

LEEDS FEDERATED HOUSING ASSOCIATION

MINUTES OF THE BOARD OF MANAGEMENT MEETING held on 12th August 2025

Present: Kim Brear (KB) Chair
Chris Simpson (CSi)
Innocent Moyo (IM)
Naseer Ahmed (NA)
Steve Dungworth (SD)
Stephen Hepworth (SH)

In attendance:

Matthew Walker (MW) Chief Executive
Jason Ridley (JR) Finance and IT Director
Mark Donnachie (MD) Assets and Development Director
Michelle Collins (MC) Customer Services Director
Rebecca Cook (RC) Head of Finance
Frances Harbour (FH) HR Officer

1	Conflicts of Interest 25.068 The Board confirmed there were no conflicts.	
2	Apologies 25.069 Kirsty Spark (KS), David Royston (DR), Charlotte Green (CG), Helen Ball (HB) and Megan Henderson (MH).	
3	Risk Review of Board Pack	
3.1	25.070 JR introduced the Risk Review of Board Pack for discussion which includes a summary version of the risk register with no recommended changes to the risk register and two risks currently exceeding target including 'Abrupt changes to Government policy' and 'Cyber Attack'.	
3.2	25.071 NA asked about Damp and Mould and if it starts as a stand-alone risk or a reputational risk. JR said that Leeds Federated have a regulatory risk compliance which is catching everything. MD said that a paper was taken to Health and Safety Committee with this as a reputational risk. KB said that the preparation in this area as reassuring.	
3.3	25.072 IM asked if there was any data available around cyber risk in the past 12 months. JR said that Leeds Federated don't report on the number of emails trying to get into the organisation's system, but the organisation is constantly exposed to emails with malicious links, and the risk is only increasing due to AI, recently on WhatsApp there were reports of voice messages imitating Chief Executives asking for payments to be made so the bar is getting higher. MC said that there was an issue at APS and the risk is active. JR said that each year Leeds Federated do a special "deep dive" session at Audit and Risk Committee to get key advisors to go through current risks and assess the association's resilience.	

3.4	<p>25.073 SD said that while there was a definite risk, the appetite needed to be resolved if the appetite is being exceeded. SD said the Board's appetite either needs to become more balanced in this area or if caution remains then it needs to look at what additional controls can be implemented. JR said that there is always more that can be done but it will incur costs and if systems are locked down too much then staff become unable to do their work. SD said there is risk to bank account details and personal details, but it doesn't have to be based on the worst-case scenario. CSi said this is a risk that is always there, and the cyber threat isn't one homogenous thing so could perhaps be refined as some aspects may have different appetites, JR suggested that the review of Risk Management Framework later in the agenda is where these options could be discussed by members.</p> <p>25.074 The Board reviewed the Strategic Risk Register and confirmed that two strategic risks currently exceed the Board's stated risk appetite for the relevant activities at detailed in section two of the report subject to discussion of this matter further later in the agenda.</p>	JR
4	Items for Decision	
4.1	<u>Annual report to Board regarding Internal Controls and Risk Management</u>	
4.1.1	25.075 JR introduced the Annual report to Board regarding Internal Controls and Risk Management for discussion. JR said that the report has been to Audit and Risk Committee previously who have approved it for the Board.	
4.1.2	<p>25.076 CSi asked if there was a sense of near-misses or things that come close to a failure as there are a number of areas where nothing seems to cross the boundary, for example the example at APS could have been serious but was caught. MW said that it's not to say that everything is fine but if every near miss was reported it would be very long. SD said it would be good to see learning around incidents that have taken place such as what was learnt from the situation with APS. MW said that Leeds Federated do have a learning portal for complaints, although there is learning to be captured outside of complaints such as projects that could feed into this area. MC said that Data Management and GDPR meetings take place could also feed into this. SH said that there needs to caution this isn't opened up too much, if there hasn't been an incident then the controls are working and would council against creating more systems and more work while still reporting incidents. MW said that Leeds Federated could put in this internal control and add a section on learning that comes into the portal. Action: JR to work with leadership team to incorporate the use of the Learning Portal as an internal control to help manage risks associated with Data management and compliance.</p>	
4.1.3	25.077 NA said with the new Competency and Conduct Standard, it would be good practise for there to be a new HR control for this. MW said that when this is introduced this can be looked at. KB said that	

