at 100% of eligible stock	Hold through SHNZS transition
Energy & fabric	Limeylands delivered	Phase 1 complete; zones running	Zoned pathway on schedule to 2037

Finance	Financing review complete	Funding in place; programme on track	Balanced plan; all homes NPV-positive
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Homes for Life adopts measurable whole-stock targets. All 304 homes reach the strategy standard by end 2037, with 284 complete by end 2036. The all-green, no-negative-NPV financial position is held, and any movement to red triggers investigation and an intervention plan. The matrix-selected Phase 1 cohort is delivered and verified by end 2028, with the wider stock moving towards approximately 70 kWh/m²/yr through the zoned programme. The outstanding tenant cost of inaction is reported annually and trends downward as delivery proceeds. A compliant SHNZHF application is submitted in every year the Fund is open, with grant won reported against modelled potential.

6.2 Annual Action planning

Table x below

Year 1 (2026/27) leads with component need aided by grant. The Limeylands Court windows and doors — ≈ £0.34m of renewal the revised survey confirmed as due now — are brought forward with 50% grant funding, alongside completion of the stock condition survey and the data improvements this Strategy depends on. Phase 1 stabilisation opens in 2027/28: the matrix-selected cohort at an indicative ≈ £165,000 and the ventilation and air quality works at £52,000, delivered alongside the grant-accelerated Macfarlane Court renewal. Years 2 to 11 deliver the thirty-two zones between 2028 and 2037, renewing windows and doors at the enhanced specification and adding each zone's insulation, renewables and clean-heat measures as funding allows. Where a zone is small enough that the cohort covers most of it, it is completed in the same visit. The plan is refreshed annually and re-sequenced on survey evidence.

How the sequence is set. The order in which zones are delivered follows the weighted twelve-indicator score at Section 4.1 — worst-scoring zones first — constrained to an even annual energy spend envelope so that no single year carries a disproportionate share. Applying the framework rather than energy performance alone changes the order materially: the fourteen homes at Zone 19 and the eight at Zone 22 move from the last two years of the programme into the first, while three zones scoring in the best third move later. The delivery window, the peak annual spend and the funding requirement are unchanged, and the annual profile is slightly flatter than the sequence it replaces. The peak year is set by Zone 13, whose 47 homes cannot be divided between years without dividing the scaffold and the procurement package with them. The sequence is revisited at each annual review as scores are refreshed, and any departure from it on funding grounds is reported to the Board with the homes displaced.

Year 1 (2026/27) activity	Owner [confirm]	When
Stock condition survey — completion, integration, revised appraisals	Asset & Maintenance Manager	Q1–Q3
Limeylands Court (Zone 7) windows & doors renewal — ≈£340k, 50% Scottish Government grant, brought forward on revised survey and customer feedback	Asset & Maintenance Manager	Q2–Q4
Phase 1 stabilisation — matrix-selected cohort (≈ £217k indicative, of which the cohort measures are £165k) and ventilation/IAQ works (£52k) — capital-ready this year, delivered 2027/28	Asset & Maintenance Manager	Q2–Q4
Data improvements — build-year reconciliation, missing EPCs, HFL Plus component schedule & lease, Home Master loader integration	Asset & Maintenance Manager / Maintenance Admin	Q1–Q2
SHNZHF application — 2027/28 zones to capital-ready, submission at round opening	Asset & Maintenance Manager / Finance Manager	Per round
External financing review brief — recommended route to finance consultant	Finance Manager	Q3
Social-evidence collation for the disposal appraisal	Housing Manager	Q2–Q3
Post-works tenant satisfaction & measured-savings baseline (Limeylands cohort; Phase 1 follows 2027/28)	Housing Manager	Q4

