

THE
GOOD
ECONOMY

LEGAL & GENERAL AFFORDABLE HOMES SOCIAL IMPACT REPORT 2024

JUNE 2025





Legal & General Affordable Homes (LGAH) has separate operational, development and property entities. Typically, the development arms of LGAH enter forward sales agreements for the sale and transfer of assets upon completion. The property entity purchases completed assets from the development companies under the forward sales agreements whilst the operating company provides all operational, financing, development and asset management services.

This report relates to the following entities:

- Legal & General Affordable Homes (Operations) Limited
- Legal & General Affordable Homes (Development) Limited
- Legal & General Affordable Homes (Development 2) Limited
- Legal & General Affordable Homes (Development 3) Limited
- Legal & General Affordable Homes (Capital) Limited
- Legal & General Affordable Homes Limited
- Legal & General Affordable Homes (SO) LLP
- Legal & General Affordable Homes (AR) LLP
- Legal & General Affordable Homes (Investment 1) Limited
- Legal & General Affordable Homes (Investment 2) Limited
- Legal & General Affordable Homes (Investment 3) Limited
- Legal & General Affordable Homes (Development 4) Limited

This report was commissioned by Legal & General Affordable Homes (LGAH) and has been prepared by The Good Economy Partnership Limited (The Good Economy, or TGE), a leading independent impact advisory firm.

The findings and opinions conveyed in this report are based on information obtained from interviews with and portfolio data from LGAH. The information reviewed should not be considered as exhaustive and has been accepted in good faith as providing a faithful representation of the investment strategy and its underlying holdings. We have taken steps to ensure we do not intentionally or unintentionally inflate positive impact results or under-report negative impacts. However, we acknowledge there are limitations in the quantity and quality of data available. We have identified and explained the effect of these limitations on the presentation of impact performance to the best of our ability.

The Good Economy cannot and does not guarantee the authenticity or reliability of the information it has relied upon. The Good Economy reserves the right to alter the conclusions and recommendations presented in this report in light of further information that may become available.

The Good Economy accepts no duty of care, responsibility, or liability (whether in contract or tort including negligence or otherwise) to any person other than LGAH for any loss, costs, claims or expenses howsoever arising from any use or reliance on this report.

Cover image: White City, London

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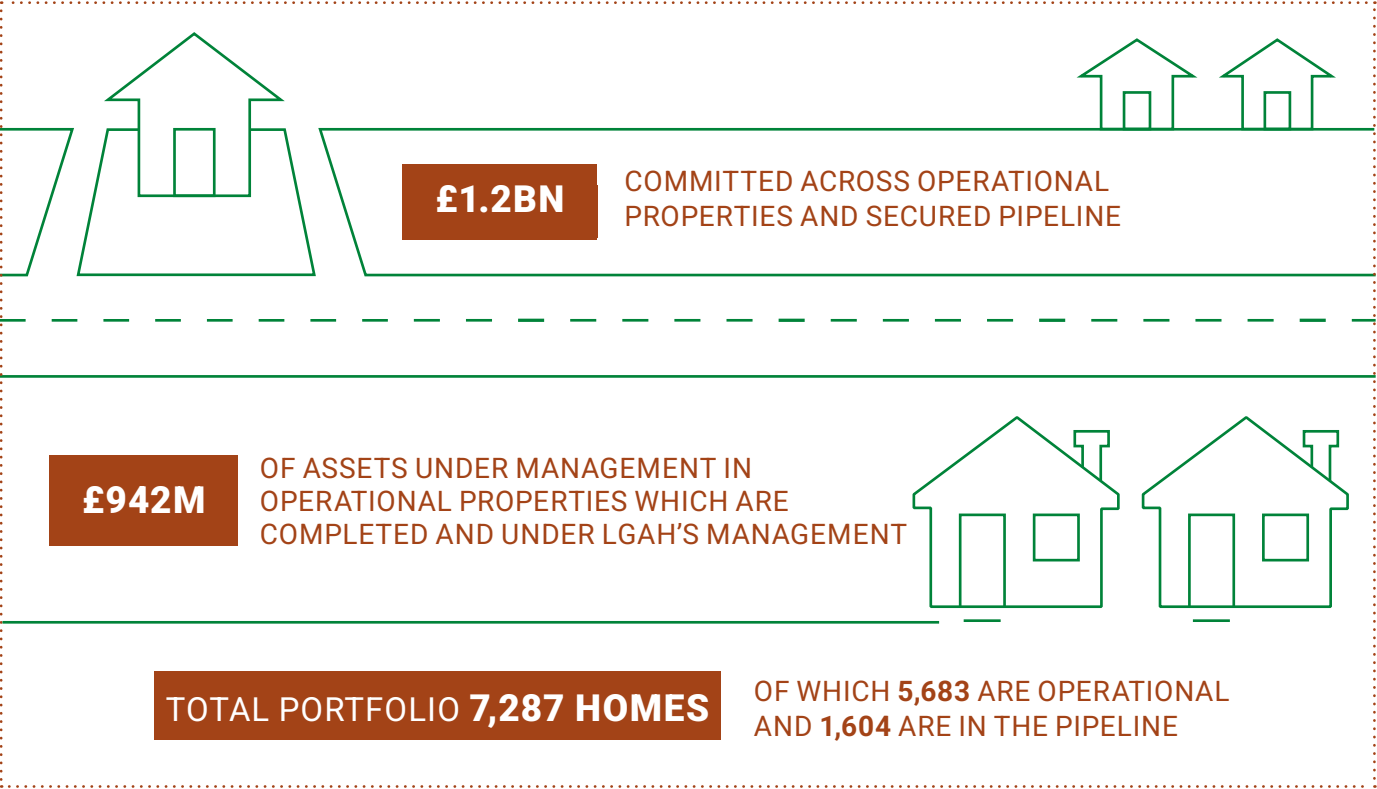
EXECUTIVE SUMMARY

The Legal & General Affordable Homes (LGAH) family of businesses includes a number of for-profit Registered Providers (RPs) that make long-term investments in England’s affordable housing sector to help tackle the country’s housing crisis.