	<p>there is a comprehensive range of assurance that the Board gets in this area.</p>	
4.1.4	<p>25.078 CSi said that on page 5 of the report regarding TSM information provided to the Customer Voice panel, it would be helpful to have more feedback on what customers have to say around this. He said that more papers now reference the Customer Voices panel, and it would be helpful to get the headlines of what they have considered, what they have said and what has been done in response. Action: MC to incorporate customer voice panel feedback as part of the reports which comes to CEC.</p> <p>25.079 The Board approved the evidence provided and confirmed that acceptable levels of assurance exist over the systems of internal control within Leeds Federated to form the basis of the annual statement within the annual Financial Statement.</p> <p>25.080 The Chair closed the Leeds Federated Board Meeting.</p>	MC
4.2	<p><u>Leeds Federated Property Services AGM</u> The Board received the Annual Report for the year ended 31 March 2025.</p> <p>The Board noted the current external audit context with BDO expires following the 2024/25 audit and that Forvis Mazars will take office as external auditors at the 2025 AGM.</p> <p>The Board Approved the appointment of Chris Simpson as a director and noted the resignation of Kim Brear (effective from the AGM September 2025)</p> <p>25.081 The Chair reopened the Leeds Federated Board Meeting.</p>	
4.3	<p><u>Report and Financial Statements for year end 31 March 2025</u></p>	
4.3.1	<p>25.082 RC introduced the Financial Statements for year end 31 March 2025 for discussion and signature. RC noted one minor change from the auditor. RC said that following signature, the papers would go to BDO the following day. SH said Well done to the team for a clean and on time set of accounts.</p>	
4.3.2	<p>25.083 NA said on the first page of the letter in Appendix 3 it references that it is made best to knowledge and belief and asked if there should be a paragraph there to state that Leeds Federated do comply with regulation. MW said that Leeds Federated sign the letter but do not write it and it is there to state that from the days the auditors are doing their work it is to say that there is nothing further to bring to their attention. RC said that Leeds Federated do state this within the financial statements just not within the letter. SH said the letter is similar to previous he had seen and suspects it is industry standard and a carefully worded letter to understand there is nothing that has gone wrong rather than a guarantee although perhaps something that can be raised with the auditor for next year. KM said that there is good, useful information available including objectives, risks and context and this check to the paperwork can be looked at next year.</p>	

25.084 The Board approved the Report and Financial Statements for the year ended 31 March 2025 ready for adoption at the AGM. This document was signed at the end of the meeting.

25.085 The Board approved the Letter of Representation. This document was signed at the end of the meeting.

25.086 The Board noted the final external auditors Completion Report which will be signed at the point of signing the Financial Statements.

4.4 Risk Management Framework Policy and Risk Review Register

4.4.1 25.087 JR introduced the Risk Management Framework Policy and Risk Review Register for discussion. It is an annual review and includes the latest risk register and list of controls of which both went to Audit and Risk in July. It has the resilience plan discussed previously and will be incorporated into the policy in the future and is presented to establish whether Board wish to review their appetite for risks.

4.4.2 25.088 KB referred back to the cyber risk and action point. MW said that he had been looking at the definitions of the appetites to give the definition of what cautious and balanced mean and later down the page the organisation categorises different activity in terms of technology with some in cautious and some as balanced. SD said that there is a GDPR within the cyber, a risk around regulation and two other related risks around legacy systems and AI is a risk, so it's getting the six risks aligned or differentiating between them. KB said that risk is continuously reviewed so this could be accepted now and reviewed later and two risks being considered at the moment are data integrity and AI. JR noted there is an internal audit coming up focussing on customer data and GDPR. SD suggested that there should be further discussion outside of the meeting taking into consideration the related and potential additional risks and their controls as he considers there six data related risk.

