



Passion | Honesty | Curiosity

Leeds Federated Housing Association Limited

Report and Financial Statements

Year Ended

31 March 2025

CO-OPERATIVE AND COMMUNITY BENEFIT SOCIETY NUMBER IP21457R
HOMES ENGLAND REGISTERED NUMBER LH0989



HELPING PEOPLE MAKE A HOME



Leeds Federated
Value for Money Statement 2024/25

A version can be found on our website:

<https://www.lfha.co.uk/>

1 Summary

2024/25 was the fourth year of the Corporate Plan covering the period 2021 – 2026, reflecting a set of corporate priorities falling within the 'Engage', 'Sustain' and 'Grow' strategic objectives. Each strategic objective is supported by specific goals, associated performance targets, and managed within the Association's risk appetite.

The Association through its Strategic objectives and supporting goals explicitly and implicitly incorporates Value for Money as a goal for each objective illustrating how Value for Money is fully integrated within all activities undertaken.

2 Economic conditions

The continued difficult economic conditions in 2024/25 presented on-going challenge to our business and to our customers. Inflation and the 'cost of living crisis' have impacted customers directly whilst inflation and increased interest rates have increased the Association's costs and put pressure on margins.

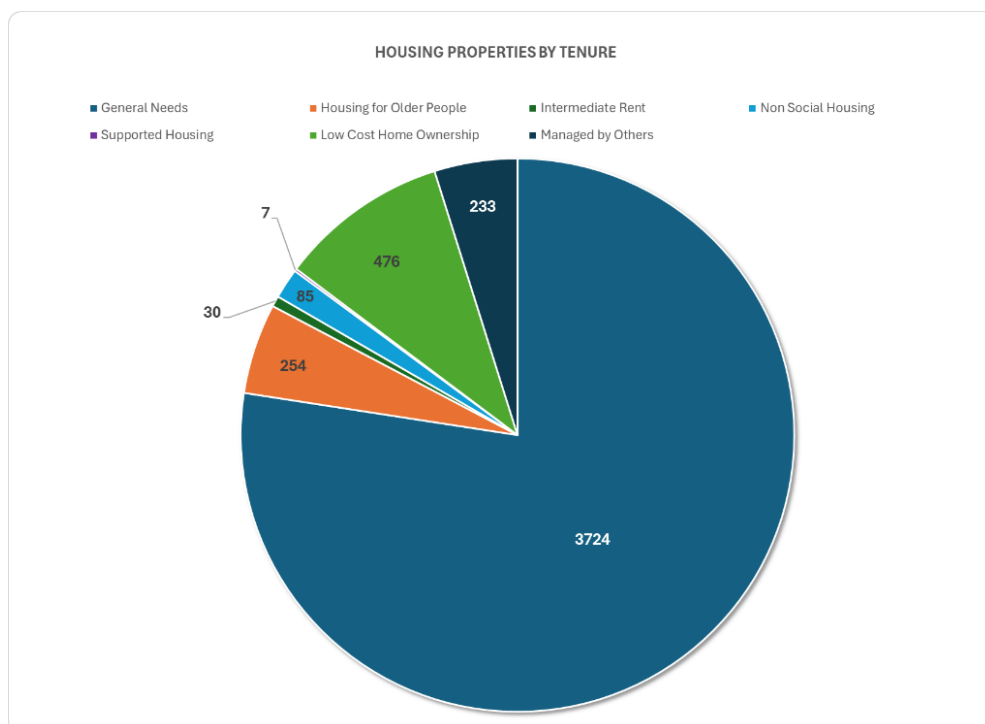
Many customers continued to experience unexpected changes in their circumstances. We have continued to focus and invest in resident engagement and to provide additional support to customers experiencing hardship and have worked to sustain tenancies and reduce the level of rent arrears. We have focused on ensuring that our services reflect and respond to customer needs and priorities.

Despite these challenges the association has managed to perform well financially, maintaining its financial resilience and its capacity to continue to invest in support of its corporate strategic objectives.