This is LGAH’s fourth impact report. It has been produced by The Good Economy (TGE), an impact advisory firm specialising in impact measurement and management.

The report provides an independent assessment of LGAH’s impact performance. It covers the period January to December 2024.

As of 31 December 2024.



SOCIAL IMPACT PERFORMANCE

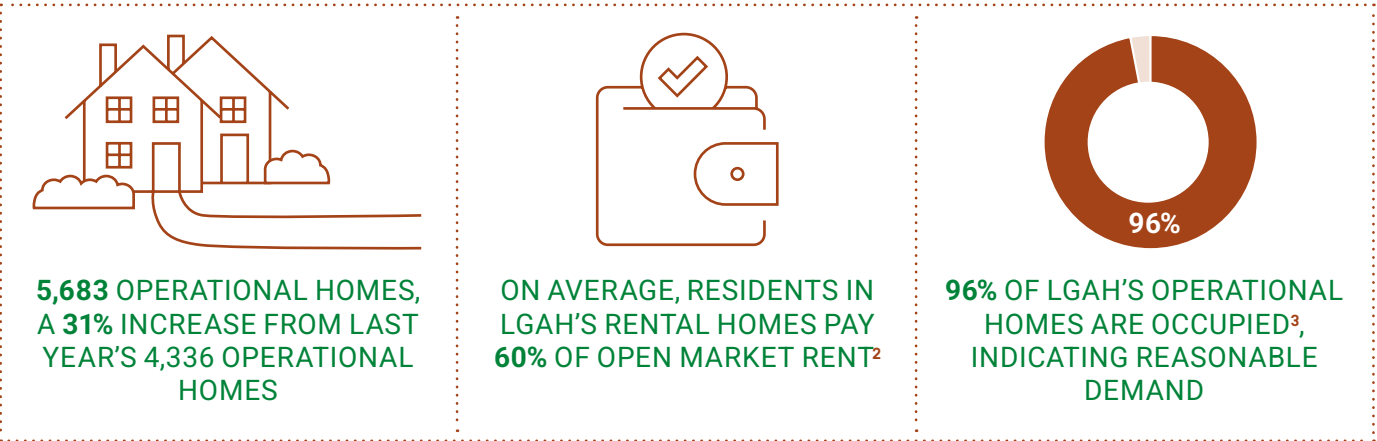
We have assessed LGAH's impact performance according to its core social impact priority and four secondary social impact priorities. The social impact priorities are the specific and measurable areas that LGAH seeks to deliver to achieve its impact goal.

We have also assessed LGAH's progress towards achieving its target outcomes. Outcomes represent LGAH's ambitions to make a positive difference to people, places and the planet. LGAH's theory of change outlines how successful implementation of the social impact priorities should contribute to the achievement of target outcomes.

CORE SOCIAL IMPACT PRIORITY

1. Equity and Affordability

LGAH increased its operational portfolio in 2024, alongside a strategic focus on capital raising. It retained its rigorous affordability approach for new tenancies which aligns with sector best practice, ensuring strong levels of affordability for residents. There continues to be high demand for LGAH's properties, and rents compared to local incomes have improved. LGAH's homes are not particularly weighted to areas of higher need and high service charges for some shared ownership homes risk overburdening some households.¹



Target Outcome: Greater resident financial wellbeing

LGAH's affordable housing offer appears to support residents' financial wellbeing through lower rents, living costs and greater stability. While the shared ownership model facilitates greater asset ownership, there is scope to improve guidance and customer support for shared owners in progressing to full ownership.

1. There is a range of research evidencing the ratio of housing costs versus income that is deemed as 'affordable'. 30%, the portfolio target, is generally regarded as an acceptable affordability threshold (UK Office of National Statistics). When costs are between a third of income and 39%, depending on income levels households may start experiencing some pressure with housing costs (see Affordable Housing Commission methodology). Where rents exceed 40% net household income this is widely understood as the Household Overburden Rate – i.e. the rate over which housing costs risk posing challenges for residents.

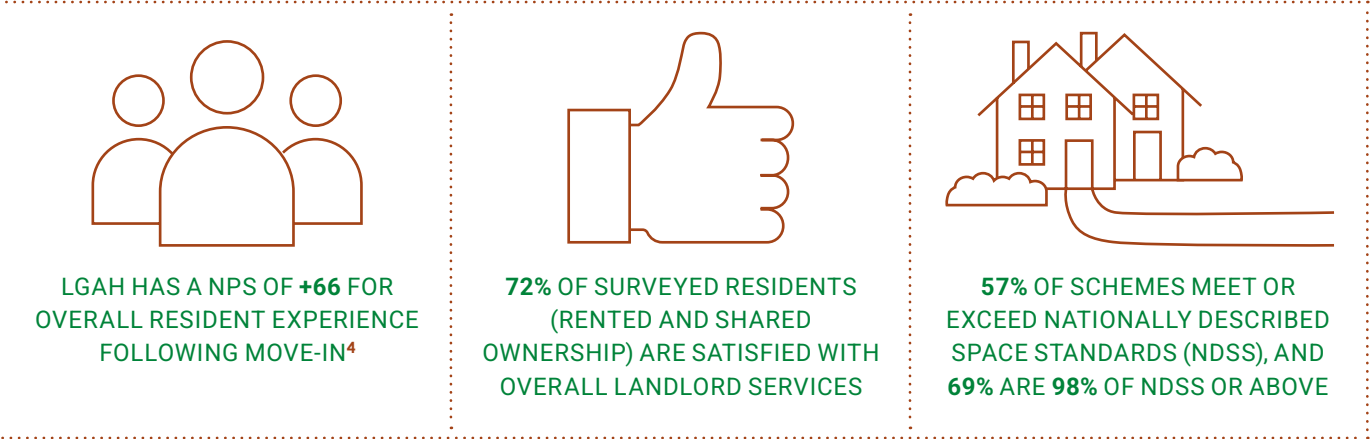
2. Based on open-market data provided to TGE by LGAH.