4.4.3 25.089 SH said that he doesn't think the organisation is explaining the risks in the right way as a successful cyber-attack results in an interruption to services. The debate around appetite does relate to cyber risk, it is a risk that can't absolutely be prevented but can be mitigated. SH said that he would like to see as a Board member, the recovery plan and look at mitigations and that he would then be open to changing the appetite, as unless every system is locked down, Leeds Federated is doing everything it can and this represents a balanced appetite.

4.4.4 25.090 JR said that in terms of cyber incident recovery, that a recent internal audit has been completed and will be reported to the next Audit and Risk Committee which should provide additional assurance. KB said that there is a piece of work around what SD and SH have raised and that more needs to be seen before recategorizing, JR said that this can be bought back to November Board. **Action JR to prepare a further analysis of the Cyber and related risks and controls for board to review its appetite for each related risk.**

JR

	<p>25.091 JR reflected that in previous years, the cyber-attack risk appetite debate has been had and part of the debate rests on the rationale of having the risk set higher than the board's appetite so as to avoid complacency given the ever-increasing number and sophistication of threats.</p>	
4.4.5	<p>25.092 KB said in terms of the Resilience Plan, for the response and summary following report to Audit and Risk Committee. SH said with Risk number two, the post mitigation score is the same as the raw scores with statutory duty not fulfilled and surely after the mitigations it must be changed. Action JR to double check the raw and current risk score for Risk #2.</p>	JR
	<p>25.093 In the resilience plan, second bullet point for cost reduction the issue is that the organisation carries out cost reduction to fulfil and if Leeds Federated does that then it should also look at the impact on customer facing policies. If it is going to affect delivery, then policies need to be reviewed so customers know to expect less. KB said this was discussed in the training about implementations of mitigations. JR said that the impact on related customer facing policies will be reflected in the next edition of the resilience plan. Action: JR to include references to relevant customer policies in the next edition of the Resilience Plan (within the Risk Management Framework Policy)</p>	JR
4.4.6	<p>25.094 JR said that CG had previously discussed the risk around Abrupt changes in Government Policy and noted that most of the controls are finance related with a 'balanced' appetite and that arguably after 12 months of a new Government, abrupt Government change is less likely. KB asked that this was also looked at as part of this piece of work to bring back to November Board. Action: JR to review scoring and recommended appetite for Risk #10 Abrupt changes in Government Policy</p>	JR
	<p>25.095 The Board reviewed and approved the Risk Management Framework Policy including any changes to the Board's risk appetite and reviewed and approved the Risk Register and Resilience Plan subject to actions discussed on review and resilience plan.</p>	
4.5	<p><u>Health and Safety Policy and Health and Safety Self-Assessment</u></p>	
4.5.1	<p>25.096 MW introduced the Health and Safety Policy and Health and Safety Self-Assessment on behalf of MH. CS said with regards to the Health and Safety Committee that adds colleague input into the document, how can this be tested and were aspects of Health and Safety activity included in Audit this year. MD said yes, the gap has been done and an advisory on HHSRS. KB said the question the Board has always asked is how visible this is to the Board, MW said that in the past a member of Board has attended Health and Safety Committee meetings and discussed options for this.</p>	
4.5.2	<p>25.097 NA said with regards to the responsibilities of employers, given this self-assessment, perhaps there should be a third column which evidences this to reassure that the organisation is complying with its responsibilities and could be considered for the next update, possibly a link to a</p>	

with the relevant Consumer Standards in relation to this issue. Any matters of actual or suspected tenancy fraud are recorded on our Fraud Register.

25.107 The Board approved the Anti Bribery, Fraud and Money Laundering Policy.

4.9 Appointment of External Auditors

4.9.1 25.108 JR introduced the Appointment of External Auditors for approval following a process overseen by Audit and Risk Committee with the decision to be formalised at the AGM.

25.109 The Board approved the appointment of Forvis Mazars as External Auditors for 2025/26 Financial Year.

5 Performance

5.1 Performance Update

5.1.1 25.110 MD introduced the performance update for discussion and said that the report had a different look with feedback from the Execs and extracted data from the KPI dashboard. KB said the report was much more accessible.

