

## LEEDS FEDERATED HOUSING ASSOCIATION

### MINUTES OF THE BOARD OF MANAGEMENT MEETING held on 11<sup>th</sup> November 2025

**Present:** Chris Simpson (CS) (Chair)  
Charlotte Green (CG)  
David Royston (DR)  
Helen Ball (HB)  
Innocent Moyo (IM)  
Kirsty Spark (KS)  
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  
Megan Henderson (MH) Head of Corporate Services  
Michelle Collins (MC) Customer Services Director  
Rebecca Cook (RC) Head of Finance  
Frances Hancock (FH) HR Officer (Minutes)

<b>A</b>	<b>Post AGM Business – Chairs/ Committees</b> <b>25.144 The Board:</b> <ul style="list-style-type: none"><li>• <b>elected CS as Chair of the Board</b></li><li>• <b>elected SD as Chair of the Customer Experience Committee</b></li><li>• <b>elected DR as Chair of Audit and Risk Committee</b></li><li>• <b>elected KS as Chair of Governance and Remuneration Committee.</b></li><li>• <b>approved the Customer Experience Committee membership</b></li><li>• <b>approved the Audit and Risk Committee Membership</b></li><li>• <b>approved the Governance and Remuneration Committee Membership.</b></li><li>• <b>noted the correspondence arrangements for the Board.</b></li></ul>	
<b>1</b>	<b>Conflicts of Interest</b> <b>25.145</b> No conflicts	
<b>2</b>	<b>Apologies</b> <b>25.146</b> No apologies	
<b>3</b>	<b>Risk Review of Board Pack</b> 25.147 JR introduced the risk review of Board Pack for discussion. Cyber risk continues to be outside Board appetite; this will be discussed at the Roundtable event on 13 November. It was also noted that the number of strategic risks has been challenged, and further work is being undertaken to move some to operational risks.  25.148 NA asked about the ruling on gas safety checks and whether this will mean more are left outstanding. MD said that this will feed into risk where there are additional issues, and that the organisation seeks court	

injunction. SH said that it wasn't a binding precedent, and it was agreed that this was a matter to be monitored.

**25.149 The Board reviewed the Strategic Risk Register and confirmed that the cyber-attack risk currently exceeds the Board's appetite as detailed in section 2.**

#### **4 Items for Decision**

##### **4.1 Rent Setting Policy 26-27**

25.150 RC introduced the Rent Setting Policy for discussion and said it has been presented in draft as it will be updated to include updates on rent convergence. It is presented now due to timescales to implement uplift.

25.151 The Board discussed the limit of affordable rents in line with the Local Housing Allowance, the approach was supported. Board questioned whether the approach should be taken in other areas as well. RC said that there is flexibility in the wording of the policy to allow for changes. **ACTION MC to review how to keep affordable for customers and maximize rental income.**

25.152 NA asked about the rent convergence and whether housing benefit will be accepting of the increase. RC said that the rent convergence brings this to the level it should be so local authorities will already be paying this.

25.153 CG said that she was in favour of the rent increases, but it should be acknowledged that while the increase will be fine for some, others may not. Targeted communications and the use of a hardship fund was recommended. MC confirmed a standard letter is sent but that the Financial Inclusion Team could do a proactive targeted approach, reaching out to households where there is a known greater need. IM asked whether letters to customers experiencing problems signpost them to financial help available, MC confirmed that all letters refer to the FI service. JR said that once the results of the rent convergence are obtained, there will be a lunch and learn session for Board members.

25.154 The Board discussed that the rent convergence should be applied in full with all aspects considered including a targeted approach to customers as an action from this meeting.