6.3 Who is involved

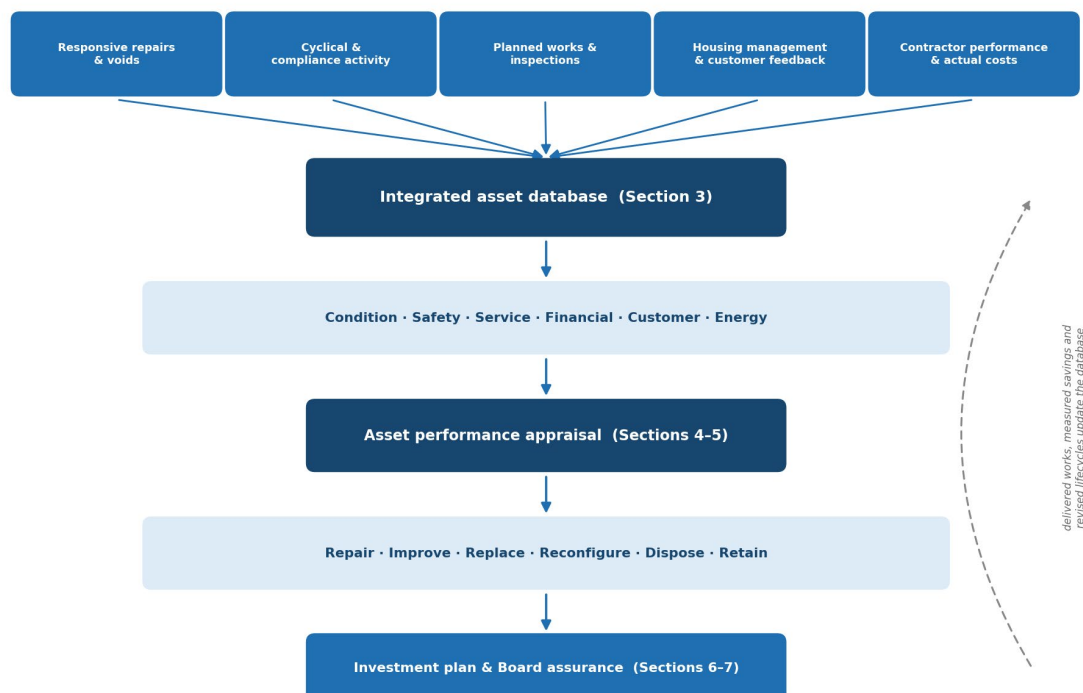
Accountability for evidence, decisions, delivery and assurance sits as follows:

Role	Principal responsibility
Board	Strategy, priorities, resources and assurance
CEO	Executive ownership and organisational coordination
Asset & Maintenance Manager	Asset intelligence, compliance and programme delivery
Housing Manager	Customer insight, demand, access and tenant outcomes
Finance Manager	Business-plan alignment, affordability and funding

External advisers	Independent technical, compliance and financial assurance
Tenants	Priorities, standards, affordability choices and post-investment feedback

6.4 Resource planning, finance & funding

Delivery is organised through three connected maintenance streams: responsive and void repairs; cyclical servicing and statutory compliance; and planned investment and component renewal. Information generated through each stream — repair patterns and component failures, servicing findings, void inspections, completed works, customer feedback, contractor performance and actual costs — feeds back into the asset database, so operational experience continuously improves future investment decisions (Section 3.3). The asset strategy therefore encompasses the whole maintenance system, while the operational detail is held in the annual asset management plans and maintenance policies beneath it.



The operational evidence-to-decision loop: every maintenance stream is a source of asset intelligence, combined in the database, weighed across the six evidence dimensions, appraised, and returned as an intervention decision — with delivered outcomes updating the database for the next cycle. Detailed service standards sit in the repairs, maintenance, compliance and procurement policies; this Strategy defines how their evidence is used.

The programme's funding requirement is set against the current business plan provision of £11.1m, alongside targeted grant funding and — where whole-life value supports it — alternative delivery models. The choice of strategic option is taken through the whole-stock

appraisal at Section 5.7; the financing of the chosen option is then specified with external financial advice. That review's brief includes testing sustainability-linked and other ESG-labelled lending products against the Strategy's measurable targets — kWh/m²/yr trajectories, tenant bill savings and the tenant cost of inaction — which are precisely the indicators such products price against.

