

# **Cobalt Housing - Growth & Investment Strategy 2026-2031**



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**This Strategy outlines Cobalt Housing's ambitious plans for Growth and Investment from 2026 to 2031. The Strategy is wide-ranging, and encompasses our targets for new homes, investment in our existing homes, other routes to growth, as well as our approach to the new Decent Homes Standard, the Minimum Energy Efficiency Standards (MEES) and building safety.**

The Strategy positions Cobalt as a financially resilient, medium-sized housing association, capable of managing at least 8,000-10,000 homes over the next 5-10 years, improving customer outcomes by providing warm and safe homes, supporting affordable housing need and acting as a strong and influential stakeholder for our customers and communities across the Liverpool City Region.

Since launching our Corporate Plan in 2023, we have entered a significant period of transformation as a business. We are progressing well towards our ambition to deliver 1,000 new homes, with major strategic schemes now on site across our core neighbourhoods and expanding our reach across the wider Liverpool City Region. Our mixed-tenure development portfolio continues to demonstrate the scale of demand for high-quality, affordable homes.

We are now just over a year into the launch of our in-house repairs service, and in November 2025 we opened our dedicated maintenance headquarters at Villiers Court. The accelerated delivery of planned reinvestment works, and our energy-efficiency programmes are improving the quality of our homes and have demonstrated significant measurable gains in performance and customer satisfaction. These improvements are reflected across all Tenant Satisfaction Measures and wider customer service feedback.

The launch of this Strategy coincides with major changes in our operating landscape, including policy directives driven by the Social Housing (Regulation) Act 2023, the Renters' Rights Act 2025 (which came into force in October 2025), and a renewed focus on safety, quality, and supply. This includes the introduction of a 10-year rent settlement of CPI+1% from April 2026.

The new Homes England Social and Affordable Housing Programme 2026-36 (SAHP) signifies a step change in development delivery, and Cobalt is committed to retaining its Homes England Investment Partner status with an ambition to deliver a further 1,000 homes by 2032.

We have developed this Strategy in close conjunction with our Board, our customers and our other significant stakeholders, and we would like to thank them for their critical contribution.



**Mark Patchitt,**  
Chair of Investment and  
Development Committee

# Introduction

**Cobalt Housing is a registered housing association based in North Liverpool, formed in February 2003 following the transfer of homes from Liverpool City Council. We manage and maintain around 6,000 affordable homes in Fazakerley and Sparrow Hall, Croxteth and Norris Green. Most of our housing stock is pre-1945 three-bedroom homes.**

Our portfolio includes around 500 flats and 300 bungalows. Our flats are split across 111 blocks, the majority being two or three storeys high, with 65 of them containing communal areas. By March 2027, we will have built a further 470 homes at locations in Liverpool, Sefton, Knowsley and St Helens.

In terms of tenure profile, as of March 2026, 91% of our homes are let on a Social Rent basis, 7% as Affordable Rent and 2% as Rent to Buy, Shared Ownership or Market Rent. The high proportion of older, social rented homes provides longer-term risks around sustainability, and we need to address the imbalance of social rented properties with alternative forms of tenure to provide greater choice for our customers.

Since stock transfer in 2003, Cobalt has sold or disposed of almost 1,200 homes (an average of 78 per annum), via the Right to Buy and Right to Acquire, or through demolition, and has purchased or built 528 homes. Of the new homes, 470 have been committed/completed between 2023 and 2026.

Our current development programme includes homes for shared ownership and rent to buy and we also have a small portfolio of homes let at market rent.



## Our Organisational Value and Aims

**In 2023, we launched our five-year Corporate Plan, with ambitious targets to deliver the best that we can for our customers and communities, underpinned by our Vision and Values as an organisation. This Strategy delivers positive outcomes for three of the four Corporate Plan objectives:**

### We will Invest in Quality Homes



Over the next five years, Cobalt will spend [£275m] on development, investment and energy efficiency through a combination of new build development, component replacement and energy efficiency measures in existing homes and the acquisition of existing homes from other landlords.

