

Financial Review

For the year ending 31 March 2025

**NATIONAL
HOUSING
FEDERATION**

Financial Review

For the year ending 31 March 2025

Introduction

The National Housing Federation’s (NHF) financial review is designed to explain in a straightforward way the NHF’s financial performance for the year.

This review is intended to be read alongside the NHF’s full audited financial statements, both are available on the NHF’s website at www.housing.org.uk under the ‘About Us – Governance and Transparency’ section. Our website also provides a wide range of information on how the NHF provides added value for its members.

The financial statements include a statement from our Chair, Chief Executive and a comprehensive strategic and business review. The latter includes an assessment of the risks and uncertainties faced by the NHF and its members.

We would be happy to answer any questions you might have on this review and welcome your views on whether you found this review helpful and how you think it might be improved further.

Irfan Umarji
Executive Director of Finance & Business Services
July 2025

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Message from our Chair

Now in my third year as Chair of the NHF I have been working closely with staff to steer the NHF's new 5-year business strategy and visiting housing association members from every region of the country to see the impressive work of our sector. On each visit I make, and in every conference or event I attend, I am reminded that the work the sector does is truly remarkable. Whether it is the removal of dangerous cladding by Guinness, the provision of exceptionally harmonious and diverse residential provision by Arawak, regeneration by MTVH, resident leadership at Phoenix or any of the other projects I have been privileged to see, I always come away humbled by the commitment and dedication our members show to providing residents with the means to a better life through the provision of high-quality affordable housing and services.

In developing our new business strategy, we spoke to over 700 of our members, stakeholders, partners and residents to gather views on the challenges, strengths and vulnerabilities that social housing is facing. Our strategy is ambitious and focused on our members' social purpose – providing good quality housing that people can afford.

This work lays a strong foundation as we enter our new business period – we want to build on the momentum we have achieved and continue delivering positive change for our members and their residents.

During the year and across our last business strategy, we have strengthened our organisational finances, increased member satisfaction, and delivered our first Housing Community Summit, a collaboration with CIH that brought together 3,000 people from across our sector. This event continues to boost the NHF's event portfolio and creates a key moment for the whole housing community to be under one roof.

Our Chief Executive, Kate Henderson, goes into more detail in her statement in the financial statements on the political environment and the NHF's campaign for social housing and our response to the 2024 election and engagement with government.

This work can't happen unless the NHF is striving to be the best trade body it can be. By working effectively and efficiently, we're achieving the financial goals that ensure member fee increases stay below inflation. This year our commercial events continued to perform well. Our business development income also remains strong and the NHF's offices, let as either serviced offices or on commercial leases, performed well in a challenging economic environment.

So much of what we've achieved this year has put us in an excellent position for the year ahead and delivering on our new ambitious 5-year strategy, including the once in a generation settlement in the recent Comprehensive Spending Review. But none of this would be possible without a sector united and it continues to be my honour to lead the trade body that unites all housing associations in England. I am committed to ensuring the NHF meets its business strategy goals, and delivers positive change for housing associations, so that every member feels the benefit of a highly effective trade body.

Maggie Galliers CBE
Chair of the Board

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Key performance indicators

	24/25	23/24	22/23	21/22	20/21
Turnover	13,838	13,066	12,727	11,846	12,668
Change %	5.91%	2.70%	7.40%	(6.50)%	(4.90)%
Comprehensive Income/(loss)	2,241	(2,712)	727	7,026	(5,969)
Underlying surplus/(loss)	1,277	1,047	1,266	1,991	893
Underlying surplus/(loss) excluding Housemark result	1,206	922	1,263	1,414	857
Net assets	11,689	9,448	12,160	11,433	4,407
Net cash balance	7,421	6,694	3,361	4,221	2,768

Further details are provided in the Financial Statements, which include a reconciliation of the surplus reported in the Financial Statements ('Headline surplus') and the Underlying surplus, the measure used in relation to our financial objectives and reserves policy.

In line with our financial objectives and reserves policy, the NHF sets affiliation fees with the aim that members pay each year for the level of services they receive and budget for an underlying break-even position. We aim to operate efficiently to in practice, make an underlying surplus (profit after tax).