Grant application is a core, resourced staff activity rather than an opportunistic one. Zones due for delivery in year N are brought to capital-ready status in year N-1: surveys complete, specification settled, costs quoted, tenant engagement begun and consents identified. The Fund makes single-year awards and expects one application per organisation covering several measures and locations, so the Association prepares a single portfolio-wide bid rather than a bid per zone, and holds a standing pipeline so that a round opening at short notice can be answered. Every outcome, won or lost, is reported to the Board with its effect on the funding profile. Reliance on grant is therefore always visible and never assumed.

The Association does not treat its two sources of external funding as interchangeable, and it depends on both. The solar and battery route is contractual: a third party finances, installs and maintains the assets at no delivery cost, so the relief is secured by negotiation and survives any government funding outcome. Its price is that the value of the generation is shared, and that off-balance-sheet does not mean off-risk. Grant is the opposite — free of those strings, but competitive, single-year and never guaranteed. Neither on its own is sufficient: partner funding alone leaves a requirement of £4.56m and grant alone £3.85m, against a £3.0m facility, and only together do they bring it to £2.97m. Treasury planning therefore carries both in the base case and holds no assumption that either is secure. A lost grant round does not slow the programme, it breaks the funding position — which is why the annual review tests it and why the phasing and zone-splitting levers set out in the executive summary are held against it.

Procurement. Delivery follows the Energy & Investment Strategy's NEC4-aligned, zone-packaged approach, matched to a constrained semi-rural supply chain. Packaging is also a market-development tool: lot sizes are set so regional SMEs can bid credibly, the pipeline is published forward so contractors can plan against it, and second-supplier options are tested before each delivery year. Contracts carry community-benefit requirements proportionate to their size.

Value for money does not mean lowest initial cost. Investment and procurement decisions consider whole-life cost, component durability, customer outcomes, energy savings, maintenance burden, risk allocation, social value and deliverability; the preferred option is the one providing the strongest overall outcome over its intended life within the resources available. Consistent with the strategic component standardisation adopted in Section 5.2, the Association will seek to procure strategic component programmes at portfolio scale wherever standardisation demonstrably improves whole-life value, customer outcomes and procurement efficiency.

Retrofit quality assurance is provided by the Energy & Investment Strategy's quality-control framework, which is equivalent in intent to PAS 2035 — whole-dwelling assessment, competent design, ventilation coordination and post-installation monitoring — with PAS-certified routes used where a funder requires them. Before a zone's programme is commissioned the asset manager may model its homes against the Energy & Investment Strategy's construction archetypes, so that specification responds to location and orientation rather than a single product being applied throughout. Post-works tenant satisfaction is captured for every zone and reported to the Board alongside the measured-savings evidence. External technical expertise supplements in-house capacity where needed.

Delivered by 2031

- Accurate, survey-validated asset data behind every decision.
- The investment programme funded and on schedule.
- Tenant energy bills measurably reduced, fuel by fuel.
- Compliance held and independently assured throughout.
- Customer satisfaction with repairs and value recovered.
- The Strategy refreshed on evidence, not on the calendar.

7. Continuous improvement, monitoring & assurance

This section explains how Homes for Life continually tests the Strategy against new evidence so that investment decisions remain valid throughout the life of the document. This Strategy is reviewed annually against changes in asset condition, customer needs, financial performance, regulation, construction costs, energy markets and organisational priorities — and each review strengthens the evidence base, so the Strategy becomes more accurate, more targeted and more effective over time. The machinery that delivers that is set out below.

Delivery is monitored through annual asset-management plans, dynamic and short-term, inside the reporting rhythm Section 2 establishes — the quarterly asset and compliance report to the full Board and the annual review of targets and action plan — within a strategy review cycle of no more than five years.