### We will Support our Communities to Thrive



Through planned growth, we will increase housing choice, support estate regeneration, and create thriving communities where customers feel proud to live. By integrating customer insight into scheme design and specifications, investing in neighbourhood improvements and ensuring that new supply supports service efficiency, our development and investment programme becomes a key enabler of better outcomes, stronger relationships with customers and a consistently high standard of service delivery.

### We will Provide Excellent Customer Services



Development and investment activity play a central role in providing excellent customer services by ensuring our homes and neighbourhoods are high quality, well-maintained, and aligned with the needs of current and future customers. By delivering new homes in the right places, investing and modernising our existing homes, we create safer, warmer and sustainable homes that reduce repair demand, improve affordability and increase satisfaction for customers.

We will use our investment and development programmes to create social value for our customers and communities. We will generate training and employment opportunities from contractors and our in-house Cobalt Housing Property Services (CHPS) service. We will use local and regional supply chains where possible to maximise our social and economic impact in our areas of operation.



# Strategic Context (National)

## Affordable Housing Funding

**The current funding and policy context for affordable housing supply and investment is more favourable than it has been for many years and creates a positive platform for growth. Highlights include:**

- A ten-year Social and Affordable Housing Programme with £39bn committed. Government priorities are for social rented homes – grant is also available for Affordable Rent and Shared Ownership, and for Specialist Supported Housing and rural homes alongside mainstream housing.
- Reinstatement of rent convergence – from April 2027 we can increase rents by up to £1 per week more than the CPI+1% rent settlement, increasing to up to £2 per week (year 2) from April 2028 to accelerate convergence with Formula Rent.
- A ten-year rent settlement, which provides us with longer-term certainty over our rental income, allowing annual rent increases of up to CPI +1% from April 2026. This certainty will enable us to plan and fund major investment in new homes, existing stock, safety, quality and decarbonisation programmes
- From 1 April 2026 – launch of a new National Housing Bank with £16bn to deploy as debt and equity at favourable rates to support delivery of new homes.

In addition, Government funding continues to be available for investment in existing homes:

- Wave 3 Social Housing Decarbonisation Fund - £1.29bn is available between 2025 and 2028 to support upgrading existing social housing to energy performance certificate (EPC) level C.



## Local Context

The devolution agenda continues to mature. As an established Mayoral Combined Authority, the Liverpool City Region (LCRCA) constituent councils: Halton, Knowsley, Liverpool, St. Helens, Sefton, and Wirral), has devolved funding and powers in the form of an Integrated Settlement, which comes into force in April 2026 along with regional governance of:

- The LCRCA passenger transport executive, Merseytravel, which provides transport services in its area.
- Industrial Strategy: LCRCA hosts one Industrial Strategy Zone – the Liverpool City Region Freeport and the Liverpool City Region Investment Zone combined, also known as the Liverpool City Region Innovation Zone.

The Combined Authority has an ambition to deliver up to 16,000 social and affordable homes from 2026 to 2036. The ambition is expected to be supported through planning gain and other public-private funding sources, but the Social and Affordable Homes Programme (SAHP) will be central to delivery in the region. The Combined Authority also has access to a share of the National Housing Delivery Fund and Local Growth Fund. The Mayor will also have strategic planning powers to help accelerate economic growth and new housing developments through the city region.

In November 2025, the City Region received £700 million from central government to significantly expand social and affordable housing delivery across the region. This includes £13.8 million to build around 550 homes through brownfield regeneration.

It will be possible, in certain circumstances, to combine elements of CA and HE grant funding, for example to deal with remediation of brownfield sites for new homes, which will be a priority for Cobalt on some of our more complex development. In more detail, at the local level, for housing associations in the LCRCA offers:

- The Social and Affordable Homes Programme, of which Liverpool City Region have been allocated £700 million.
- Housing Investment Fund: to directly support the building of homes by providing development finance. Typically, a devolved or government-backed loan or grant mechanism used to unlock housing development, accelerate delivery and support viability on challenging sites.
- Homes England Strategic Property Partner: Homes England and the Combined Authority are investing £1.3m to bring forward a major project of 310 priority sites across the City Region, which were identified through the Strategic Place Partnership (SPP).
- Brownfield Remediation and Infrastructure Funding: to support the cleanup and redevelopment of contaminated land to support housing. The funding can support both smaller and larger-scale strategic sites. This will be delivered through engagement with Homes England or on a continuous market engagement (CME) basis. In 2020, LCR was allocated £60 million over the course of the five-year programme.
- Through the Growth & Investment Strategy, Cobalt will be a key delivery partner, supporting the housing targets of both HE and the LCRCA. Cobalt will look to increase its number of homes by 2,000 (33%) through a combination of new build and stock acquisitions over the next five years, which will make a direct contribution to LCRCA targets.