3. Occupancy rates calculated for homes completed six months prior to end of 2024, to account for the initial ramp-up phase.

SECONDARY SOCIAL IMPACT PRIORITIES

2. Health and Wellbeing

LGAH continues to provide good quality homes, with survey results showing high levels of satisfaction with build quality and perceived safety. Net Promoter Score (NPS) for new residents and overall resident satisfaction remain high relative to the sector. LGAH has taken action to improve service and resident engagement.



Target Outcome: Greater resident physical and mental wellbeing

LGAH's homes appear to support residents' physical and mental wellbeing, with stability and quality design noted as key contributors. However, more systematic measurement is needed to understand overall impact and address factors such as complaint handling which could undermine resident wellbeing.

3. Just Transition

LGAH continues to deliver energy-efficient homes, with strong EPC performance and, where possible, the use of modern methods of construction to reduce embodied carbon. The delivery of land-led development offers greater scope for impact in this area than S106 schemes.



Outcome: Reduced GHG emissions

Reported Scope 1 and 2 emissions through the Science Based Targets Initiative (SBTi) have increased by 12% since 2023. In the same period the number of operational homes in LGAH's portfolio increased by 31%. We recommend LGAH monitors this increase in emissions as the portfolio continues to grow, alongside continuing to implement decarbonisation plan targets.

⁴ An NPS over 50 is viewed as good. It should be noted that NPS scores tend to be positively skewed straight after initial occupancy. The NPS data should therefore be considered alongside ongoing survey data, to understand the overall landscape of tenant satisfaction.
⁵ In January to March 2024, 85% new homes in England and Wales were given an EPC rating of A or B (DLUHC, 2024. [Energy Performance of Buildings Certificates Statistical Release: January to March 2024 England and Wales.](#))

4. Partnerships

LGAH continues to work with high-quality managing partners, with strong feedback across parties on communication, alignment, and shared focus on resident outcomes. The rollout of its Brolly platform for residents and managers has been a major area of engagement this year, with some challenges but evidence of collaborative efforts to support adoption and shared learning.



Outcome: A stronger affordable housing sector

LGAH has shown some progress in driving thought leadership in the sector, particularly through the development of its Brolly platform. It has the opportunity to further lead by setting best practice in support and communication for shared ownership residents.

5. Responsible Procurement

LGAH has the potential to make a meaningful contribution to responsible procurement through its development and operations supply chains. However, there is a need for LGAH to set out its strategy in this area to maximise impact and consistently integrate responsible practices.



CONCLUSIONS AND NEXT STEPS

STRENGTHS

- Strong managing partnerships:**
LGAH continued to work with a group of well-run Managing Partners (MPs), all of whom, where graded, were rated G1/ V2 by the Regulator of Social Housing in 2024. LGAH has built strong and effective working relationships with these partners. In 2024, it completed a strategic consolidation of its MP network, reducing the number of partners and updating leases to reflect revised roles and responsibilities. Feedback from MPs has been positive, with many appreciating LGAH's clear communication and shared commitment to high standards and resident service.
- Customer engagement:**
LGAH has continued to prioritise resident voice, refreshing its resident panel and expanding internal capacity to lead on engagement. Unlike many investor landlords, LGAH retains direct responsibility for resident engagement rather than delegating it to MPs, helping to embed resident feedback into decision-making and respond more efficiently to feedback.
- Securing new funding:**
Following a strategic focus on capital raising, LGAH successfully secured significant new funding from pension providers in 2024. Deployment began at the end of the year and is expected to support the delivery of new homes in 2025. This investment strengthens LGAH's ability to increase the scale of its contribution to impact through a larger and more diverse pipeline of affordable housing.
- Additionality and partnership working:**
LGAH's investment in Perry Barr, Birmingham, stands out as a high-additionality scheme. The scheme will bring 487 homes originally intended for private market use into affordable rent and shared ownership tenures. LGAH helped to unlock this stalled development and together with its MP partner is looking to embed a placemaking approach to operations and activation.

AREAS FOR IMPROVEMENT

- Complaint handling:**
Satisfaction with complaint handling has declined from 2023 to 2024, signalling an important area for improvement. While LGAH's Resolutions Team is now in place and working to improve processes, it is vital to deepen engagement with residents to understand the root causes of dissatisfaction. Some residents we spoke to expressed concerns about not knowing who to contact and problems with the responsiveness of the MP. We recommend the further use of resident panels and surveys to identify priorities and strengthen the quality and timeliness of complaint resolution.
- Brolly rollout and reporting burden:**
The Brolly platform was rolled out to most MPs and a large proportion of residents in 2024. While there are clear long-term benefits, such as improved data visibility and simplified reporting (and ease of transacting for residents), there have been some challenges in implementation. MPs have raised concerns about capacity strains of dual-system usage, and residents have had difficulties with new rent payment schedules and reporting maintenance issues. Updates to accommodate Universal Credit payment cycles should be prioritised, alongside continued support and communication with MPs to ensure smooth adoption and minimised disruption.
- Procurement strategy:**
LGAH has the potential to make a strong contribution to social and environmental outcomes through responsible procurement, particularly across its development and operational supply chains. This includes opportunities within MP procurement (e.g. employment standards) and in land-led schemes, where LGAH can exercise greater control over contractors and materials. However, to realise this potential, LGAH needs to develop a clearer strategy with defined targets and expectations for ethical and sustainable procurement across all areas of influence.
- Drive shared ownership outcomes:**
As a result of a number of shared ownership investments being in areas of London with very high housing costs, there are some affordability concerns with this aspect of the portfolio. Increases in service charges risk decreasing affordability to lower income local households. In addition, some of these homes are targeted at households with higher incomes, which limits their impact: by TGE's calculation, the required income to afford 14% of shared ownership homes exceeds the maximum income limit set by Homes England.⁶ In 2024, only 1% of shared ownership households staircased. Residents moving towards full ownership through staircasing is a key way of improving their financial security. TGE would encourage LGAH to look into methods of further facilitating staircasing such as increasing the efficiency of the process by bringing it in-house.