3 Key Statistics

● Housing Properties by Tenure

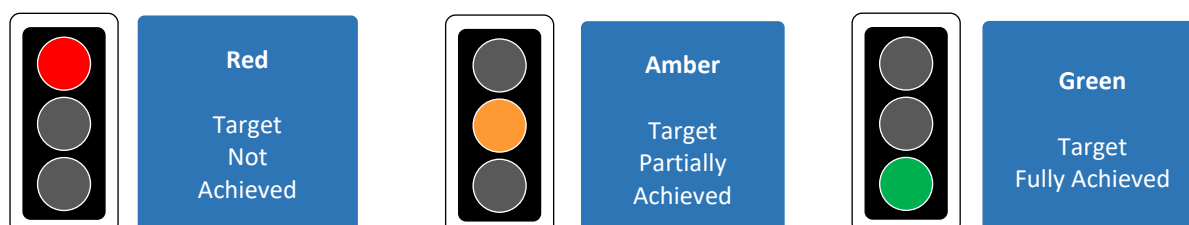
The following chart shows Leeds Federated's housing stock by category in 2024/25; a total of 4,809 properties of which 85 properties are non-social housing and 218 are managed by others. During the year, we added a total of 137 units to our social housing stock through new development.



4 Key Performance Indicators

● Measuring Performance

Key Performance Indicators are a series of targets measured by traffic light system:



Performance is tracked and reported using a Balanced Scorecard System

The results are regularly reviewed by staff, customers and by the Association's board:

- every month by the organisation's Leadership Team
- every quarter by the Customer Voices Panel, made up of Leeds Federated customers
- every quarter by the Operations Committee
- at each full Board meeting

The seven standard metrics relating to Value for Money ('VfM') specified by the Regulator of Social Housing are integrated into the scorecard. We have continued to track performance against these measures.

The following table analyses some of the additional performance indicators for the 2024/25 year contained within the BSC.

Objective	KPI	Target	Outcome
Customer Satisfaction	Overall customer satisfaction with Leeds Fed services (TSM TP01)	Minimum of 80% of customers 'satisfied' or 'very satisfied'	80.5% (2024: 78.8%) of customers were 'satisfied' or 'very satisfied' at the end of the financial year. (March 2025 rolling 12-month average)
	Customer satisfaction with the value for money of rent (E010)	A minimum of 81% of customers 'satisfied' or 'very satisfied' that their rent offers value for money	At the end of the financial year, 80.4% (2024: 72.9%) of Leeds Federated customers were either 'satisfied' or 'very satisfied' that their rent offers value for money. (March 2025 ytd performance)
Repairs	Appointments Made and Kept (TH024)	Minimum of 90% of responsive repairs made and kept	96.9% (2024: 96.0%) of customers were 'satisfied' or 'very satisfied' at the end of the financial year. (March 2025 rolling 12-month average)
	Customer satisfaction with individual repairs jobs (EN002)	Minimum of 85% customer satisfaction with the quality of individual repair jobs	Customer satisfaction with individual repair jobs was 91.5% (2024: 89.2%) at the end of the year. (March 2025 ytd performance)
Gas Servicing	Up to date gas safety certificates maintained for all relevant stock (TSM BS01)	100% of required gas safety certificates to be always in place	99.71% (2024: 99.90%) of gas safety certificates were in place at the end of the financial year. A total of 12 (2024: 4) were overdue, but fully compliant with our escalation procedures. (March 2025 performance)
Housing Management	Minimise the level of rent arrears (S002)	Current tenant rent arrears at 5.0% or less (year-end actual)	Social housing rent arrears at 3.1% at the end of the financial year (2024: 5.1%). (March 2025 Performance)
	Minimise lost rent due to empty properties (TH007)	Keep rent losses within budget	There was a 24.2% (positive variance on the empty property loss budget in 2024/5 compared with a 7% negative variance in 2023/4.
Development	Timely completion of property sales (EV001)	No more than 25% of properties to remain unsold five months from handover	Only 1 (10%) home (12 of 26 homes in 2024) had been on sale for more than five months at the year-end. (March 2025 year-end)

Development	Achievement of sales targets for shared ownership homes (EV003)	Achieve average sale proportion of 40% at first tranche.	Average – 44% (2024: 43%) (March 2025 ytd performance)
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● How We Compare

Leeds Federated has continued to deliver good performance in achieving value for money when compared to the social housing sector nationally. We have compared our 2023/24 positions against the RSH Global Accounts benchmarks for 2023/24. When considered in relation to peers nationally for 2023/24, the organisation is delivering strong levels of reinvestment, new social housing supply and return on capital employed whilst maintaining financial capacity through relatively low gearing. Significant investment in planned works, including EPC C remediation, has driven up social housing cost per unit and reduced EBITDA-MRI. By year 3 of the business plan, as the EPC-C works are completed, social housing cost per unit is forecast to stabilise below £6,000 and EBITDA-MRI is forecast to increase.