## Drivers of Need

The Liverpool City Region faces significant pressure on affordable housing accommodation, driven by a combination of rising housing demand, limited supply and deep-rooted pockets of deprivation. It is therefore a strategic priority of the City Region to increase the supply of affordable housing across the Combined Authority.

Homeownership levels across the City Region are aligned with the national averages, but this varies significantly by Local Authority. Wirral (68%) and Sefton (70%) have homeownership levels above the national average, but Knowsley (58%) is slightly below, and Liverpool (42%) is significantly below the national position<sup>1</sup>.

This means that in areas of the City Region, the requirement for private and socially rented products is higher than average. According to Local Authority Housing Data<sup>2</sup>, over 36,000 households are currently registered with their Local Authority across the City Region, with c.15,000 of these households within the 'reasonable preference' category.

The supply of new affordable homes currently does not meet the demand. According to the LCR<sup>3</sup>, there is an estimated net need of c.1,600 additional affordable homes per year across the region. The average annual delivery of affordable homes was c.1,300; this reflects an uplift of 23.5% in housing delivery across all affordable tenures from 2025/26.

<sup>1</sup> ONS (2021)

<sup>2</sup> <https://www.gov.uk/government/statistical-data-sets/local-authority-housing-statistics-data-returns-for-2024-to-2025>

<sup>3</sup> Liverpool City Region – Affordable Housing Principles (2025)

The LCR also suggests that there is a need for both social and affordable housing, including Affordable Rent, Shared Ownership and a Rent to Buy product; however, a social rented product should comprise 60% of the total stock delivery where possible.

Demographic changes are also likely to influence the type of affordable housing that needs to be delivered over the next 10–15 years. By 2040, the population of the City Region is projected to increase by 7%, but the over-65 age group will increase by over 20%<sup>4</sup>. Within this, the number of people with a limiting long-term health problem or disability is projected to increase across the board.

Deep-rooted challenges of poverty and deprivation across the City Region also influence the need for affordable housing. The 2025 Index of Multiple Deprivation<sup>5</sup> found that 29% of neighbourhoods (LSOAs) across the City Region are within the 10% most deprived in the country, with larger pockets of deprivation in Knowsley (40%) and Liverpool (37%). Lack of income and low employment are key drivers of this deprivation.

There will be a requirement for affordable housing with support and affordable housing with care (including extra care). The LCR identified a need for 7,435 affordable homes with support and an additional 5,295 affordable homes with care that would be needed by 2040.

This is also reflected in the growing issue of homelessness across the City Region. Between July and September 2025, over 2200 households were assessed as being threatened with homelessness and were owed a prevention or relief duty<sup>6</sup>. Notably, 44% of all households in temporary accommodation across the LCR include children, rising to 54% in Sefton.

<sup>4</sup> Subnational population projections for England: 2022-based

<sup>5</sup> <https://www.gov.uk/government/statistics/english-indices-of-deprivation-2025>

<sup>6</sup> <https://www.gov.uk/government/statistical-data-sets/live-tables-on-homelessness>



## Cobalt's current position

**Cobalt has been through a period of transformation and business improvement, which has had a positive impact on performance and customer satisfaction. We have built and maintained strong regional partnerships which have created the capacity to grow.**

**Key highlights since 2023 include:**

1

### Major Investment in Planned Works and Energy Efficiency

Cobalt has robust home condition records, with over 99% of homes and 100% of communal areas having an up-to-date stock condition survey. This, combined with customer feedback, enables clear long-term investment planning and delivery of the following programmes:

- A five-year investment programme replacing around 8,500 components to achieve a minimum of the Decent Homes Standard and to maintain building safety standards.