6. The maximum household income threshold for shared ownership buyers is £80,000 a year outside of London and £90,000 a year in London. Required income for housing to be affordable is based on total housing costs (rent, service charge and mortgage payments) totaling no more than a third of net household income, based on local earnings. See footnote 1 on housing costs as a proportion of income deemed as 'affordable'.

1 / OVERVIEW AND IMPACT THESIS

1.1 ABOUT LEGAL & GENERAL AFFORDABLE HOMES

Legal & General Affordable Homes (LGAH) is a for-profit Registered Provider (RP) that makes long-term investments in the UK affordable housing sector to help tackle the country's housing crisis.

LGAH was launched in 2018, with a mission to become the UK's leading, private, affordable housing provider and make a positive difference in the sector. It constitutes a key part of Legal & General's commitment to responsible investment by facilitating investment of capital in parts of the economy that have suffered from a shortage of investment and innovation.

LGAH is focused on increasing the supply of social and affordable rented and shared ownership homes. It has three development delivery pathways: it acquires schemes from developers ("developer-led schemes") which are mainly Section 106 mandated as well as delivering net additional homes utilising Homes England grant funding; it acquires sites which it then develops to its own specifications ("land-led schemes"); and it acquires existing homes from other providers ("tenanted

acquisitions"). Once completed/acquired, LGAH uses MPs to manage the properties on its behalf, under medium-term (five year) management agreements with LGAH.

LGAH is funded by a combination of capital from Legal & General, Local Government Pension Schemes, and other investors.

LGAH has £942 million assets under management as of 31 December 2024.

LGAH's parent company is Legal & General. Legal & General (L&G) is a leading UK-based financial services group and global investor, founded in 1836, offering a wide range of products and services, including investment management, pensions, life insurance, and retirement solutions.

Figure 1: LGAH homes by tenure type

	#	%
Shared Ownership	3,531	48%
Affordable Rent ⁷	2,827	39%
Social Rent	716	10%
Intermediate Rent ⁸	125	2%
London Affordable Rent ⁹	88	1%

7. Affordable Rent refers to housing let at up to 80% of local market rent. It is intended for low-income households, typically those on local authority waiting lists.
8. Intermediate Rent is designed for low- to middle-income households who may not qualify for social or affordable rent but still need support accessing housing. In LGAH's case, intermediate rent homes are also let at up to 80% of local market rent.
9. In London, a separate model known as London Affordable Rent applies. This is set below 80% of market rent and determined by the Greater London Authority (GLA). It is used for new build homes where the local authority has adopted this rent framework.

1.2 IMPACT THESIS

THE PROBLEM	Chronic shortage of affordable homes: - Over the past ten years, the UK has delivered an average of 50,000 affordable homes per annum compared with a need for approximately 145,000 new affordable homes per year, including 90,000 social rent homes.¹⁰ - There were 1.33 million households on local authority waiting lists on 31 March 2024: an increase of 3% compared to 31 March 2023 and the highest it has been since 2014.¹¹ - Research indicates that the ‘real’ social housing waiting list in England is up to 500,000 households more than official figures. Up to eight million people in England have some form of housing need, with one in ten households in need of housing stuck on council waiting lists for over five years.¹² - Over the past 30-40 years, the cost of purchasing a home has risen at a faster rate than average wages. This has led to a substantial fall in home ownership among young adults: 35% of 25- to 34-year-olds in 2017 were homeowners, a decrease from 55% in 1997.¹³
INVESTABLE SOLUTION	Private sector investment in affordable housing: - Due to the immense challenges facing the housing market and the limited funding available to RPs, there is a growing opportunity and recognition of the need for private investment to address the nation’s housing shortage.¹⁴ - L&G has substantial capital reserves and seeks low-risk, sustainable returns for the pension and annuity funds managed by both the Group and its clients, making it well positioned to enable investment in affordable housing. - Through LGAH, the company is building and managing affordable homes for the long term. It is also leveraging these investments to champion high standards, ensuring the delivery of affordable, high quality, and sustainable homes and communities.
IMPACT INTENT	LGAH aims to maximise impact in the affordable housing market by: - Increasing the supply, quality, and choice of affordable homes - Contributing to the equity, affordability and sustainability of local places - Supporting the health and wellbeing of residents and wider communities

10. UK Parliament, 2024. [Affordable housing in England](#).
11. MHCLG, 2025. [Social housing lettings in England, tenants: April 2023 to March 2024](#).
12. National Housing Federation, 2021. [People in housing need](#).
13. ONS, 2024. [Housing affordability in England and Wales: 2024](#). UK Parliament, 2024. Housing needs of young people.
14. House of Commons, 2024. [The Finances and Sustainability of the Social Housing Sector](#).

1.3 THIS REPORT

This is fourth independent impact report for Legal & General Affordable Homes, produced by The Good Economy. The report covers the period from January to December 2024.



The report is based on TGE’s independent assessment of LGAH’s performance against its stated Social Impact Framework (SIF), which outlines its social impact priorities and measurement and management plan. This report has been prepared following guidance provided by Impact Frontiers’ [Impact Performance Reporting Norms](#).