In order to achieve this, income budgets are set prudently, as although the uncertainty in being able to hold events following the pandemic has eased, there are still numerous uncertainties to navigate, including continued cost pressures and increasing demands on our members. Costs are contained within this reduced income envelope to ensure that a deficit will not arise.

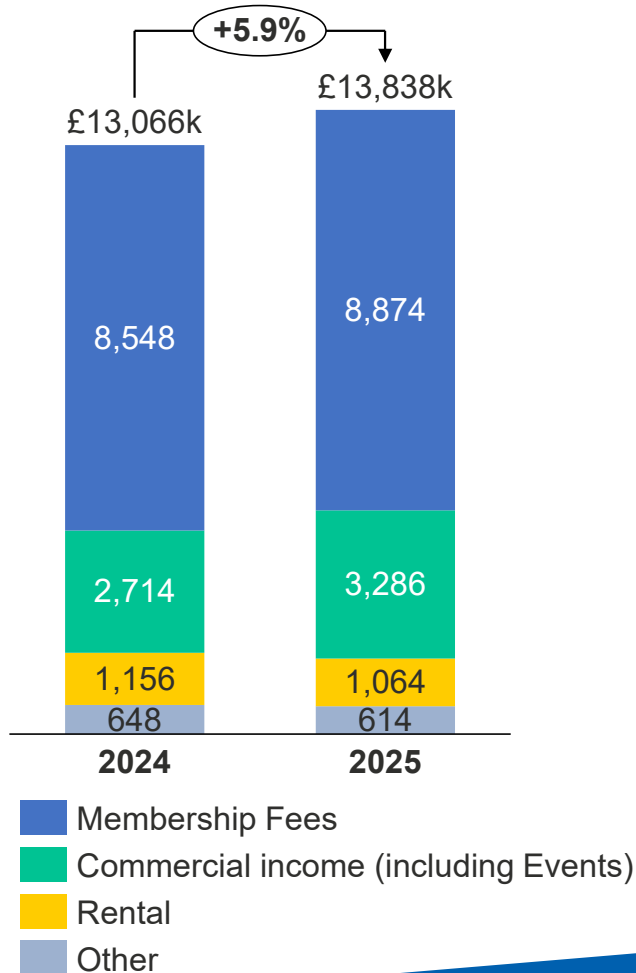
For the year ending 31 March 2025 turnover increased by 5.9%. Conference income increased, despite the challenges in the current economic climate. All floors at Lion Court remained 100% occupied at the year-end, however, we saw a further devaluation of the property, given the post-pandemic office market.

The price of membership is set in the preceding September. For the upcoming year (2025/26) fees have increased by 2%, below the rate of CPI in September of 2.6%.

The valuation of the pension deficit this year showed a gain of £0.5m (2024 loss of £1.6m). On a day-to-day basis, this has little impact on our finances as the debt will not be realised in the short-term.

The only direct consequence is the agreed pension deficit payments of £1.7m (£1.6m from April 2025), which are accounted for within normal trading of the business and reflected in the underlying results. These payments are met from our commercial income streams rather than members' fees.

Income



Over two-thirds of the Federation's income is derived from the annual affiliation fees paid by our members, which were increased by 2% in 2024/25, below inflation, totalling £8.8m. The annual changes in affiliation fee income result from changes in the makeup of NHF's membership and the level of fees charged. Virtually all English housing associations of any size are Federation members and there has been no significant change in this.

In return for their affiliation fees, members receive support from NHF staff across the country and a range of core services. The key services are policy work, lobbying and communication.

Income from commercial services is used to support the services we provide for members in return for their affiliation fees. Most commercial services are paid for at the point of delivery, by both members and non-members, with members receiving a discounted rate.

Net income from commercial services contributed £3.3m (2024: £2.7m), which although higher than 2023/24 (£2.75m) is still lower than pre-pandemic levels.

Property rental income was £1.1m (2024: £1.2m), derived from letting out the floors in Lion Court not used by Federation staff for operational purposes. All floors not used for operational purposes are now fully let on a mix of short-term serviced offices or medium to long-term commercial leases. The property valuation was reduced by £0.7m (2024: £4.3m) due to the current economic climate.

£0.3m was received in income, by way of a license fee, from our 50% joint venture investment in Housemark, which provides benchmarking, procurement and consultancy services to the sector.