- A ten-year proactive wall tie replacement programme.
- A five-year cyclical external repair and painting programme.
- A four-year programme to achieve EPC level C minimum standard to all homes by 2030.
- Provision within the Business Plan to support delivery of net zero carbons ambitions by 2050.

Our latest projections show that we will spend around [£60m] on existing homes in the next five years and around [£387m] over 30 years.

# Cobalt's current position

2

## Delivery of New Homes

Since 2023, Cobalt has committed over £92 million to deliver 470 homes. Of these homes, 75% are for Social Rent or Affordable Rent and 25% for Rent to Buy or Shared Ownership. Our development investment has been focused on a number of sites within our core neighbourhoods (312 homes), with a further 158 homes on sites in Sefton, Knowsley and St Helens.

We have also committed to a dedicated over-55's scheme on land owned by Cobalt and remain committed to providing alternative forms of housing, informed by customer demand and insights into future demographic needs.

3

## Expansion Beyond Core Neighbourhoods

While still heavily invested in our core neighbourhoods, Cobalt's Board has agreed a new development and operating footprint reaching across the wider Liverpool City Region. The rationale for expansion is to increase access to good-quality development opportunities to grow, diversify the portfolio of homes that we own and enhance our financial resilience whilst maintaining the focus on providing high quality services for our customers.

Our new Target Operating Model provides a dedicated repairs and maintenance service from Villiers Court in Knowsley, which is accessible to all major road networks including the M57, A580 and M62. We will therefore also consider growth opportunities in neighbouring local authority areas. The map on page 14 provides an outline of our operating areas.



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## Supporting Local Authority Housing Priorities

Cobalt has achieved impact by:

- Converting long-term voids into move-on accommodation
- Acquiring poor-quality housing to bring it back into use
- Contributing to local regeneration priorities

These actions show strong partnership alignment with Liverpool City Council and other authorities.

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## A Strengthened Customer Strategy and Digital Evolution

Our new Customer Strategy, which launched in July 2025, places customer feedback and complaints learning at the heart of decision-making. We have invested significantly in our digital infrastructure and data management processes to support embedding learning and customer priorities within our decision-making. Customers in our new homes have a dedicated after-care process, ensuring that support is provided throughout the ongoing customer journey.

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## Our Commitment to Social Impact

We continue to maximise opportunities beyond housing for our customers, which will be further exemplified through the ongoing delivery of our capital investment programmes. We collaborate with our delivery partners to deliver a diverse range of community investment projects aligned with their social value commitments, all of which benefit our neighbourhoods.

In 2025–26, our partners including Brabners, Carroll Group, Ecogee, Huws Gray, Lovell, Penny Lane Builders, Sureserve and Tisdale Demolition collectively contributed to support ongoing community regeneration efforts across our neighbourhoods. This funding helped expand youth services, purchase essential equipment for local Community Interest Companies (CiC's) and community groups, and support FareShare memberships for local food pantries.

Our Social Impact Strategy is currently being developed, and, going forward, will be linked directly to growth and investment deliverables around the following themes:

- **Successful Tenancies & Financial Resilience** (benefits maximisation, tenancy sustainment, adaptations and support).
- **Healthy Homes & Lives** (mental health, cost of living support, digital/fuel poverty, damp and mould).
- **Safe & Cohesive Neighbourhoods** (anti-social behaviour, pride in place, cohesion, place-based investment, environment).
- **Good Work, Skills & Opportunities** (apprenticeships, employment pathways, youth engagement, digital inclusion).

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# Our vision for Growth & Investment



## Our Vision



To be a leading NW regional landlord, with a reputation for balancing investment in homes, services and growth.

We aspire to be a trusted community-based landlord, providing good-quality services and homes, committed to building new homes, maximising social value and using our networks and partnerships to influence regional policy and delivery for our existing and future customers.



## Key objectives

To be a leading place-based community landlord. We will endeavour to grow to more than 8,000 high-quality homes by 2031-32, which will include around 30% of new homes for Shared Ownership/Rent to Buy.

To provide warm and safe homes for our customers that comply with policy and legislative requirements and meet customer expectations.

To ensure that our growth and investment activities are robustly governed.

To deliver the targets in our planned investment programmes and expand our in-house maintenance service to deliver improved customer outcomes and value for money.