The findings in this report are based on a mix of quantitative and qualitative data. This includes:

- Portfolio data, resident survey data, and other documents provided by LGAH
- Interviews with all six of LGAH’s MPs with operational homes
- Interviews with c.10 LGAH staff
- Interviews with other stakeholders: one developer, two local authorities
- Site visits to three schemes, where we spoke to 2-3 residents at each, as well as on-site MP staff
- Focus group/interviews with residents from LGAH’s resident panel (a virtual focus group with three participants and a virtual interview with an individual resident)

The full research methodologies, data sources and associated evidence risk that inform the report are outlined in Appendix 1. In addition to alignment with L&G’s Social Impact Toolkit, this report incorporates the requirements of the Sustainability Reporting Standard for Housing (SRS) – a sector-standard approach to ESG reporting for the social housing sector (see Appendix 2).¹⁵

STATEMENT OF INDEPENDENCE

TGE is an independent advisory firm specialising in impact measurement and management.

TGE has robust process in place to preserve our integrity and independence, as outlined in our Code of Practice. Before commencing with LGAH, we examined our suitability to take on the role of an independent review of impact performance and confirmed that there was no conflict of interest.

We have served as the social impact advisor to LGAH since 2021. In this role, we supported LGAH to design its impact measurement and management system (IMM), which is reviewed annually. We are not involved in investment decision-making and have no role in the management of LGAH. We therefore feel this does not represent a threat to our independence and are able to take an objective opinion on impact performance.

Residents

LGAH describes their tenants as “customers” but for the purpose of this report we will use the word residents.

15. The SRS provides a framework for RPs to report environmental, social and governance (ESG) performance in a transparent, consistent, and comparable way. The Standard contains 12 themes and 48 individual criteria across E, S, and G.

2 / IMPACT MANAGEMENT APPROACH

LGAH's impact goal is to increase the provision of high-quality affordable housing and to contribute to improved service standards within the sector.

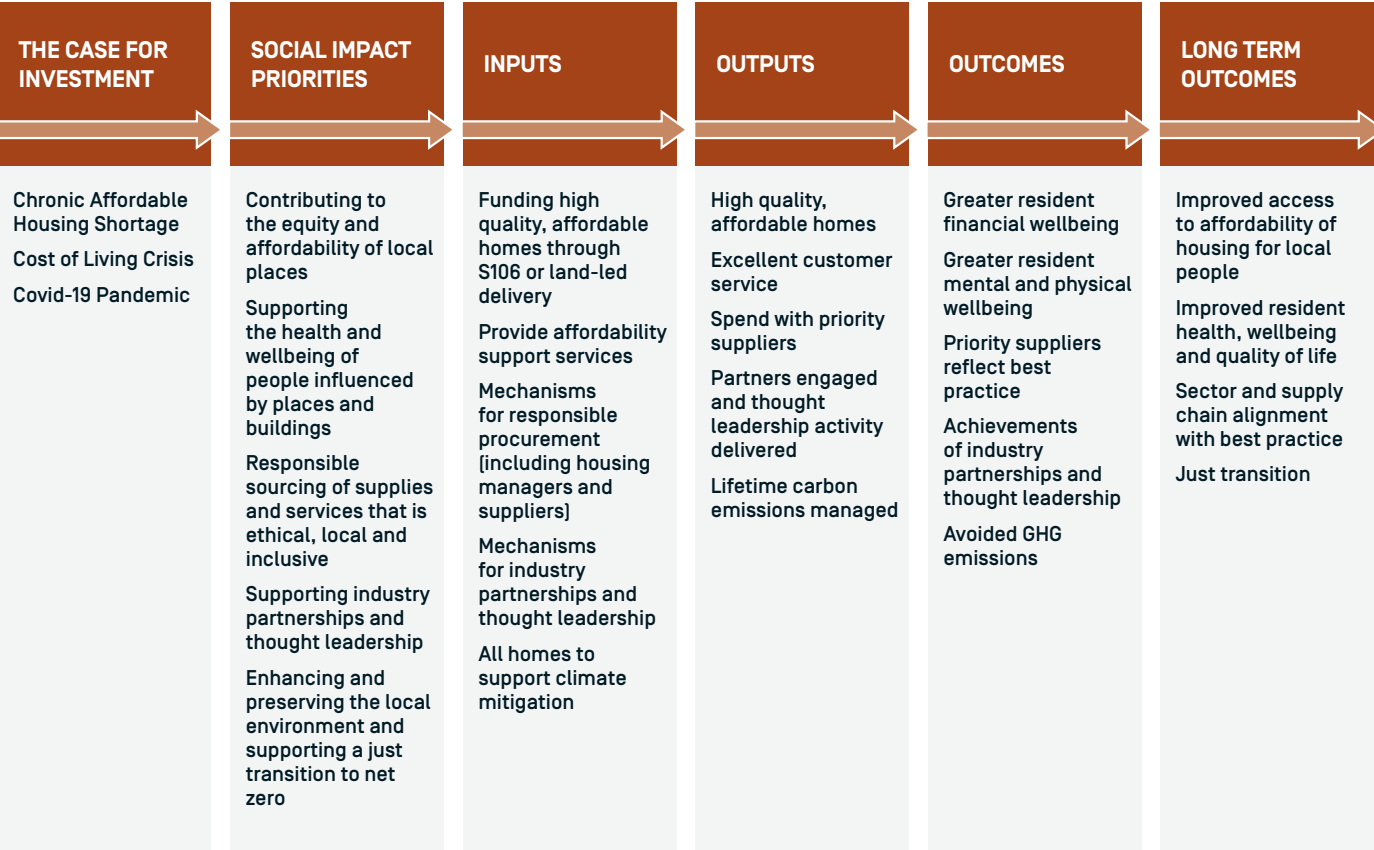
2.1 THEORY OF CHANGE AND SOCIAL IMPACT PRIORITIES

A Theory of Change summarises how LGAH intends to deliver its social impact priorities, and the ways in which it will contribute to positive change. The social impact priorities are specific and measurable areas that the organisation can seek to influence in order to achieve its impact goal. The social impact priorities guide decision making, establish its contribution to outcomes, and provide a basis for engaging with investees on their impact performance.