We have shown the 2024/25 outturn and 2024/25 internal targets which will be compared with the 2024/25 Global accounts when released.

Sector VfM Metric	2022/23 Outturn	2023/24 Sector Median ¹	2023/24 Outturn	2023/24 Quartile Position	2024/25 Target ³	2024/25 Outturn
(1) Reinvestment %	10.29%	7.7%	10.34%	Q2	11.89%	10.92%
(2a) New supply% (SH)	1.9%	1.4%	2.9%	Q1	3.1%	2.9%
(2b) New supply% (NSH)²	0%	0%	0%	-	0%	0%
(3) Gearing at cost %	26.5%	45.6%	30.4%	Q4	38.0%	34.5%
(4) EBITDA-MRI %	226%	122%	73%	Q4	29%	25%
(5) SH cost per unit	£4,148	£5,136	£5,210	Q2	£5,982	£6,073
(6a) Op Margin (SH) %	17.8%	20.4%	14.7%	Q3	8.7%	10.7%
(6b) Op Margin(overall) %	21.8%	18.5%	19.3%	Q2	15.7%	16.5%
(7) ROCE %	2.83%	2.8%	2.91%	Q2	2.36%	2.59%

(SH – Social Housing, NSH – Non-social housing, EBITDA-MRI – Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included, ROCE – Return on Capital Employed)

1 – VFM metrics and reporting – annex to the Global Accounts 2024 (RSH)

2 – Leeds Federated does not have current plans to develop new non-social housing

3 – Balanced scorecard approved by Board November 2024

5 Customer Perceptions

● Measuring Performance

Customer perception data is collected on a rolling basis, with a minimum of 600 customers participating in the survey annually. This approach has been in operation for many years allowing a useful longitudinal analysis of performance and has been adapted to fit with the Regulator of Social Housing's requirements for the calculation of the relevant Tenant Satisfaction Measures (TSMs).

In addition to gathering information from customers on our performance against the satisfaction based TSMs, we have retained several historical STAR questions where these add to our understanding of customer priorities and perceptions.

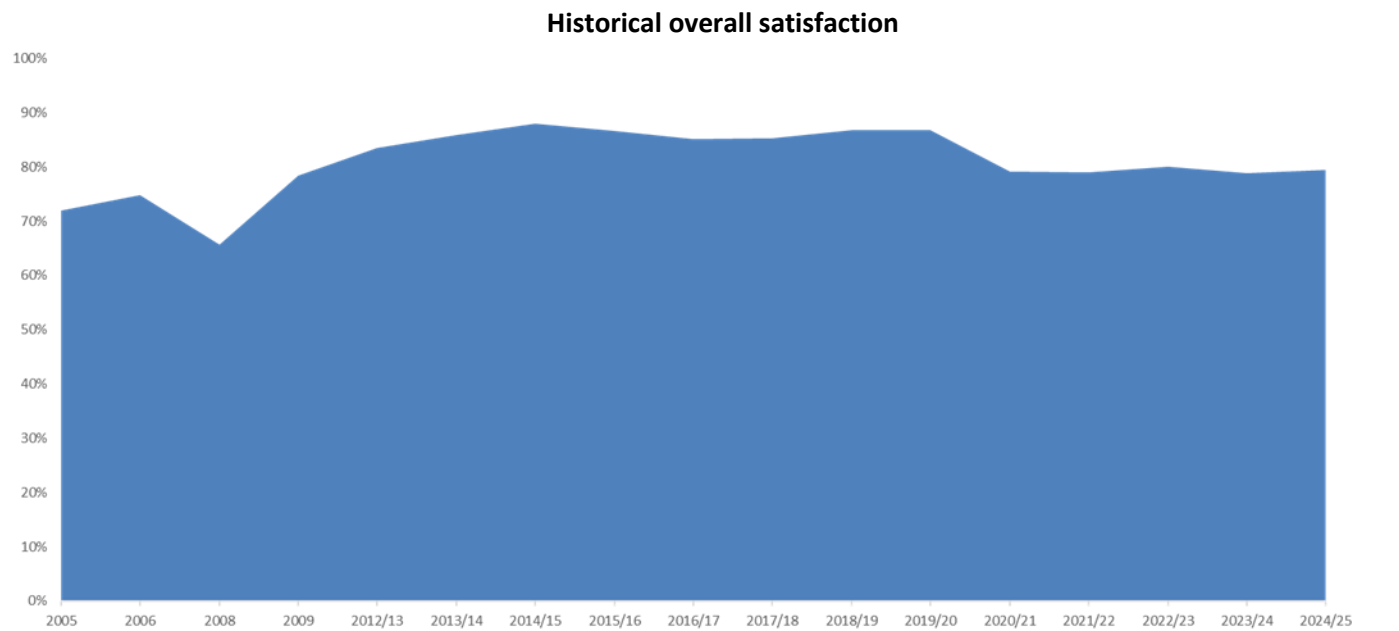
The table below sets out our performance for 2024/25 compared with 2023/24 scores released by the regulator in November 2024.