KPIs reported to the full Board, to tenants and to the Regulator include the percentage of stock rated green, amber and red; safety and standards compliance; demand and voids; NPV trend; the energy and affordability indicators; the outstanding tenant cost of inaction, re-priced at each Ofgem cap revision; grant performance; measured tenant bill savings against modelled on each completed cohort; and post-works tenant satisfaction by zone. Data status is stated on the face of every report. Ten defined triggers bring the Strategy back to the Board early: the stock condition survey completing; the Sava space-heat list being confirmed; the social-evidence collation completing; the external financing review

reporting; a material regulatory change; energy prices moving enough to change the Section 5.6 evidence; disposal-market or borrowing conditions moving materially; material contractor failure or a major safety finding; demand deteriorating significantly; or a new corporate plan being adopted. Asset and energy results, including the bill savings delivered, are reported to tenants through the annual performance report. Homes for Life self-assesses this Strategy against the Recommended Practice's five principles at each annual review, and that self-assessment forms part of the evidence for the Board's Annual Assurance Statement.

When a trigger fires, the response is mechanical rather than discretionary: the evidence changes, priorities are reassessed, the Board considers the result, and the programme is updated. This Strategy is a living management framework rather than a fixed plan: investment priorities are refined whenever new evidence becomes available, while the Strategy itself provides the stable governance framework within which those changes are made.

The Board's monitoring rhythm in one view:

What is monitored	Frequency	Reported to
Compliance & safety	Quarterly	Full Board
Programme delivery & spend	Quarterly	Full Board
KPIs & data status	Quarterly	Full Board
Customer outcomes & measured savings	Six-monthly	Full Board & tenants
Targets, action plan & reprioritisation	Annually	Full Board
Full Strategy refresh	Five-yearly, or on trigger	Full Board

Benefits realisation: each investment is judged by whether it worked, not whether it was spent:

Investment	Evidence of success
Windows & doors	Measured fall in space heat demand and fuel-specific bills
Ventilation & IAQ works	Damp and mould recurrence falls; reopen rate broken
Stock condition survey	Survey-priced programme replaces modelled placeholders
Zoned energy packages	Post-works satisfaction and measured savings, zone by zone

Procurement approach	Whole-life value delivered; contractor performance improves
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The value of this Strategy lies not in predicting every future decision, but in ensuring that future decisions continue to be made on the best available evidence. As the Association's understanding of its homes improves, so too will the quality of its investment decisions. Continuous improvement is therefore not an additional activity; it is the mechanism by which integrated asset management is sustained. Document control	
Version / status	V1.0 — draft for Board approval, July 2026
Adopted	19 August 2026
Review due	August 2031, or earlier on the triggers above
Owner	Maintenance Manager, reporting to CEO
Related documents	Business Plan & 30-Year Financial Plan; Energy & Investment (Decarbonisation) Strategy; Asset Management Investment Model; annual asset management plans

8. Appendices

The evidence base supporting this Strategy is held in the Asset Management Investment Model and the Energy & Investment Strategy, and is issued with this Strategy as the Appendices A–K evidence pack. The table below is the guide to that pack: what each appendix holds, why it is held, and where in this Strategy it is used. The appendices are approved, reviewed and re-issued with this Strategy, and every figure in them is consistent with the evidence base.

Appendix	What it holds	Why it matters
A — Asset database schema and Property Register	The fields held for every home, joined to the component loader by UPRN; the per-home NPV schedule.	Answers three questions for every home: when each component needs replacing, what that will cost, and what the home is worth over thirty years. Used at 3.1, 3.3, 3.6.
B — Key indicator set, weightings and scored view	The twelve indicators, the recommended category weightings, and the green / amber / red view of every home and zone.	Shows why no single measure can dominate an investment decision, and how each indicator is scored and weighted. Used at 4.1, 4.2.
C — Costed 30-year programme and smoothed profile	Component costs by five-year band, total need against business-plan provision, and the smoothed delivery profile.	Shows what smoothing the programme achieves, and what it charges. Whole zones move together, so a court is never half-renewed. Used at 3.3, 5.3.
D — Stock zoning catalogue and archetypes	The 32 zones with homes, locations, delivery years and NPV per home; the archetype modelling note.	Shows why similar homes are designed once and delivered together, and when each zone is due. Used at 3.9, 6.2.
E — Tenant cost of inaction and scenario comparison	Unit rates, glazing-tiered saving assumptions, per-home savings, and three delivery choices compared on a tenant-bill basis.	Puts a number on the second ledger: deferring an energy measure does not lose the tenant's saving, it delays it. Used at 5.3, 5.6.
F — Zone and home NPV schedules	Net present value per zone and per home, with valuation notes and the assumptions applied.	Shows what each home contributes financially — a prioritisation lens, never a disposal decision on its own. Used at 3.6, 5.1.
G — Disposal and option-appraisal records	The whole-stock options grid, the disposal portfolios, and the weighted scoring behind each.	Shows why the financial optimum points where it does, and why the Board steer points elsewhere. Used at 5.7.
H — Asset risk register	The asset risks carrying material exposure, with mitigations and owners.	Records the risks that could change the programme, the funding requirement, or the evidence the Board relies on. Used at 5.5.