LGAH has one core social impact priority and four secondary priorities:

- Core:
- Equity and Affordability: Contributing to the equity and affordability of local places
- Secondary:
- Health and Wellbeing: Supporting the health and wellbeing of people influenced by places and buildings
 - Just Transition: Enhancing and preserving the local environment and supporting a just transition to net zero
 - Partnerships: Supporting industry partnerships and thought leadership
 - Responsible Procurement: Responsible sourcing of supplies and services that is ethical, local and inclusive

Figure 2: LGAH's Theory of Change



Trent Park, London



White City, London

2.2. SOCIAL IMPACT TOOLKIT

LGAH's SIF aligns to L&G's Social Impact Toolkit, which sets out key themes and priority areas which its real estate investment can support. The Group expects that any investments it makes or manages sit under these themes and contribute towards intended outcomes.

Figure 3: L&G Social Impact Toolkit

INCLUSIVE ECONOMY	HEALTH, WELLBEING AND QUALITY OF LIFE	CLIMATE AND NATURE
Jobs and skills Ethical, local and inclusive employment, skills and educational opportunities	Physical and mental health Supporting the health and wellbeing of people and communities influenced by places and buildings	Just transition Enhancing and preserving the local environment and supporting a just transition to Net Zero
Responsible Procurement Responsible sourcing of supplies and services that is ethical, local and inclusive	Quality of life Supporting the social health, quality of life, vibrancy and safety of communities	Access of nature Supporting local access to and regeneration of nature and biodiversity
Equity and affordability Contributing to the affordability and equity of local places	Community and partnerships Supporting active community engagement and partnerships with local organisations	Connected places Supporting sustainable and active transport and infrastructure

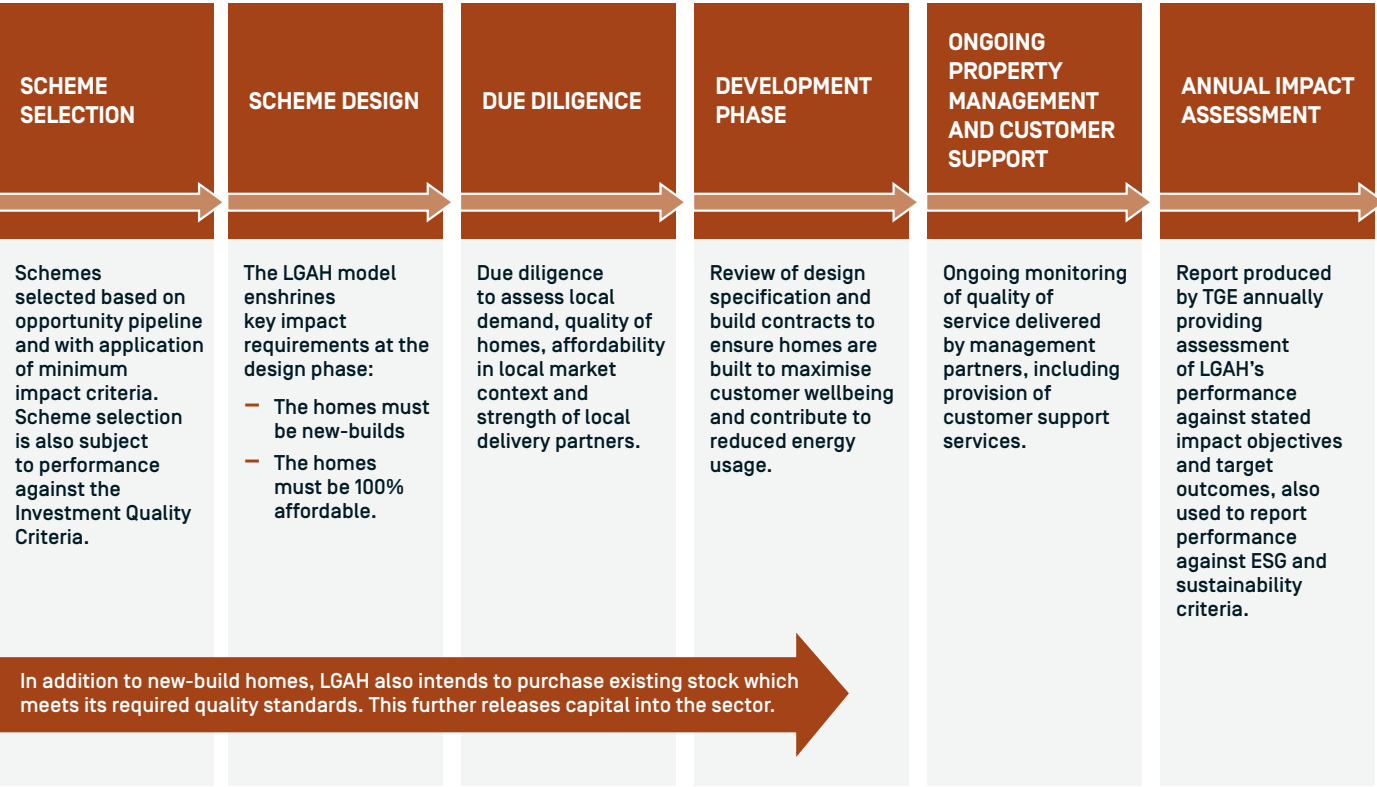


2.3 IMPACT MANAGEMENT

Impact Process: TGE has worked with LGAH to ensure that impact is considered at every stage of the investment cycle and is a key part of the investment strategy.

Embedding impact considerations into LGAH's core processes ensures that impact management is used as a tool to drive learning and improved impact, rather than just a technical task around tools, metrics and reporting.

