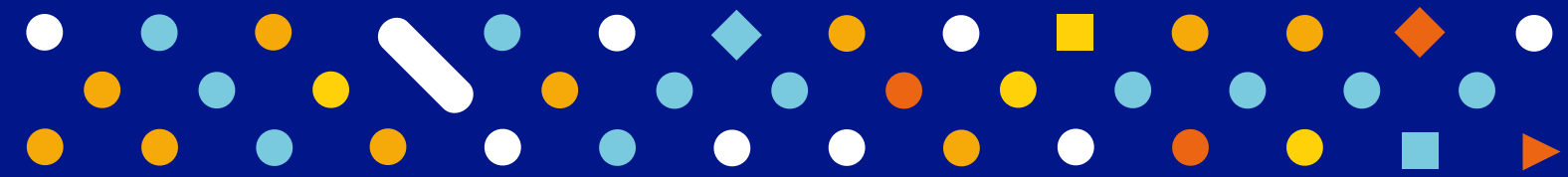




# Development and Regeneration Strategy

*2026 to 2029*



# Summary

Our Development and Regeneration Strategy sets out how we will deliver new homes and regeneration activity between 2026 and 2029.

The strategy supports our Corporate Plan 2026-29 ambition to commit to **900 new homes by 2029**, meeting a range of housing needs, while strengthening the sustainability of our communities across the Liverpool City Region, West Lancashire and Warrington.

The strategy prioritises Affordable Rent and Social Rent homes, while maintaining a limited pathway to home ownership through Rent to Buy and Shared Ownership. We will target growth geographically to ensure value for money, operational efficiency and long term community impact.

Our objectives are:

- **Commitment to new homes:** we are looking to commit to 900 new homes by 2029, primarily affordable rent and social rent, with up to 10-15% for shared ownership.
- **Focus on general needs and value:** new homes will mainly serve general needs, targeting areas that enable a stronger presence for efficient management, aiming for value for money and critical mass in each location.
- **Housing need alignment:** our approach will be data-driven, aligning with local housing needs, demographic trends, and borough-specific requirements, with a focus on mainly affordable homes, with specialist provision provided by exception (if there is a specific business requirement for delivery).
- **Holistic and community approach:** we will integrate resources across Livv and with stakeholders to improve wellbeing and community life, encompassing placemaking and regeneration where possible.
- **Strategic partnerships and funding:** we will maintain strong relationships with Homes England and local authorities to support grant funding and subsidy access, including the Social and Affordable Homes Programme 2026-2036, and other funding streams, for example Liverpool City Region (LCR) brownfield funding.
- **Financial and environmental goals:** our strategy will deliver positive financial returns with net present value and internal rate of return above cost of funds. We will embed carbon reduction and future home standards in new builds, in line with legislation and statutory requirements.

This strategy also sets out our governance and decision-making requirements including Development Appraisal Assumptions, Golden Rules & Scheme Stress Tests.





## 1. Our vision

Our vision is to deliver high quality, affordable homes that respond to local housing need. We want to remain a key delivery partner across the Liverpool City Region (LCR) and to be recognised as the lead regeneration Registered Provider within Knowsley. When providing new homes we want to:

- Integrate regeneration, placemaking and carbon reduction (when required and where viable) into new schemes
- Work collaboratively with local authorities, Homes England and delivery partners
- Ensure financial sustainability through positive scheme-level and programme-level returns



## 2. Where we are now

Through our 2023-26 Development and Regeneration Strategy we delivered approximately 830 new additional homes to the Group's stock, with a further circa 200 homes committed on site. We provided new homes in six of our seven target growth local authorities.