Benchmarking – LFHA 2024/25 vs. PRP LCRA 2023/24

Metric	LFHA 24/25 final scores (weighted)	Lower quartile (23/24)	Median (23/24)	Upper quartile (23/24)
TP01 - Overall satisfaction	79.4%	66.9%	73.2%	79.5%
TP02 - Overall repairs service in last year	80.4%	67.7%	73.3%	78.9%
TP03 - Time taken to complete most recent repair	75.3%	61.9%	69.4%	75.8%
TP04 - Home that is well maintained	82.3%	66.6%	72.7%	78.7%
TP05 - Home that is safe	83.4%	73.3%	79.0%	84.6%
TP06 - Listen to views and act upon them	71.1%	56.2%	63.3%	69.9%
TP07 - Keep customers informed	77.2%	66.2%	72.8%	79.1%
TP08 - Treat customers fairly and respectfully	83.9%	74.1%	79.4%	84.7%
TP09 - Approach to complaint handling	42.8%	31.9%	37.0%	43.4%
TP10 - Communal areas are clean and maintained	77.4%	60.4%	66.8%	72.3%
TP11 - Positive contribution to neighbourhood	72.0%	57.1%	64.7%	73.2%
TP12 - Approach to handling ASB	67.1%	54.6%	61.0%	67.8%

= Upper Quartile, = Median, = Lower Quartile

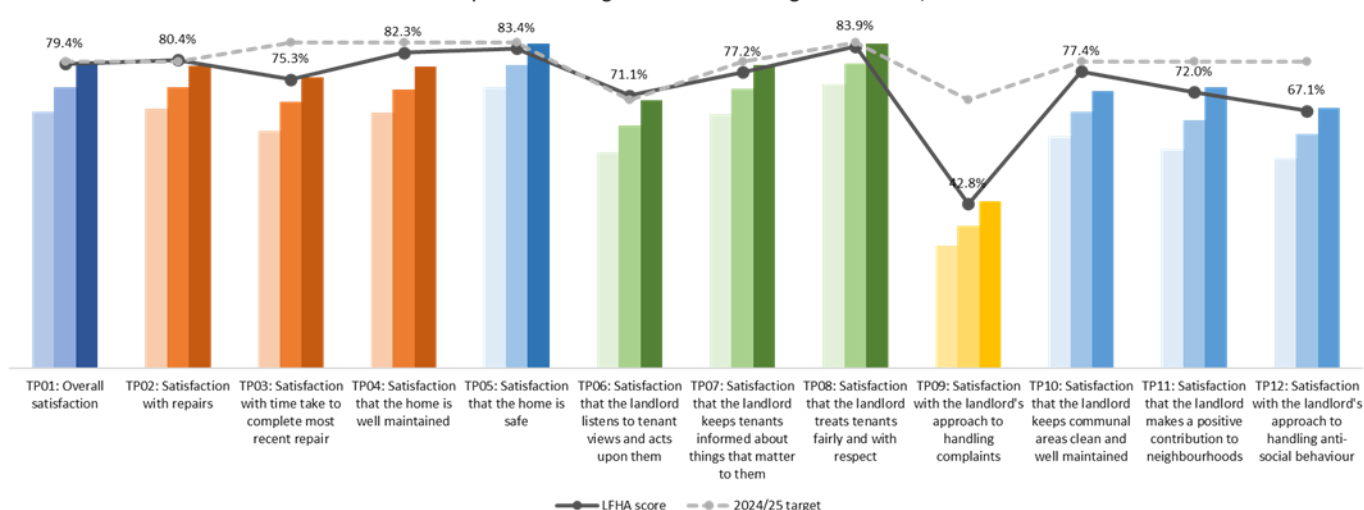
The graph below focusses specifically on overall customer satisfaction providing a useful historical context:



Leeds Federated (‘LFHA’) TSM position vs Housemark benchmarks – Q4 2024/25

The graph below provides a comparison of our 2024/25 performance against our targets with the equivalent 2023/24 lower, median and first quartile comparative performance in the light, medium and dark shaded bars respectively of all the RSH results published in November 2024.

LFHA position vs. Regulator benchmarking PRP LCRA 23/24



• Making Improvements

Throughout 2024/25, we have focused on improving services across the organisation by:

- Rolling out our Tone of Voice approach to promote consistent, customer friendly communication.
- Strengthening our approach to complaints resolution, introducing transactional feedback surveys, regular staff training, and launching a dedicated Resolutions Team to support complex and vulnerable cases.
- Implementing real-time performance dashboards to support effective service monitoring and decision-making.
- Developed a central learning repository to ensure insights from Tenant Satisfaction Measures (TSMs), complaints, and scrutiny activities are captured and used to inform continuous improvement.

Key Developments During 2024/25

Significant developments during the year include:

- 1) Reviewed and relaunched key policies to improve clarity and accountability, including the Tenancy, Rent Setting, Anti-Social Behaviour, Lettings, and Transparency & Accountability policies.
- 2) Relaunched the Customer Voices Panel, now with nine formally engaged customers, and introduced new engagement forums including Your Voice and Time to Talk sessions.
- 3) Rolled out our Community-Based Approach, developing tailored Neighbourhood Plans across all 54 areas,
- 4) Overhauled our approach to Anti-Social Behaviour and Neighbourhood Management, aligned with the Housing Ombudsman's best practice.
- 5) Successfully completed the Sugar hill redevelopment, moving 10 families back into high-quality homes in November 2024.
- 6) Completed Phase 1 of the Service Charge Review, promoting fairness and transparency.

In 2025/26 we will continue to improve our service offering by focussing on the following:

- Implementing a new telephone system and exploring the introduction of a digital customer app to improve accessibility and convenience.
- Launching a comprehensive review of customer needs and adjustments, to ensure all services are inclusive and tailored to individual requirements.
- Strengthening our Community-Based Approach by increasing local engagement and deepening the integration of resident voices into neighbourhood planning and delivery.

6 Asset Performance

● Making Improvements

We are currently working on a refresh of our Net Present Value (NPV) portfolio evaluation. This will encompass the following updates and improvements:

1. Revised project costs, including:
 - a. The significant increase in component replacement costs, largely delivered by APS, related to the planned investment programme as supported by our stock condition survey data.
 - b. The increase in average responsive repairs allowances over the period of evaluation. This is because the 4-year period of historic repair costs, which is used to generate the average, has moved on a year since the last NPV evaluation.
 - c. Better use of data to populate the projected costs, including the forecast for cyclical costs including annual gas servicing and 5-year electrical inspection costs.
 - d. Review of the anticipated cost inflation over the NPV lifetime.
2. Implications of the rent increase agreement. This will be to consider how the now confirmed position that social landlords will be permitted to increase rents by CPI+1% every year for 10 years from April 2026 can be reflected in the outcome assumptions in the NPV evaluation.
3. Better reporting and modelling presentation utilising BI tools, including a Boston Matrix to highlight outliers in NPV.

We are expecting the revised model to demonstrate a decreasing NPV generally across the portfolio, given the context of increasing costs and more cost data availability for incorporation into the evaluation. This will be demonstrated with a comparison to the previously published version.