To maximise our growth and investment activities within our available financial capacity, whilst maintaining our long-term financial resilience.

We will engage with our customers to understand their perceptions of their home and communities, together with understanding their priorities for future investment. Customer satisfaction will be embedded within our delivery programmes.

Our Implementation Plan for these objectives is provided at the end of the Strategy.

## Routes to Growth

### New Homes

We have a strong network of regional small and medium enterprises (SME) and volume developers, investors, and housebuilders, and will acquire and develop new homes from a range of sources. We will seek to deliver all new homes to EPC Band B as a minimum and achieve Band A wherever possible, in accordance with our own quality and specification standards.

We will seek to build longer-term relationships with partners aligned with our objectives, whilst remaining flexible, responsive and open to evaluating new opportunities and partners against our robust financial, quality and governance frameworks.

### Acquisition of Existing Homes

We recognise the merits of acquiring existing homes from other landlords as a route to growth where viable opportunities exist. Existing stock acquisitions might include general needs homes for rent, Shared Ownership, supported housing for specific needs, and older persons' housing. Our current stock profile is highly weighted around pre-1945 properties, and we are keen to provide newer homes with lower future maintenance costs

We will prioritise mainstream general needs homes and older persons' housing to leverage our existing housing management and maintenance capabilities and enhance our operating efficiency. Supported housing and opportunities to buy back former Right to Buy homes, or to acquire empty homes and buildings for residential use, will be considered on a case-by-case basis, taking account of its contribution to our financial performance, and where there is evidence of strong underlying demand.

Our temporary move-on accommodation project with Liverpool City Council has successfully delivered 15 new properties in 2025-26. We will continue to support our Local Authority partners as far as possible with empty homes/buy-back initiatives which help to deliver temporary/move-on accommodation where it is required.



### Estate and Neighbourhood Regeneration

We have a strong track record in neighbourhood regeneration and will continue to invest in refurbishment and selective clearance and redevelopment where we have the financial capacity to do so, maximising Homes England and Combined Authority funding to support this strand of investment.

We have successfully brought empty homes back into use in our core neighbourhoods, and are working alongside Liverpool City Council on the roll-out of the £20m Pride in Place initiative in Norris Green. We will explore partnerships with like-minded organisations with a community focus, where we could increase overall outputs through an approach that focuses on neighbourhood outcomes.

We are committed to the journey towards zero carbon, and as part of our Implementation Plan will develop a sustainable heating strategy for both new build and existing homes, using our strategic asset management data modelling tools to target the right initiatives at the right homes.

### Strategic Land Acquisition

Where land can be secured in strategic locations, adjacent to or within priority development areas, we will consider acquiring sites to build the pipeline of future opportunities. Land opportunities will be considered on a case-by-case basis where they meet our established criteria for scale, location, planning status, delivery potential and development risk.

### Merger

Cobalt will remain open to considering merger or partnership opportunities where they demonstrably advance our social purpose, strengthen long-term resilience, and improve outcomes for our customers. In line with the NHF Code of Governance, any potential merger would be assessed through a robust, transparent process that considers strategic alignment, organisational culture, customer benefit, financial sustainability, and our ability to deliver high-quality services. Where a merger could enhance our capacity to invest in homes and neighbourhoods, bring complementary strengths together or secure greater value for money, the Board would explore it carefully and with appropriate assurance.

# Where will we operate?

**We will focus our growth activity primarily across the Liverpool City Region, and will also build relationships with neighbouring local authorities, to develop homes in accordance with their regional priorities, where such development supports Cobalt's own objectives.**

We will invest in new homes and growth within the guardrails of financial capacity. In the short term, we expect to deliver around 150 new homes per year, rising to around 300 homes per year by the end of the Strategy. Investment in growth will enhance our financial resilience and increase social and economic impact in the communities we serve.

This Strategy gives us access to a range of housing markets and opportunities to build and acquire more homes, with the objective of increasing customer choice and diversifying our portfolio of homes over time to enhance Business Plan resilience and reduce the risks associated with the sustainability of older homes.