5.1.2 25.111 CS said that there was very good performance and suggested a key for consistency could be helpful that could be reviewed next time. MC said that the organisation is aiming to do this and planned this between Customer Experience Committee and Board but between the meetings did not have time to implement this, so this one has commentary. There is a minor point on satisfaction with complaints being 90 and not 100 and moving forwards this will be included in the summary. KB said that it was good to get the customer feedback.

25.112 The Board noted overall assessment of performance

25.113 The Board noted assessment of adverse performance results on the probability or impact relating to one or more strategic risks

25.114 The Board approved conclusion that existing or proposed actions for improvement are adequate and that the scoring and control frameworks for highlighted risks do not require review at the present time, based on these performance results.

5.2 Financial Performance Report September 2024

5.2.1 25.116 RC introduced the Financial Performance Report for discussion. RC said that Leeds Federated were behind the 16% target operating margin (13%), this is due to sales and first tranche sales and will continue to be monitored each month. RC said that there has been more caution with discretionary spending until there is more assurance around completions. SH asked what the impact was of this, RC said that it was vacancy spend, and project spend. RC said that no budget has been taken away but will be forecast towards the end of the year.

25.117 The Board noted overall assessment of financial performance to P3

25.118 The Board noted the Development/Capital and Treasury updates for Q1.

6 To Note

6.1 Chief Executive Report

- 6.1.1 25.119 MW introduced the Chief Executive Report for discussion. NA said that support had been provided that the organisation was on top of responsibilities around Awaab's Law and KB said it was good to see what had been included in this area and the preparation around this.

25.120 The Board noted the report

6.2 Report from the Chair of Audit and Risk Committee

- 6.2.2 25.121 JR said that this report, confirmed with the Chair of Audit and Risk Committee in his absence related to the terms of reference of the Audit Committee and provide assurance that the committee had discharged its responsibilities in accordance with its Terms of Reference as self-assessed in Hydrogen.

25.122 The Board noted the report

6.3 Governance Review

- 6.3.1 25.123 Mags Peirson (MP) from DTP joined the meeting and introduced the Governance Review for discussion. MP said that it was an independent review for Board effectiveness through observation of meetings, meetings with Executives in April and Board Members through June and July.
- 6.3.2 25.124 MP said that the Governance is effective with a good structure and committees of a good size. There is a good balance of support and challenge and a sensible approach to succession planning. The recommendations are minor admin things, and they are observations, but this is not a non-compliance issue. Overall, there is a robust framework, compliant with good practise.
- 6.3.3 25.126 KB said that an action plan would be drawn up and brought back to November Board. MW said that the intention in this is that the report is received and an action plan produced for November and for Governance and Remuneration Committee.
- 6.3.4 25.127 MP said that in terms of papers and meeting observations, there were some points to pick up on the APS papers and some work in progress to look at the report format which reflected some difference in opinion and the need for further discussion time and strategic thinking time such as the strategic away day. Points were raised for protocol for raising points outside of meetings and that somethings could be picked up first online ahead of the meeting to give officers a chance to prepare.
- 6.3.5 25.128 MP said that Customer Experience committee could benefit from tighter focus and clarity and focus on remit and whether this is the place for development. KB said that there was a time where there was too much focus on Development, so it was brought into Customer Experience