We have:

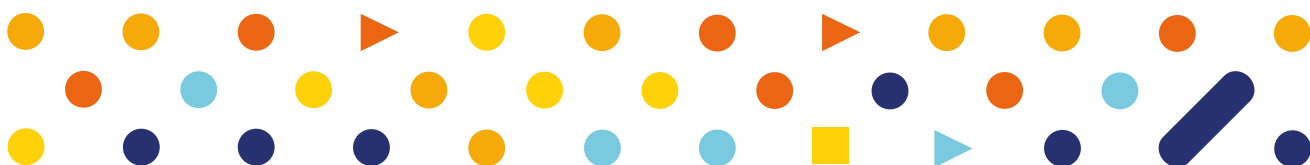
- Delivered homes through Section 106 purchases, turnkey / off-the shelf, land and works, and regeneration-led schemes.
- Delivered mixed tenure homes, providing our customers with a choice, whilst diversifying our customer base.
- Listened to our leasehold and Shared Ownership customers through the tenant satisfaction measures (TSM) feedback and enhanced our offer and communication.
- Strengthened relationships with Homes England and the Liverpool City Region Combined Authority, including early adoption of brownfield funding.
- Established our reputation for delivery. We were the third largest developing Registered Provider across LCR throughout the period of the 2023-26 strategy (pound for pound).
- Established strong partnerships with SME, regional and national contractors / house builders. We remain committed to working with a core network of partners through a planned approach to our development delivery. Our partners now understand what our expectations and requirements are.
- Working with Liverpool University and key internal stakeholders we have developed and piloted a Regeneration Model to assess regeneration impact and community outcomes, with some pipeline schemes now being tested through the model.
- We have successfully delivered our 'road to carbon zero' pilot scheme in Kirkby, with a partnership with Liverpool John Moores University now monitoring the homes in use to inform the most efficient systems for us and our customers.

In terms of Value for Money both our reinvestment and new supply metrics are higher than the sector median for the new homes delivered across the strategy period. However counterparty risk remains high, and land availability will be critical to successful future delivery.

### Local housing supply need

The latest demographic and economic analysis supports the continued need for new housing supply across the geography in which we operate. In summary:

- From a Liverpool City Region and affiliated borough perspective, all areas are expected to experience population growth and a rise in the need for new supply through to 2037.
- The latest local authority housing strategies indicate there is unmet housing need for affordable homes across all of our target growth areas – this includes general needs and more specialist provision.
- In terms of household composition growth it is forecast smaller affordable homes, 1 bed apartments and 4-bed houses are required across all local authorities. However a broad range of new homes are required, and this differs by borough.





### 3. Where we want to be

The underlying principles for our 2026-29 strategy are that:

- Affordable homes of various tenures will be the focus of delivery. We will continue to diversify our customer offer via home ownership through Rent to Buy and Shared Ownership products, albeit on a much smaller scale. No Open Market Sales (OMS) or Private Rent (PRS) schemes are planned or programmed.
- New schemes will remain sourced via a mixed approach of land and works, Section 106 purchases, and regeneration of our existing land holding. However, compared to our 2023-26 strategy, this strategy will be more driven by land led and regeneration projects within Knowsley.
- We remain open to reviewing the use of Modern Methods of Construction (MMC), albeit this is likely to be on a small scale.

Our objectives are:

#### 1. Commit to 900 quality new homes by 2029 – which meet a range of housing needs.

- We aim to deliver 85% - 90% of the Programme as rented new homes, with 10% - 15% providing a pathway to Home Ownership.
- We aim to deliver new homes within the Liverpool City Region, Warrington & West Lancashire, with a focus on Knowsley.
- We'll deliver projects with at least 30 homes, up to 300 plus homes, through a continued mix of development opportunities.
- We'll take a data driven approach based on local authority housing need - we'll assess demographic data on a scheme by scheme basis to formulate the best mix for each proposed scheme.
- We'll maximise opportunities for customer engagement, consultation and continue with delivering a choice of tenure.
- We'll ensure alignment with our asset and customer strategies to ensure delivery of the right quality of new home in the right places.