This Strategy is aligned with the principles of our new Target Operating Model, and leverages our ability to work more efficiently in the coming years as our transformation projects are embedded. Generally, travel time for repairs and housing teams will be limited to around 30 minutes from our operating bases in Lower House Lane and Villiers Court. Any opportunity beyond 30 minutes would only be considered if housing need in an area can be managed and other delivery costs can be demonstrated to be efficient and there is a strong commercial case to invest.

The map on the following page outlines where we will have a development and growth focus.



## Key

- ★ Cobalt Landmarks
- Motorways
- A580

## Cobalt Growth Areas

- Warrington
- West Lancashire
- Liverpool City Region

# How will we deliver- financial capacity and funding

## Funding

Growth and investment will be funded through a mixture of grant, borrowing and internal subsidy (i.e. cash generated by our day-to-day activities). Maximising our access to grant funding and internal subsidy will unlock further growth and investment capacity. We will be proactive in seeking new and extended sources of grant funding, and as part of this Strategy, we will maximise our access to grant funding where appropriate to increase the impact of our investment. We will maximise our internal subsidy levels by delivering value for money – see more on this below.

The borrowing required to deliver growth and investment is typically provided by banks and other financial institutions. However, we will also explore new opportunities and funding streams that align with our financial risk appetite and will leverage partnership opportunities that reduce the upfront cost to us of investment and growth. We will monitor and engage with potential funding routes and vehicles as they may emerge locally or nationally.

Managing our funders, and their appetite to lend money to us, is a key objective of our Treasury Strategy.

## Financial Capacity

The requirement for additional borrowing is a key constraint on our growth and investment ambitions, and will be closely measured and monitored as part of our annual business planning process.

Our current financial capacity allows for up to [£275m] of growth and investment activity over the next five years. Any changes to operating performance and the external economic environment will directly impact our ability to invest further in growth and investment. Such changes may allow us to invest more or may require us to scale back our investment – for example, if we are able to take advantage of lower-cost debt via Homes England's National Housing Bank, or secure higher levels of grant for new schemes, or take advantage of other new funding initiatives. Our plans will therefore be flexible to allow us to respond to any changes quickly and effectively.

Our financial golden rules provide the parameters within which we are comfortable managing our financial risk and resilience. Our aim is to maximise our growth and investment up to the financial limits provided by these rules.

## Maximising Liverpool City Region Combined Authority Funding

We are experienced in accessing external funding and will pursue funding aligned to our investment needs where there is a demonstrable link to the Liverpool City Region Housing Statement which delivers:

- Clear social value and economic outcomes
- Deliverability within 2–5 years
- Complementarity with Homes England funding
- Strong local authority support

Key funding pools include brownfield/regeneration funding to support pre-development costs associated with bringing forward brownfield development opportunities and larger strategic sites.

For existing homes, we will source grant funding for energy efficiency programmes to achieve EPC C standard by 2030.

## Competency and Staffing

Ensuring the right skills and staffing is fundamental to delivering a more ambitious Growth and Investment Strategy. As the organisation expands its development pipeline, strengthens its asset base, and commits to higher standards of building safety, decarbonisation and customer experience, it must have a workforce with the technical, commercial and programme management capability to match.

Over time, this may require investment in more specialist roles, while also upskilling existing teams so they are confident navigating more complex schemes, partnerships and regulatory requirements.

Strengthening leadership capacity, succession planning, and professional qualifications will help create a culture of accountability and high performance, while ensuring customer and support teams have the skills to manage increased volume and complexity. By aligning the workforce plan to strategic ambition, the organisation can deliver growth and significant investment in existing homes safely, efficiently and with stronger assurance for customers, funders and the Regulator.





## Design, Quality and Innovation

Housing associations are preparing for the Future Homes Standard, MEES and the shift away from gas by embedding a clear, phased approach to decarbonisation across both new and existing homes. This includes a fabric-first approach, targeted thermal comfort improvements, and long-term heating-system transition planning. Our approach to affordable warmth will be defined as part of the Asset Management Framework which underpins the Growth & Investment Strategy.

For new homes built to the Future Homes Standard, gas boilers are no longer compliant, and we will continue to specify renewable forms of heating as far as possible for any homes that are not designed to the standard.

## Procurement

We will continue to make use of collaborative procurement methods to maximise our purchasing power. We will ensure that all procurement is ethical, sustainable and complies with relevant laws and regulations in accordance with our Procurement Policy.