I — Sub-strategy map and SHR principle cross-walk	How the strategy documents relate to one another, and where each recommended-practice principle is answered.	Sets precedence, so a reader knows which document governs where they appear to disagree. Used at 1.2, 7.
J — Investment case for lenders	One page: the questions a funder asks, and where this Strategy answers each of them.	States the financial position a funder will test — and, beside it, what a funder should also know. Used at 5.3.
K — Glossary	Plain-English meanings for the technical terms used in this Strategy.	Makes the evidence base readable by the people it affects. Used throughout.

Items still to arrive

Some items this Strategy references are not yet available. They are listed below, tracked to zero under Section 7, and the relevant section and appendix are updated as each lands. None of them changes a conclusion reached in this Strategy.

Outstanding item	Where it belongs	Owner action
Tenure of 36 and 37 Muirfield Gardens	Section 3.4	Reconcile the shared ownership list against the rented property register; one property is recorded in both
Confirmation of the primary energy factor basis against the EPC vintage in use	Sections 4.2, 5.6; Appendix E	Compare one storage-heated home's certificate against the model; re-run if it differs
Re-run of the weighted scoring matrix on the corrected energy figures	Section 4.1, 4.2; Appendix B	Re-run before adoption; green and amber counts will change
Board adoption of the recommended indicator weightings	Section 4.1; Appendix B	Decision at Strategy approval
Stock condition survey outputs	Appendices A, C and F	Commissioned; replaces modelled component dates and re-sequences the programme
Housing team exception dataset (turnover, refusals, bids, ASB, hardship referrals)	Sections 3.5, 3.7; Appendix B	Completes the customer and strategic indicators, which currently score at organisation level
HFL Plus component schedule and intra-group lease terms	Sections 3.1, 3.5; Appendices A and F	Being finalised; allows repairs cost to be held per tenure
Provider offer and principal commercial terms for third-party renewables	Sections 5.7.3, 6.4	Separate business case to the Board before any commitment

Outstanding item	Where it belongs	Owner action
External financing review	Section 5.3	Confirms borrowing capacity and structure; reports before the first year that depends on borrowing
Social-evidence collation for the disposal drivers	Section 5.7.4; Appendix G	In preparation
Expected vacancies per year for the rented backstop	Section 5.7.4; Appendix G	Insert from lettings data
Heating type for the three homes without a lodged EPC	Sections 3.8, 5.6; Appendix E	Confirm on survey; held at stock-typical values
Solar PV and battery installed status per home	Section 3.1; Appendix D	97 confirmed without; verify the balance against installer records
Phase 1 grant assumption	Section 6.2	The model books Phase 1 grant at £82.5k on one sheet and £66k on another; settle to one figure
Zone delivery years used in the grant profile	Appendix D	The grant calculation runs on a different year sequence from the published catalogue; align the two
Bankfoot (Zone 4) income and lease arrangement	Appendix F valuation notes	Confirm and record
ARC comparator refresh to 2025/26 national results	Section 4.3	Refresh on publication of the national report
Adoption date, review date, document owner and Year 1 action-plan owners	Sections 6.2, 7	Complete on Board approval