## 2. Deliver through strategic partnerships and funding, and create a positive financial return

- We'll utilise any cash reserves and our existing loan facilities to fund the construction of our new homes, and will continue to access subsidy through the Social and Affordable Homes Programme (SAHP) 2026–2036.
- We'll be agile in our approach to sourcing Homes England subsidy and will explore all available options in sourcing grant - Continued Market Engagement (CME), CME Portfolio or utilise an agreement with an SP partner (subject to availability & agreeable terms).
- We'll look to maximise available subsidy on a scheme by scheme basis, by looking to utilise any other subsidy streams that might become available throughout the strategy period, for example the LCR Brownfield funding was used as part of the 23-26 strategy.
- We aim to achieve a positive overall net present value (NPV) and an internal rate of return (IRR) in excess of the cost of funds. We'll continue to manage relationships with our core developers and partners to ensure efficiencies and continuous improvement.
- We will maintain compliance with Homes England capital funding requirements.

## 3. Deliver quality homes and enhance our communities in the wider Place Making context.

- In line with the new Homes England prospectus, we are committed to embracing 'Place Making' as a central guiding principle in delivering new homes, where possible. We'll ensure that placemaking is part of our decision making across schemes, where practical.
- We'll utilise our in-house Regeneration Model to review and analyse our regeneration offer for our regeneration schemes, securing community support where appropriate.
- We'll provide additionality in terms of social and community impact.
- We'll adopt a brownfield first approach to our new developments.

## 4. Embed carbon reduction and future home standards in new builds

- We'll ensure that provision for carbon reduction or Net Carbon Zero is built into new home specifications as far as is practical and viable, in line with statutory requirements, our Asset Strategy and Net Zero Strategy and the national Carbon Neutral Agenda and timescales.
- We'll use data from our Copthorne 'Road to Carbon Zero' Scheme delivered within the 2023-26 strategy to ensure the most benefits for us and our customers.



## 4. How we'll get there

Our expected plans for each year of this strategy are summarised below.

### Year one (2026-2027)

- Implement New Appraisal Parameters
- Enter into agreement with Homes England for new SAHP 2026-2036 grant funding – Maximise Grant Subsidy and other available funding streams
- Start on Site (SOS) on at least 1 Regeneration Scheme
- Aim to contractually commit to new homes in line with financial capacity
- Utilise findings and data from Carbon Zero Pilot to inform / shape future projects across Development & Asset
- Maintain Homes England Compliance
- Undertake a strategic review of all garage sites and the opportunities available to retain, re-purpose or dispose

### Year two (2027-2028)

- Increased number of new affordable homes on site within Knowsley
- Maximise Grant Subsidy and other available funding streams
- Start on Site (SOS) on at least 1 Regeneration Scheme
- Aim to contractually commit to new homes in line with financial capacity
- Implement fabric first approach for new build homes where possible to futureproof
- Maintain Homes England Compliance
- Develop a 10-year plan for garage sites

### Year three (2028-2029)

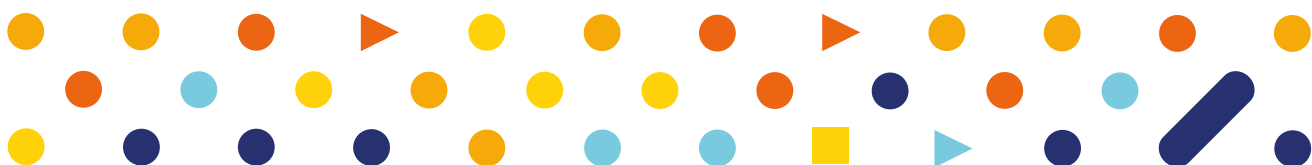
- Maximise Grant Subsidy and other available funding streams
- Commence on a MMC pilot scheme
- Aim to contractually commit to new homes in line with financial capacity
- Implement fabric first approach for new build homes where possible to futureproof
- Maintain Homes England Compliance
- Commence delivery of our 10-year plan for garage sites

## 5. How we'll measure success

Our main success measure will be the number of starts on site and completions across the strategy period; with an overall measure of 900 new homes with a mix of tenures built or committed to by 2029.