**25.155 The Board approved the draft Rent Setting Policy for 2026/27 including:**

- **Increasing social and affordable rents by 4.8% (September CPI of 3.8% + 1%) where indicated**
- **Increasing below-formular social rents be the maximum amount permitted following the outcome of the rent convergence consultation (expected to be £1, £2 or £3 per week).**

##### **4.2 2025-26 Budget and 30-year Business Plan Mid-Year Review**

25.156 RC introduced the Budget and Business Plan Update for discussion which requests the Board to consider whether they would be prepared to accept a temporary reduction of 0.5% to the target operating

**RC/MC**

<p>margin in the Finance Policy for 2025/26 or whether to maintain the 16% target although this would impact service delivery.</p> <p>25.157 DR asked if there was any way that the cost overrun on voids could have been detected earlier to prevent this situation. MD said that there was a spike in Q1 with a number of high-cost voids but a reduction in cost and number in Q2.</p> <p>25.158 SH queried whether external surveyors over specified requirements. MD said that the data doesn't support this, LFHA were using a contractor for voids due to a staffing issue in Q1.</p> <p>25.159 CG questioned whether the removal of the hardship fund and whether this was because it hadn't been needed. MC confirmed that the surplus on service charge accounts had mitigated the need for many people to need to access the fund and that customers most impacted were in receipt of HB / UC which covers service charge costs and that the hardship fund would remain in place.</p> <p>25.160 The Board discussed the Place Shaping budget. It was noted the new Social Value Lead is working across teams to strengthen the approach and oversee the budget.</p> <p>25.161 HB said the net zero cost of £60 million for 2030-2050 seems light. MD said that the number was based on stock condition survey information, movement of costs as component requirements change and as assumption around grant funding. <b>ACTION The 2026/27 Budget &amp; Business plan stress testing will exclude anticipated grant funding associated with NCZ spending.</b></p> <p>25.162 DR said that it would be helpful to see stress testing for a cyber-attack with additional operating costs for more manual work arounds and the cost of putting it right. <b>ACTION The 2026/27 Budget and Business plan stress testing will include an amended 'one off' cost scenario that reflects a cyber attack anticipated additional costs.</b></p> <p>25.163 DR said that the Board set the margin to withstand potential shocks and would like management to find cost savings that don't impact customers, allowing the reduction in target could create a habit. SH outlined that the Association should strive for the highest margin but that the impact of retaining 16% this year would be felt so would look to approve the reduced margin with the request that the margin be brought back up next year. SD encouraged a review of longer-term trends. <b>ACTION JR to provide an analysis of longer term trends to provide context for consideration of the target operating margin.</b> NA was content it was a one off dip and did not impact longer term viability. CG asked about the impact of reducing the Placeshaping budget and asked what the cost would be of retaining it.</p> <p>25.164 MW advised this is not a result of mismanagement and that each Head of Service has contributed and found things in their own budget to have a minimise the impact on customers. A realistic best effort position which is not easy retaining surplus has been the approach.</p>	<p></p> <p></p> <p></p> <p></p> <p></p> <p>RC/JR</p> <p></p> <p>RC/JR</p> <p></p> <p>JR</p> <p></p>
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	<p><b>25.165 The Board are requested to approve the mid-year update to the 2025/26 Budget and Business plan, noting the stress testing report and latest economic assumptions from DTP.</b></p> <p><b>25.166 The Board approved a temporary reduction of 0.5% to the target operating margin in the Finance Policy for 2025/26</b></p> <p>4.3 <u>Board Skills and Competency Assessment 25-26</u>  25.167 MH introduced the paper which was put forward by Governance and Remuneration Committee.</p> <p>25.168 CSi asked about movements in the Board and upcoming vacancies next year. MH said that IM steps down from the Board in September 2026 and recruitment will begin for a new Tenant Board Member in January.</p> <p>25.169 CSi asked if it felt the Board was missing anything, MH and SD confirmed there was good and detailed discussion of this at Governance and Remuneration Committee.</p> <p><b>25.170 The Board approved for members to complete the Board Skills and Competency Assessment before the end of December 2025.</b></p> <p>4.4 <u>Board and Committee Dates</u>  <b>25.171 The Board approved the Board and Committee dates for 2026-17.</b></p> <p>4.5 <u>Member Responsible for Complaints</u>  25.172 MH introduced the Member responsible for complaints role and said it had been discussed at Governance and Remuneration Committee due to increased expectations around complaints. Any Board member is welcome to apply and provisional dates for interviews are the 9<sup>th</sup> and 10<sup>th</sup> December which can be held on Teams. The closing date for applications is currently to be agreed and will be advised via email.</p> <p>25.173 CSi said that it is an anchoring role to Customer Experience Committee and if the member is not currently part of this committee currently with this role they will join. MC said that part of the role is to work closely with the Customer Resolutions teams, looking at data, trends and customer insight for more detailed oversight.</p> <p><b>25.174 The Board approved the remuneration level and appointment process for the role of Member Responsible for Complaints</b></p> <p>4.6 <u>Governance Action Plan and Shareholding</u>  25.175 MH introduced the Governance Plan and Shareholding for discussion, which includes recommendations from the Governance review. The action plan is brought to Board to consider and approve.</p> <p>25.176 CSi asked if it would be possible to evidence completion through Hydrogen. <b>ACTION JR / MH to upload plan, recommendations and evidence to Hydrogen.</b> Completion confirmation will be brought through Governance and Remuneration and reported to Board.</p>	<p>JR/MH</p>
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26.177 SH said that he was in favour of DTP8 (Assets and Development Committee) but didn't understand why there was a proposed delay or the link with APS. MD said that there was a previous Assets and Investment Committee but there wasn't enough work for this so it was combined with Customer Experience Committee, adding APS would mean there was enough work. The timetable for the proposed change linked with decisions around APS were outlined.