7 Value for Money Standard

Leeds Federated has assessed its performance against the requirements laid out in the Regulator of Social Housing's Value for Money Standard. Leeds Federated has judged itself to be compliant with these requirements.

1.1 Registered providers must:

- a. clearly articulate their strategic objectives
- b. have an approach agreed by their board to achieving value for money in meeting these objectives and demonstrate their delivery of value for money to stakeholders
- c. through their strategic objectives, articulate their strategy for delivering homes that meet a range of needs
- d. ensure that optimal benefit is derived from resources and assets and optimise economy, efficiency and effectiveness in the delivery of their strategic objectives.

- Our strategic objectives are articulated in the Corporate Plan, through the three core strategies of 'Sustain', 'Engage', and 'Grow'.
- We have an approach agreed by the Board to achieving Value for Money in meeting these strategic objectives. This is primarily embedded in those strategies; however a separate Value for Money Policy exists which is approved by the Board.

- Our 'Grow' Strategy and Development Policy articulate our approach to delivering homes that meet a range of needs.
- Our VfM Policy sets out how we ensure that optimal benefit is derived from resources and assets and optimise economy, efficiency, and effectiveness in the delivery of our strategic objectives.

2.1 Registered providers must demonstrate:

- a robust approach to achieving value for money – this must include a robust approach to decision making and a rigorous appraisal of potential options for improving performance
 - regular and appropriate consideration by the board of potential value for money gains – this must include full consideration of costs and benefits of alternative commercial, organisational and delivery structures
 - consideration of value for money across their whole business and where they invest in non-social housing activity, they should consider whether this generates returns commensurate to the risk involved and justification where this is not the case
 - that they have appropriate targets in place for measuring performance in achieving value for money in delivering their strategic objectives, and that they regularly monitor and report their performance against these targets.
- A robust approach to achieving Value for Money is set out in our Value for Money Policy. We demonstrate this in ongoing business activity through option appraisals, business cases taken to Corporate Investment Group and to Board, and through the goals and projected business benefits of an ongoing programme of corporate projects.
 - The board regularly considers potential value for money gains in the form of option appraisals and business cases for changes in operational activity. Other examples at board and operational levels include asset disposal decisions, procurement approaches, resource allocation, development of new systems and changes to existing systems.
 - VfM performance is measured and recorded monthly through our balanced scorecard KPIs and through our annual VfM statement

2.2 Registered providers must annually publish evidence in the statutory accounts to enable stakeholders to understand the provider:

- performance against its own value for money targets and any metrics set out by the regulator, and how that performance compares to peers
- measurable plans to address any areas of underperformance, including clearly stating any areas where improvements would not be appropriate and the rationale for this.

- Evidence is published annually as part of the statutory accounts to detail performance against Value for Money targets and the metrics set out by the Regulator, along with any plans for improvement.

8 Value for Money (VfM) Targets

The table below shows our performance for 2024/25 and our headline targets for the following three years as currently contained in our business plan. 2025/26 is anticipated to be challenging as the association continues to invest in its existing and new homes and services to its customers in line with corporate objectives, whilst managing the combined impacts of cost inflation and higher interest rates which will impact operating margins, cost per unit and return on capital employed.

		VfM Targets			
Sector VfM Metric		LFHA 2024/25	2025/26	2026/27	2027/28
(1) Reinvestment %		10.92%	10.51%	6.86%	5.77%
(2a) New supply % (SH)		2.93%	1.82%	2.77%	2.09%
(2b) New supply % (NSH)		0%	0%	0%	0%
(3) Gearing at cost %		35%	40%	41%	42%
(4) EBITDA-MRI %		25%	60%	60%	61%
(5) SH cost per unit		£6,073	£5,775	£6,032	£5,849
(6a) Op Margin (SH) %		10.67%	11.26%	12.83%	14.85%
(6b) Op Margin (overall) %		16.46%	16.77%	17.18%	15.79%
(7) ROCE %		2.59%	2.25%	3.56%	2.43%

9 Concluding Statement

This document provides a review of Leeds Federated's activities over the course of the 2024/25 financial year from a value for money perspective. Leeds Federated believe that this report provides assurance of compliance with the requirements of the Regulator for Social Housing Value for Money Standard.