Our other success measures are:

- Value for Money and impact maximised through:
  - A positive financial return for the Group – with a Positive overall NPV and an IRR in excess of the cost of funds.
  - Reinvestment & New Supply VFM metrics maintained above sector median
- Customer satisfaction with the quality of their new home
- Evidence of increased engagement with customers pre and post completion in delivery of our new homes
- Demonstrating how we have contributed significantly to the regeneration of our communities and neighbourhoods through new housing supply
- Providing additionality in terms of social and community impact
- Sustainability and carbon zero is built into new homes where possible
- Continuing to be a key developing Registered Provider across the Liverpool City Region
- Homes England regulatory compliance maintained year on year

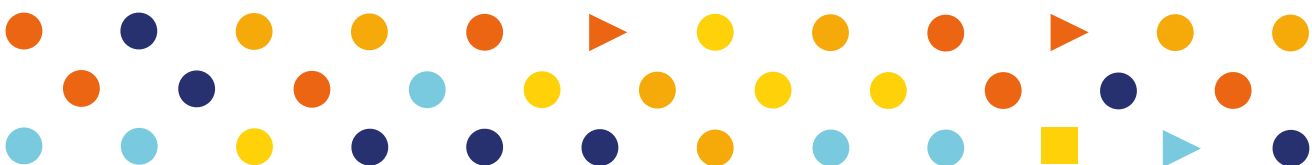


## 6. Governance

This strategy sets the following governance and decision-making requirements.

<b>Common Board</b>	<ul style="list-style-type: none"> <li>Responsible for final approval of the strategic direction and new business over £5m, and high level oversight of strategic delivery.</li> </ul>
<b>Homes Committee</b>	<ul style="list-style-type: none"> <li>Detailed review of strategic direction and new business over £5m prior to Board consideration.</li> <li>Delegated authority for the approval of new development schemes up to a total value of £4.99M.</li> <li>Detailed oversight of strategic delivery.</li> </ul>
<b>Chief Executive</b>	<ul style="list-style-type: none"> <li>Oversight of the Group wide delivery</li> </ul>
<b>Executive Director's Team (EDT)</b>	<ul style="list-style-type: none"> <li>Delegated authority to approve new development schemes up to the value of £1M. Oversight of the delivery of the parts of the plan which underpin strategic delivery, as well as associated strategies.</li> </ul>
<b>Director – Development</b>	<ul style="list-style-type: none"> <li>Responsible for formulating and overseeing delivery of the strategy</li> <li>Ensuring that the strategic principles are understood and adhered to</li> <li>Ensuring that the procedural approach followed is reflective of strategic intent, that governance requirements are met, and that performance is in line with targets and parameters</li> </ul>
<b>Development Team</b>	<ul style="list-style-type: none"> <li>Responsible for implementing the strategy at operational level</li> </ul>

Appendix 1 sets out our Development Appraisal Assumptions, Golden Rules & Scheme Stress Tests.