25.178 MW outlined the shareholding recommendation that LFHA moves from open shareholding to closed shareholding and confirmed this had been reviewed by Governance and Remuneration Committee. SH this was about decisions not having control at Board and not enough if known about the current shareholders to assess the risk.

**25.179 The Board discussed and agreed the approach and timescales.**

4.7 Trentham Street Flats – Options Appraisal

25.180 MD introduced the Trentham Street Flats options appraisal for discussion.

25.181 DR preference was to sell the site with no liability fall back. SH agreed that selling to a RP would be the best option, demolition and rebuild makes no financial sense. KS said disposing to another RP would be the best option if possible and asked if LFHA would be able to recycle the grant if it was sold on the open market, MD confirmed the grant could be recycled. NA said that the site doesn't appeal as general needs but it may be attractive to smaller provider with a favourable lease option if there is no sale. DR said any lease would incur liability at some point. MD said if a lease option were to be considered we would push all liability as part of this. CG commented that having seen the video, these were not homes that she envisaged people would want to live in.

25.182 SD asked if we were moving out of the area by default. MD said that the archetypes are ones that have been identified as properties that Leeds Federated don't want longer term, but the Association does have wide ranging stock there.

25.183 The Board discussed leaving open the option to sell to another RP or local charitable housing organisation given the ongoing discussions. If that option did not materialise, Board discussed selling the building on the open market.. Board confirmed there was no requirement to bring further papers back for consideration and noted the quality of the paper.

**25.184 The Board approved disposal to another RP or local charitable housing organisation, and if that option does not materialise, disposing of the property on the open market.**

4.8 Pepper Hills Update

25.185 MD introduced the Pepper Hills Update for discussion. MD referenced discussions with another HA which had not progressed to an agreement but confirmed that Leeds City Council have shown interest in a purchase or lease. The site has also been approved for demolition subject to LFHA being unable to do agree a sale with another RP. CSi said it was unlikely after conversations between MD, MC and the local