Figure 4: LGAH's Impact Management Approach



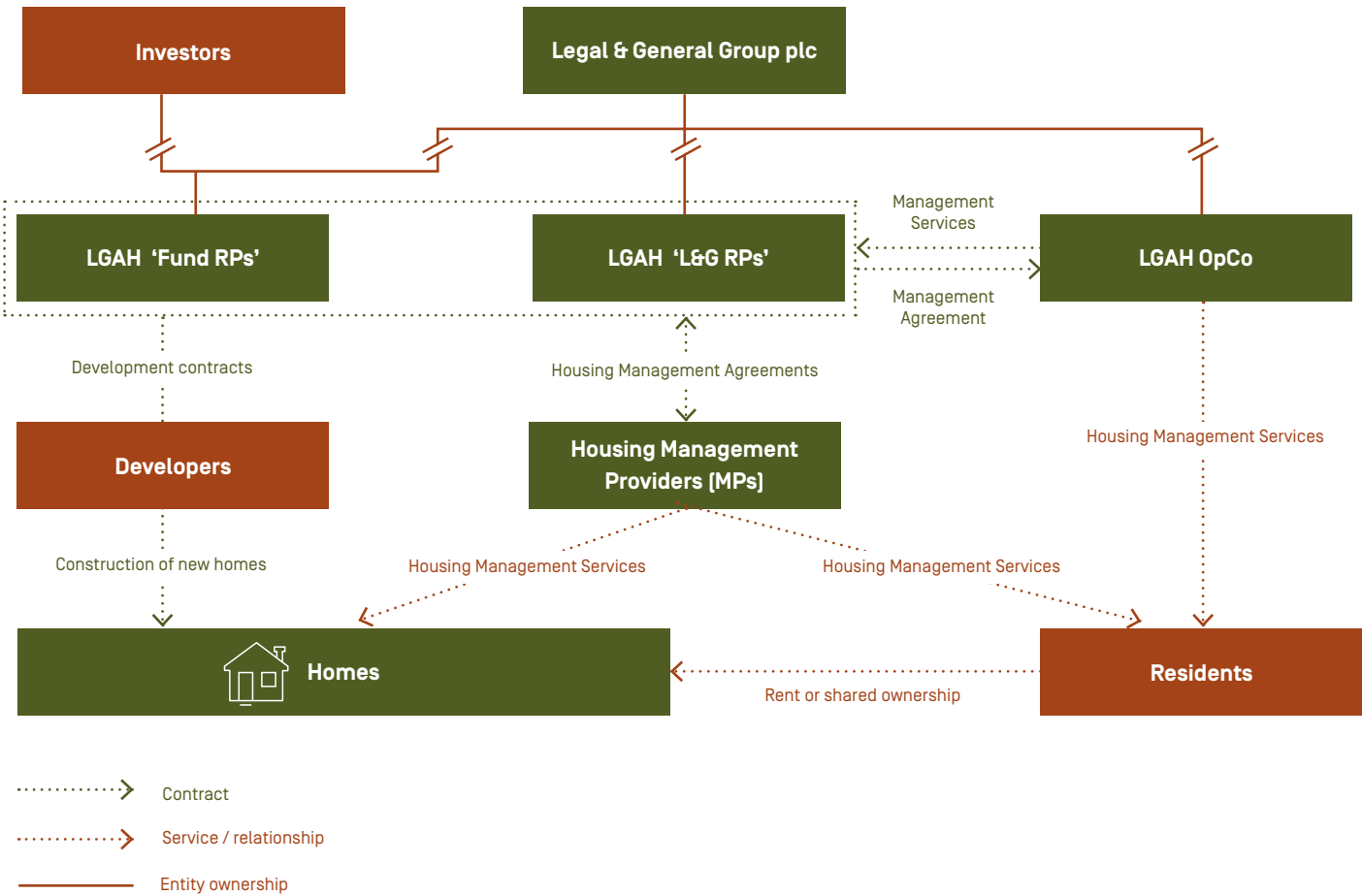
Impact Standards: TGE's impact reports for LGAH are prepared following guidance provided by Impact Frontiers' Impact Reporting Norms where relevant.

ESG risk management process: The Legal & General Group Risk Committee ("GRC") oversees sustainability impact risks to ensure exposures are controlled in line with the Group's risk appetite and that management actions are also aligned, including the actions proposed and taken by the Legal & General Affordable Homes businesses. LGAH input into regular updates to the GRC and the committee reviews progress to ensure LGAH businesses develop appropriate processes to monitor and report risk exposure, including climate risks.

Stakeholders: Figure 5 shows the key stakeholders for LGAH. These include:

- LGAH team: manage portfolio, implement impact strategy and meet fiduciary duties.
- Housing Management Partners: manage assets, collect rent and deliver customer services on the ground.
- Residents: residents of LGAH's homes who can engage with housing management partners and LGAH through surveys and other participation opportunities

Figure 5: LGAH stakeholder map



3 / PERFORMANCE AGAINST SOCIAL IMPACT PRIORITIES

3.1 EQUITY AND AFFORDABILITY

Contributing to the equity and affordability of local places.

SOCIAL IMPACT PRIORITY	METRIC	RESULT 2022	RESULT 2023	RESULT 2024
Equity and Affordability	KPI #1: Average rental discount to market	34%	38%	40%
	Average affordability of rental homes for local households [based on local earnings] ¹⁶	74%	64%	72%
	Average affordability of shared ownership homes for local households [based on local earnings]	60%	55%	54%

LGAH increased its operational portfolio in 2024, alongside a strategic focus on capital raising. There continues to be high demand for LGAH's properties, and rents compared to local incomes have improved. LGAH's homes are not particularly weighted to areas of higher need and high service charges for some shared ownership homes risk overburdening households.

To assess the Equity and Affordability social impact priority, we consider:

- Is LGAH increasing the supply of affordable homes?
- Is LGAH targeting areas most in need of affordable homes?
- Are LGAH's homes truly affordable?

Figure 6: LGAH homes by number of bedrooms

Number of bedrooms	Number of LGAH homes	% of LGAH homes
Studio	84	1%
1-bed	1586	22%
2-bed	3456	47%
3-bed	1875	26%
4+-bed	286	4%
Total	7287	100%

¹⁶. For each, home, we calculated the monthly income required for households to not be overburdened by their housing costs. This was compared with local earnings data to establish the share of local residents who would be likely to be able to afford to live in the homes.