# Appendix 1 – Development Appraisal Assumptions, Golden Rules & Scheme Stress Tests

## Development Appraisal Parameters from April 2026

Development Assumptions	Affordable Rent	Social Rent	Rent-to-Buy	Shared Ownership
Rent	80% of Market Rent	SR 1999 valuation calculator (+5%)	80% of Market Rent	2.75% of Unsold Equity
Void Loss	1.50%	1.50%	1.50%	0%
Bad Debts	1.00%	1.00%	1.00%	0%
Management Costs	£390.00	£390.00	£390.00	£110
Maintenance Costs	£550.00	£550.00	£550.00	500 (Yr 2-10)
Service Charge Income (as a percentage of cost)	0%	100%	0%	100%
Initial sales equity	N/A	N/A	N/A	35%
Major Repair Cost	£2000 yr 15	£2000 yr 15	£2000 yr 15	£0 yr 15
	£4,500 yr 25	£4,500 yr 25	£4,500 yr 25	£275 yr 25
	£8,200 yr 30	£8,200 yr 30	£8,200 yr 30	£550 yr 30
Discount Rate	4.75%	4.75%	4.75%	5.25%
Appraisal Criteria				
Internal Rate of Return	4.75%	4.75%	4.75%	5.25%
1st Year of Revenue Surplus	15 years or less	15 years or less	15 years or less	15 years or less
Payback Year	50 years or less	50 years or less	50 years or less	50 years or less
Net Present Value	Positive	Positive	Positive	Positive
Reinvested Surplus	Programme Level	Programme Level	Programme Level	Programme Level
Development Allowance	3%	3%	3%	3%
Interest Rate	4.75%	4.75%	4.75%	4.75%
Marketing (per unit)	N/A	N/A	£1,576	£2,100
Contingency Non S106	5.00%	5.00%	5.00%	5.00%
Contingency S106	2.50%	2.50%	2.50%	2.50%

## Development Golden Rules (from 1st April 2026)

Measure	Golden Rule	Early Warning	Monitoring
DGR1 HURDLE RATES	Affordable Rent / Rent to Buy IRR > 4.75%		Homes Committee
	Shared Ownership IRR > 5.25%		
DGR2 Reinvested Surplus	Reinvested Surplus Allocation determined as part of the budget process - max £20k per unit	Total annual allocation capped at level of RTA / RTB receipts from the last financial year.	Homes Committee
DGR3 Unsold Units	45 Max	>35-45	Homes Committee
DGR4 Cost to Value	Sales values. (Cost-grant)		Homes Committee
DGR5 Uncommitted	Retain £5m uncommitted development spend in 24 month forecast period		Homes Committee

## Development Stress Test on Scheme Appraisals (from 1st April 2026)

Stress Test	Tenure			
	Affordable Rent	Social Rent	Shared Ownership	Rent to Buy
Reduction in Rent-1% for 2 yrs	✓	X	X	✓
Reduction in capital sales income -2.5%	X	X	✓	X
Total Construction cost increase +2.5%	✓	✓	✓	✓
Multi-variant combining all above scenarios	✓	✓	✓	✓

## Development - Recovery options Livv Housing Mitigation Plan

Action	Anticipated impact in a financial year	Implementation Timescale	Consent / Consultation Requirements	Risk Framework Reference(s) and Impact Assessment	Related ALR Section	Related ALR Documentation
Convert unsold units > 12 months to rent	c£80k per unit liquidity loss	2-3 months	Consent / Consultation – Homes England / Livv Housing Board	Assessed Risk Impact – 3 SR04 – Development delivery	D – Liabilities and Obligations	Homes England programme
6 month deferral of any uncommitted development (for example due to actual or forecast IRR short falls on programme)	£5m liquidity benefit year 2  Corporate Plan shortfall in units	2-3 months	Consent / Consultation – Homes England / Livv Housing Board	Assessed Risk Impact – 3 SR04 – Development delivery	D – Liabilities and Obligations	Homes England programme
Reduce Development overhead semi - permanently / fundamental restructuring and reduction of uncommitted programme	£0.25m year 1  c£15m liquidity in year 3-4	3-6 months	Consent / Consultation – Staff	Assessed Risk Impact – 4 SR04 – Development Delivery	A – Corporate Information Register  D – Liabilities and Obligations	Financial information and business plans  Homes England programme, HR
Stop future uncommitted development	c£0.9m revenue pa year 1 / c£40m liquidity in year 4  Revenue and margin foregone for future completions	6-12 months	Consent / Consultation – Staff	Assessed Risk Impact – 5 SR04 – Development Delivery	A – Corporate Information Register  D – Liabilities and Obligations	Financial information and business plans  Homes England programme, HR

	Tier 1 - Preferred / First Tier - Lower Grade Mitigations
	Tier 2 – Second Tier - More Fundamental Mitigations
	Tier 3 - Least Preferred - Most Fundamental Mitigations