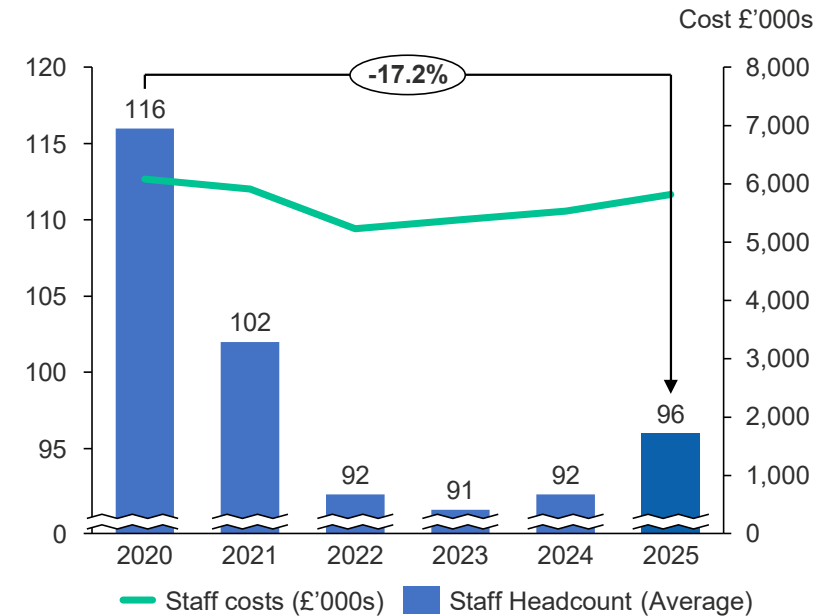
We also received sundry income amounting to £0.7m in 2024/25 (2024: £0.7m) Sundry income includes VAT recovery, service charge and grant income. Service charge income relates to the management of the floors let out in Lion Court.

Expenditure

Administrative expenses were 6% higher than the previous year, reflecting increased costs in most areas but particularly utility costs resulting from increased inflation.

The largest proportion of our overhead costs relates to staff, which averaged an FTE of 92 during 2024/25. Over the last 10 years, the number of FTE staff has reduced by 25% and by c.20% over the last 5 years. This has been against a backdrop of higher wage inflation.

After staff costs, the largest cost element outside the NHF's direct control is its pension deficit recovery costs. These costs relate to the NHF's membership of the Social Housing Pension Schemes (SHPS) and pension liabilities built up in the past. These costs are predictable in the short-term and remain budgeted for in our annual budgets. The deficit payments from 2025 have reduced from £1.7m to £1.6m annually.



Balance Sheet

Our Reserves Policy states that at least three months operating expenditure is covered by cash or cash equivalents. A revolving credit facility is held to ensure compliance with the policy, which was renewed post-year-end for a further 3 years.

Reserves at 31 March 2025 were £11.9m an increase of £2.4m. Movements in net assets are affected by the volatility of the pension deficit valuation which this year increased by £1.6m and changes in the building valuation which decreased this year.

At 31 March 2025 our main office, Lion Court in Holborn, London was independently valued at £15.34m (2024 £16.28m), a decrease of £0.94m

The Reserves Policy states that we should have at least three months operating expenditure covered by cash or cash equivalents, which would support continued operations in the event reserves have to be realised, both in the short or longer term. A revolving credit facility held to support the Reserves policy in the lower part of the cash cycle is currently being renewed.

In addition, the Board has concluded that, given their size and nature, reserves are adequate but are adversely affected by the pension deficit movements. Therefore, the addition to reserves of small annual surpluses is appropriate.

The end of the year represents a high point in our cash balances as the majority of our annual income is derived in this period. Our cash position is monitored closely throughout the year. A revolving credit facility of £2m is held to support the reserves policy, especially in the lower stages of the cash cycle, has been renewed.

£'000s	2025	2024
Fixed Assets	15,062	15,795
Current Assets	9,436	8,414
Debtors >1 year	780	930
Creditors	(9,133)	(9,262)
Creditors >1 year	(48)	(47)
Pension Liability	(5,037)	(6,971)
Provisions	(109)	(77)
share of JV Net assets	738	666
Net assets	11,689	9,448