<p>authority that the Pepper Hills site will be suitable due to too many one bed properties.</p> <p>25.186 SH discussed the council giving band A and band B priority and whether LFHA could raise this for allocations, MC confirmed this has been discussed with Leeds City Council and customers would be given Band A priority once a court date was given.</p> <p><b>25.187 ACTION For the initial costs, outcomes and preferred timescales to be included at the start of any further papers of this nature.</b></p> <p><b>25.188 The Board noted:</b></p> <ul style="list-style-type: none"> <li>• <b>Significant progress made in rehousing customers and emptying the Pepper Hills scheme</b></li> <li>• <b>That discussions with another HA have not resulted in a viable social housing redevelopment proposal</b></li> <li>• <b>That Leeds City Council are considering whether the existing building may be suitable for their operational need and have expressed interest in a possible purchase/lease</b></li> <li>• <b>The indicative demolition and interim site security costs, both of which remain within budget assumptions</b></li> <li>• <b>Leeds Federated will now move forward with the demolition and subsequently present another Board paper to assess redevelopment viability or an open market sale, in line with the Board’s March 2024 decision—unless discussions with other Registered Providers result in an alternative proposal</b></li> </ul> <p>4.9 <u>Disposal Update and Policy Review</u></p> <p>25.189 MC introduced the report. Following on from Board in January with disposals increased from 25 to 40, a Disposals Lead role was introduced. As an update on disposals, 12 have been sold via auction generating £1.3m with further homes to auction in December, there is also interest from a private investor in buys 3 homes that didn’t sell in October. The Disposals Lead has been engaging with customers with some looking at right to buy rather than moving and others looking to move out and transfer to another LFHA property.</p> <p>25.190 The Board discussed the three options proposed that were recommended by solicitors in relation to customers purchasing the properties with options 1 or 3 as the preferred. Board preference was option 3. MC said that there were 5 customers currently that Leeds Federated is going to try this with, MD said it provides choice to the customers to not have to move if they don’t want to. CG asked about the ethical position and transparency with customers around the costs of homeownership. MC said that the Disposals Lead will have a one-to-one with the customer including the reasons why the property has come on to the list and the justification. The Board discussed ethical considerations of option 3 and the need for good and recorded communication to customers on this option.</p> <p><b>25.191 The Board noted progress made on the Disposals Project since April 2025.</b></p>	<p><b>MD</b></p>
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	<p><b>25.192 The Board approved the accompanying Disposals Policy and Home Loss Policy.</b></p> <p><b>25.193 The Board agreed the options proposed for a Voluntary Right to Buy offer for targeted properties.</b></p>	
4.10	<p><u>Value for Money Policy</u></p> <p>25.194 JR introduced the policy noting few changes following the Tone of Voice changes of the previous year.</p> <p>25.195 SD asked which organisations Leeds Federated is benchmarking against and where benchmarking can be viewed. JR said that benchmarking is included in annual accounts, benchmarked against global accounts. SD commented on reducing margins, steady KPI's and increasing staff numbers. <b>ACTION To bring a separate report to the accounts to look at trends in margins, KPI's and staff numbers.</b></p> <p>25.196 MC said that the Social Value Lead role. A new social value framework will be coming to Leadership next month and then reviewed every 6 months. <b>ACTION to bring a baseline social value report to Board.</b></p>	<p>JR</p> <p>MC</p>
5	<p><b>Performance</b></p>	
5.1	<p><u>Performance Update</u></p> <p>25.198 MC introduced the Performance update report for discussion which shows 72 out of 99 KPIS as green. Complaint KPI targets have been aligned with the Housing Ombudsman Code setting both response timescale targets at 100% so this will always show amber this year. TSM reports indicated good performance and out of 12, LFHA have just 2 below top quartile.</p> <p>25.199 SD said that there is a lot of information that goes to Customer Experience Committee with in-depth analysis of TSMs and rents, red and amber have been focused to manage time and to see the thread coming through from TSMs to complaints to customer regulation. SD said that he had viewed the TSMs and LFHA has gone up but taking out London and local authorities, LFHA is second quartile but doing well.</p> <p>25.200 SH said that the survey results are very strong with an upturn in performance, the sector has lowered in this area attributed to changes in surveys but LFHA hasn't so that is very positive.</p> <p><b>25.201 The Board:</b></p> <ul style="list-style-type: none"> <li>• <b>noted overall assessment of performance</b></li> <li>• <b>noted the conclusion that existing or proposed actions for improvement are adequate, and that the scoring and control frameworks for these risks do not need to be reviewed at the present time on the basis on these performance results</b></li> <li>• <b>approved the 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.</b></li> </ul>	

5.2 Financial Performance Report

25.202 RC introduced the Financial Performance Report for discussion. The report shows a 15.6% operating margin based on the October accounts. Margin is expected to drop with Place Shaping and forecast project spend.

25.203 SH said with the net surplus of £600,000, LFHA is in danger of becoming heavily reliant on sales income. KS commented that an operating margin dependant on sales income isn't favourable to the regulator. JR said that the paper sets out the margin with and without sales which tracks forward.