## Appendix 2 – Market Intelligence and Data

### Livv Target Area Housing Need

Local Authority	Target New Homes	Avge per annum 22-25	Year to Sep 25	Sep 25 to previous year	Planning Applications Granted	Average House Price	Average Rent	Rent increase 12 months
Knowsley	600	629	459	Down 357	79%	£192,000	£785 pcm	3.50%
Sefton	1,368	790	694	Down 205	88%	£214,000	£903 pcm	6.80%
St Helens	718	421	451	Down 38	89%	£177,000	£763 pcm	6.80%
Halton	471	371	617	Up 404	85%	£186,000	£716 pcm	5.60%
Liverpool	1,847	1,509	1,737	Down 3	66%	£181,000	£878 pcm	8.30%
Warrington	1,064	905	388	Down 574	71%	£251,000	£866 pcm	6.50%
West Lancs	562	491	336	Down 321	80%	£234,000	£785 pcm	12.30%

### Livv Out of Borough Stock

Local Authority	Livv Stock Rent	Livv Stock SO	Livv Stock Total	Housing Target per year	Average Income P.P. (Mean)
Sefton	227	94	321	1,368	£33,800
West Lancs	100	28	128	562	£36,900
St Helens	42	40	82	718	£32,200
Halton	54	11	65	471	£32,500
Warrington	63	0	63	1,064	£37,400
Liverpool	16	0	16	1,847	£32,500
	502	173	675		

## Population by Age

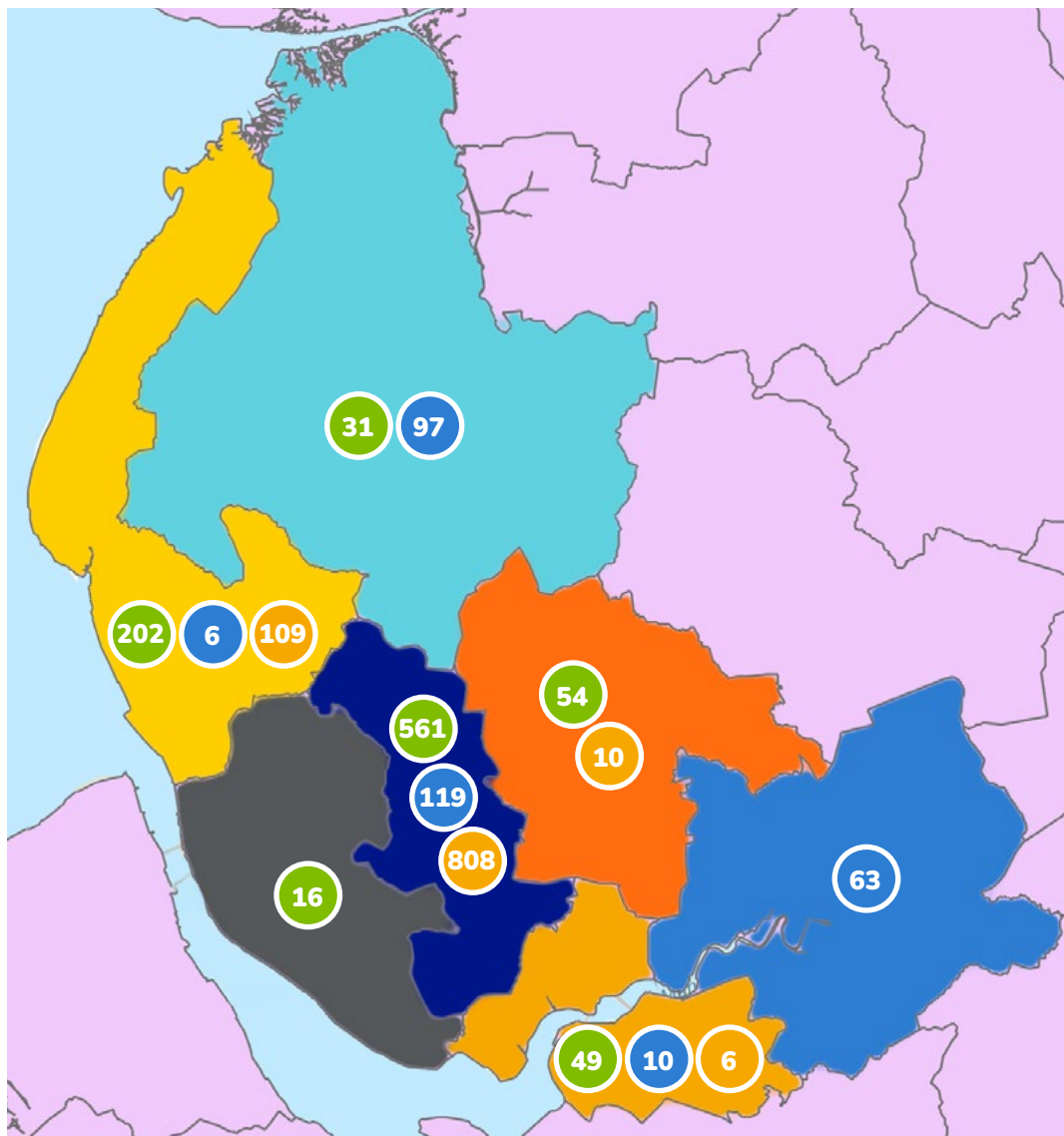
Borough	Population	Percentage Age 1-15	Percentage Age 16-64	Percentage Age 65+	Median Age (yrs)
Knowsley	151,000	20.2	62.5	17.3	39.5
Sefton	276,000	17.4	59.0	23.6	46.5
St Helens	181,000	18.4	61.0	20.6	43.0
Halton	129,000	20.0	61.6	18.4	40.9
Liverpool	498,000	17.4	67.8	14.8	34.8
Warrington	210,000	18.9	62.2	18.9	42.3
West Lancs	114,000	17.3	60.6	22.1	44.6