## Value for Money

It is crucial that our growth and investment delivers value for money for our business and our customers. A key principle of this Strategy is that growth and investment activity enhances our existing operating model, leveraging existing resources and systems to drive down the marginal cost of managing our homes. Inefficient growth and investment will significantly reduce our ability to grow in the future.

Cost-benefit analysis will be a key element of all strategic investment and growth decisions and will consider the short-, medium- and long-term impacts. These will be presented alongside non-financial value for money considerations to present a complete picture of expected performance. The exact nature of this modelling and analysis is determined by our Investment & Development Committee.

Our Value for Money Strategy sets out our approach in more detail.

# Our approach to risk management

## Financial Risk Management

All new homes development, existing stock acquisitions and land acquisitions will be delivered within the framework of financial viability (investment hurdles), financial regulations and standing orders agreed by the Board, and in accordance with our Financial Regulations. We will stress-test opportunities as part of our business case process to ensure that they consider varying levels of risk and potential future Business Plan impact.

Growth is expected to meet our minimum requirements for financial performance, which are set by our Investment & Development Committee (IDC). Where it does not meet expected criteria, but there may be a case for progression (longer-term land bank opportunity/strategic delivery), we will consider a wider business case proposal with IDC/Board.

Existing stock financial risk is managed via our strategic asset data-modelling process, which provides a comprehensive, real-time understanding of life-cycle costs, compliance requirements, investment backlogs and future capital expenditure. By modelling multiple investment scenarios, stress-testing assumptions and identifying long-term cost pressures early, we can inform our decision-making on where, when, and how to invest, whilst protecting financial viability by ensuring every pound invested delivers maximum value for our customers.

## Development Risk Management

All new developments must meet our established financial viability requirements. We will manage planning risk by acquiring sites either with full planning consent already in place or on a subject-to-planning basis, or where a strategic site offers a significant opportunity within our core operating areas. We will work with developers - following appropriate viability and risk checks - with a demonstrable track record of delivering good-quality homes. We will continue to market-test our assumptions on an annual basis, in accordance with the broader requirements of the Business Plan.

## Stock Investment Risk Management

We will prioritise investment in homes that support our core business objectives and deliver value for money. Homes that do not meet these requirements will be assessed through our annual programme of option appraisals, using our strategic stock investment model to identify underperforming homes.

Our investment approach focuses on achieving compliance with the new Decent Homes Standard and Minimum Energy Efficiency Standards, improving stock condition, strengthening building safety and reducing responsive repair demand through targeted planned works. External funding will be sought where opportunities align with our investment priorities.

We will prioritise targeted investment programmes that address stock condition, resolve non-decency and strengthen building safety, using enhanced asset data to plan long-term work efficiently.

We will develop a five-year Business Plan for our in-house service (CHPS) to deliver services where appropriate as an alternative to procuring external service providers, where we can demonstrate improved customer outcomes and value for money.



## Board assurance of delivery

**Board will receive updates on the progress of development and investment programme delivery twice a year and will also consider any approvals or recommendations that sit outside the delegated authority of the Investment and Development Committee (IDC).**

IDC will approve growth and regeneration projects and major investment programmes to ensure financial performance, delivery targets and quality standards are maintained, and to ensure that the programmes support the delivery of Cobalt’s strategic objectives. IDC will also have oversight of any planned property acquisition projects as part of an appropriate due diligence process, making recommendations to Board.

The Committee ensures that existing homes are safe and high quality, that new homes are delivered responsibly and viably, and that all asset related activity aligns with corporate strategy, customer needs, and regulatory expectations. Board will also monitor performance in relation to Development and Investment, which includes the following:

Development	Investment
Homes started on site	Planned vs reactive spend ratio
Programme progress (% delivered)	Customer satisfaction
Delivery on time (% milestones hit)	Investment Programme performance (financial and operational)
Average NPV / financial viability per scheme	Decent Homes and MEES compliance
Sustainability metrics (EPC A/B delivery, carbon reduction compliance)	Stock Condition Surveying performance
Customer satisfaction with new build	Average NPV per scheme/home
Defects per property (within 12 months of handover) Customer satisfaction with new build	



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