25.204 KS said that looking at the turnover position, this is forecast to deteriorate, and the variance will get larger, YTD £17000 then widen to £107000 and if LFHA are factoring for this. RC said this related to Pepper Hills but that there can be further analysis done on this.

25.205 The Board discussed staff costs over budget due to temporary staffing costs in the Community Spaces and Contact Centre Teams. MH said a member of staff has been on long term sick, so this has impacted during peak growing seasons and contact centre have included temp to term, there have been positive moves to other areas of the business.

25.206 KS asked why the spend was so far over on kitchens, MD said that this was due to phasing.

**25.207 The Board noted the overall assessment of financial performance to P6**

**25.208 The Board noted the Development/Capital and Treasury Updates for Q2**

6.1 CEX Report

25.209 MW introduced the CEX Report for discussion. CSi said that MW was a well networked CEO and one of the most well-informed people in the housing sector which is really good for the organisations profile.

**25.210 The Board noted the report**

6.2 Operational Plans

25.211 JR introduced the operational plans report. SH said that it was a great report which showed lots going on although some of it may be business as usual and it would be helpful to show where the plan works to the organisational objectives. ACTION: send updated report with project links to Corporate Objectives to Board for information.

**25.211 The Board noted the report**

6.3 Digital Round Table Meeting update

25.212 The Board discussed the upcoming Digital Round Table Meeting on Thursday 13<sup>th</sup> November and how it will provide an opportunity to look in particular at digital risk.

**25.213 The Board noted the report**

<p>6.4</p> <p>7</p> <p>7.1</p> <p>8</p> <p>8.1</p> <p>8.2</p> <p>9</p> <p>9.1</p> <p>9.2</p> <p>9.3</p> <p>9.4</p> <p>10</p>	<p><u>Board Effectiveness Survey</u> 25.214 MH introduced the Board Effectiveness Survey for discussion and referenced that it will form part of the appraisal in January. SD asked if everyone had completed as there weren't as many comments this year, MH confirmed everyone had completed. CSi asked if it could be the length of the survey that means there are less comments. MH said that Governance and Remuneration Committee had discussed whether to include a short number of questions within the appraisal form, and it was decided to not change the survey. MH said that there was less dissatisfaction this year. CSi said it would be good to consider how to get more qualitative feedback as the Board has done previously in a session with Shirley from Azesta.</p> <p><b>25.215 The Board noted the contents of the report and survey results and highlighted no issues raised for further action.</b></p> <p><b>Board Minutes</b> Minutes of the Board meeting held on 12 August 2025 <b>25.216 Approved as a true record</b></p> <p><b>Matters Arising</b> Matters Arising <b>25.217 These were noted</b></p> <p><u>Schedule of key matters</u> 25.218 MH said that the schedule of key matters was recommended for the Governance action plan and sets out what Board members should expect from each meeting. CS said that this gives Board opportunity to challenge where something isn't included and it is good to see policies kept on top of.</p> <p><b>25.219 These were noted</b></p> <p><b>Matters for Information</b> Draft Customer Experience Committee 5 August 2025 <b>25.220 These were noted</b></p> <p>Draft Audit and Risk Minutes 7 October 2025 <b>25.221 These were noted.</b></p> <p>Draft Governance and Remuneration Minutes 7 October 2025 <b>25.212 These were noted.</b></p> <p>Health and Safety Committee Minutes 24 July 2025 25.213 The Board discussed the incident with APS. MD said it is a RIDDOR Incident and LFHA are waiting to see if there will be a HSE investigation. The person involved is still off work but recovering. MH said that Health and Safety Manager Gavin Prothero is doing a report on the incident and APS have been transparent and thorough.</p> <p><b>25.214 These were noted.</b></p>	
<p><b>Any Other Business</b></p>		

25.215 The Board confirmed there was no other business.

**11 Date of next meetings**

Digital Round Table meeting: 13 Nov 2025, 5-6.30pm Virtual  
Board Strategic Away Day: 16/17 January 2026, Weetwood Hall  
Board Meeting: 31 March 2026, 5pm. Weetwood Hall