## Population Increase, Density, Unemployment & Deprivation

Borough	Est. Population increase 2022-2032	Population per sq km	Percentage Unemployed	Deprivation Score
Knowsley	9.70%	1,744	4.0	43.0
Sefton	3.70%	1,765	3.0	27.0
St Helens	4.60%	1,324	3.6	31.5
Halton	3.90%	1,636	3.7	32.3
Liverpool	9.80%	4,453	4.4	42.4
Warrington	1.30%	1,163	3.2	18.9
West Lancs	4.10%	330	3.7	18.6

- The higher the deprivation score indicates a higher level of deprivation
- North West Average Score 28.1, National Average 22.3

## Appendix 3 – Heat Map of Existing Stock, On-Site & Pipeline Schemes



Breakdown of Schemes (2020-April 2026)			
Local Authority	Completed	On Site	In Pipeline
KMBC	16	2	8
Liverpool City Council	2	0	0
West Lancs	0	4	0
Sefton	6	1	2
Halton	1	1	1
Warrington	0	2	0
St Helens	2	0	1
<b>Total</b>	<b>27</b>	<b>10</b>	<b>12</b>

Breakdown of Units (2020-April 2026)			
Local Authority	Completed	On Site	In Pipeline
KMBC	561	119	808
Liverpool City Council	16	0	0
West Lancs	31	97	0
Sefton	202	6	109
Halton	49	10	6
Warrington	0	63	0
St Helens	54	0	10
<b>Total</b>	<b>913</b>	<b>295</b>	<b>933</b>

## Document control

Version	1
Applies to	Livv Housing Group; Livv Homes
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Replacing	Development and Regeneration Strategy 2023-2026
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Author	Director of Development, Growth & Sales
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Environmental Impact Assessment	February 2026
Circulation	Intranet

Version control		
1	March 2026	New Strategy following three-year review.