	<p>Committee. SH said that skills needed to be considered in this area, and MP said it was unusual as someone who is skilled in the customer side may not have the skills in Development. KB said that it needs to be considered more widely in terms of Board skills as some Board Members who were skilled in this area have now left.</p>	
6.3.6	<p>25.129 SD said that there was a lot of policy approval that takes up a lot of time, MP said it's about the purpose of the paper and if there is a customer prospective for the policy rather than the procedural detail. KB said that mutual exchange customers can be reached out to. MP said that many organisations are facing similar challenges and Board need oversight of the operational than ever before.</p>	
6.3.7	<p>25.130 MP said that there was effective governance and that it was felt that everyone was genuinely invested and passionate for the organisation's values and objectives. NA asked about a breakdown of priorities and MP said that she would take this away, but most recommendations are minor and there are no non-compliance areas.</p> <p>25.131 The Board noted the contents of the Governance Review.</p> <p>25.132 The Board noted a full action plan in response to the recommendations will be bought back for approval at the November Board meeting.</p>	
6.4	<p><u>High level Business Plan scenarios following spending review</u></p>	
6.4.1	<p>25.133 JR introduced the high-level Business Plan Scenarios for discussion. JR said the paper was designed to reflect the feedback on how Leeds Federated conducts Board business and how some papers should return to board as progress is made and to engage with Board in the process and final decision. This paper is a good example which will return to board as it determines next year's Corporate Plan and the implications on the Business Plan. JR said the format was a pilot of changes being considered and welcomed any feedback.</p>	
6.4.2	<p>25.134 RC said that the paper included a reminder of the business plan and spending graph showing how the organisation will have paid off debts will a small cash surplus at the end of 30 years. There is a 5-year development plan with a minimum of 80 units in the plan at the moment. At this point the organisation was aware of the 5-year rent settlement. The gearing and interest cover are green, however there is a decline in that income isn't increasing as much as operating cost but an operating margin below 16% is not expected. The impact of the isolation of the 5-year rent settlement allows for more headroom at the end of 30 years and if the organisation was to increase development to 150 units there would be a lot of headroom although the funding doesn't indicate this is affordable at this stage. Capital spend on Net Zero means the organisation would still repay debts with a small surplus and the impact would be through depreciation. The impact of increased revenue and increased Place Shaping would achieve significant headroom and a combination of Net Zero and Place Shaping would be affordable and increase headroom. The headline considerations are disposals with needing to deliver what is in the business plan already and reforms to the Decent Homes Standard.</p>	

6.4.3	25.135 SH said that when the development figures have been considered in the plan the numbers go from 80-150 and would increase development work with a lower number with a long-term rent settlement in return for more homes. KB said when the figure moves away from 80 it becomes problematic, and JR said that rather than include the additional years in the plan the approach would be based on a commitment to a rolling 5 year development programme. SH said that the Government has an expectation for more homes however there are costs that the sector is expected to absorb, and the sector needs to communicate this back to Government. MW said that how the sector responds to this will be considered and some of the points SH has raised will come out in the consultation.	MC
6.4.4	25.136 SH said that he liked the format of the document and SD said it was a great start, and it would be helpful to have the essential information to one page and the detail in the appendices.	
6.4.5	25.137 KB said that if the organisation cannot do everything and it is important to understand how much can be achieved based on spend. With Decent Homes 2 coming up, that priority and how much that will cost will need to be considered. MW said that he understands the regulator is expecting something from 2030 to get to £80 million and half of this could be funded by Savills. MD said that Leeds Federated can look to revisit this with Savills next year.	
6.4.6	25.138 CSi said that with the new format, Leeds Federated could look at customer input and then with the inspection of the regulator, that input can be evidenced and allows the view of what is important to residents as well as the Board and KB asked how this would work. MC said there is a commitment to customers in how the business spends money with options that can be looked at around this, MC is also hosting a Time to Talk session in September where this could be discussed. SH said across the tenant population when prioritising resource spend customers are often more interested in house build than may be expected. KB said this is a discussion that will be reflected on and developed over time. Action: To consult with customers on how money is spent.	
	25.139 The Board noted the report.	
7	Board Minutes	
7.1	25.140 Minutes of the Board Meeting held on 27 May 2025 were approved as a trued and accurate record.	
8	Matters Arising	
8.1	25.141 Matters Arising were noted	
9	Minutes for Information	
9.1	25.142 Draft Audit and Risk Committee Minutes 2 July 2024 were noted.	
9	Any Other Business	
9.1	25.143 CSi acknowledged that this was to be KB's last meeting as Chair and discussed plans for a more informal goodbye over a Board member	

dinner. The Board and Exec team thanked KB for her service to the Leeds Federated Board and for all of her work at Leeds Federated on behalf of the organisation and its customers.

10 Date of next meetings

AGM: 18 September 2025, 5pm, Zoom

Board Meeting: 11 November 2025, 5pm, Weetwood Hall

Board Development Day TBC