LGAH'S CONTRIBUTION TO IMPACT

Capital investment into new affordable homes

The effectiveness of LGAH's investments varies by transaction type:

- Land-led schemes achieve high additionality by delivering homes that would not likely otherwise exist or be affordable without LGAH.
- Shared Ownership Funding Initiative (SOFI) deals also offer high additionality by converting private homes into affordable tenures.
- Developer-led schemes (including Section 106) offer medium-to-high additionality, as the slowdown in the housing market means these homes may not otherwise be delivered without institutional investment.¹⁷
- Tenanted acquisitions deliver lower additionality but can indirectly support improvements by releasing capital for RPs; these are an emerging part of LGAH's strategy.

Scheme selection: LGAH requires schemes to meet minimum impact criteria, including being located in areas with over 500 households on the local authority waiting list.

Affordability criteria

Funded schemes must meet LGAH's affordability policy, leading to some schemes being rejected when affordable rent levels were unachievable.

- Rent levels are set to be affordable for households at the 30th income percentile, with housing costs capped at 35% of net median household income. This is in line with sector best practice (which considers an affordability threshold around 33% household income)¹⁸ and under the widely recognised 40% household overburden rate.¹⁹
- For shared ownership, a 45% threshold is applied according to Homes England guidance.²⁰

Housing costs

- LGAH undertakes an annual rent review compared to market rent for all homes to limit inflationary impact.
- Discounts for shared ownership residents following the 2023 rent cap are retained, with uplifts applied from the discounted base, reducing the impact of rising costs on residents.
- LGAH's control over service charges is limited where homes are in blocks managed by external freeholders (see page 24).



17. Savills, 2024. [The challenges of unlocking Section 106 delivery.](#)
18. The Affordable Housing Commission, 2019. [Defining and Measuring Housing Affordability – An alternative approach.](#)
19. OECD, 2024. [Housing Costs over Income.](#)
20. Homes England, 2025. [Capital Funding Guide.](#)

IS LGAH INCREASING THE SUPPLY OF AFFORDABLE HOMES?

Figure 7: LGAH portfolio

Metric	2022	2023	2024	Change from 2023 to 2024
Operational portfolio only				
Assets under management - operational	£561m	£750m	£942m	+26%
Total number of operational homes	3,032	4,336	5,683	+31%
Operational portfolio and secured pipeline				
Assets under management - total	£0.9bn	£1.0bn	£1.2bn	+21%
Total number of operational and pipeline homes	5,781	5,953	7,287	+22%

As of December 2024, LGAH had secured a pipeline of 7,287 homes. Of these, 5,673 (78%) are already operational and managed by LGAH, while 1,604 (22%) are in the pipeline. This represents a total committed value of £1.2bn, including £940 million, invested in operational homes.

Overall supply

LGAH's pipeline remained stable in 2024, due to a strategic focus on capital raising, successfully completed in November 2024 with new pension fund investment. This capital will support new schemes in 2025, including greater forward commitment. Limited pipeline growth was due to internal decisions not to pursue non-investable opportunities and external planning delays. The operational portfolio expanded as more homes completed and through tenanted acquisitions for the first time this year (7% of total operational homes).

LGAH delivered 1,347 homes in 2024, although it remains below its target of delivering 3,000 homes annually. This lower contracting level has been driven by a sector-wide slowdown in Section 106 schemes.²¹ LGAH has also balanced its pipeline to meet new investor requirements around tenure types and regional spread.

Additionality

Most of LGAH's homes continue to be delivered through developer-led Section 106 schemes, which made up 96.5% of the operational and pipeline portfolio in 2024. While LGAH has limited influence over design on these schemes, it is increasing its focus on land-led developments, partnering with local authorities and other RPs to shape higher-quality, more sustainable schemes.

A notable example of LGAH's positive impact through a developer-led scheme was its investment in the Perry Barr development in Birmingham. Using a Homes England grant, LGAH converted 487 homes initially earmarked for market sale into affordable and shared ownership homes, helping to unlock a stalled regeneration project.

In 2024, LGAH also introduced tenanted acquisitions, adding 387 homes. This is part of a strategy to engage with the traditional sector to acquire portfolios of tenanted homes that not-for-profit registered providers (NFRPs) are selling, typically because they are seeking to recapitalise, or to exit a specific geography. LGAH is developing strategic relationships with RP partners, who might have an asset sale programme that enables LGAH to acquire homes on an ongoing basis, or who wish to enter a long term partnership with LGAH to co-own affordable homes. There is a focus on acquiring homes which require green retrofit, with the intention of accelerating and streamlining these works, thus reducing disruption to tenants and enabling interventions to be brought forward. Strategic relationships with RPs are a core part of LGAH's strategy for tenanted acquisitions, allowing RPs to access additional investment to fund their activity. All of these acquisitions aim to support the sector by injecting capital for reinvestment and utilising existing sector expertise and resources (e.g. to manage homes on behalf of LGAH, or to procure and oversee delivery of a retrofit works programme). We recommend that LGAH continues to work closely with NFRPs, identifying how best to support their growth, and therefore help tackle the affordable housing crisis in the UK.

21. Savills, 2024. [The challenges of unlocking Section 106 delivery.](#)

IS LGAH TARGETING AREAS MOST IN NEED OF AFFORDABLE HOMES?

Demand for LGAH's homes

Six months post-completion, 96% of LGAH homes were occupied – a 1% decrease from last year and below the sector median of 99.5%.²²

Overall occupancy across all completed homes rose to 95% by December 2024, a 7% year-on-year increase. Lower six-month occupancy was driven by a few underperforming schemes, particularly shared ownership (SO) developments in London facing sales challenges linked to high service charges and affordability restrictions. LGAH has responded by reviewing service charges (see p.24) and slowing future SO investments in London. Despite these issues, MPs and local authorities report consistently high demand across most areas, with one MP describing ‘huge demand across all properties.’

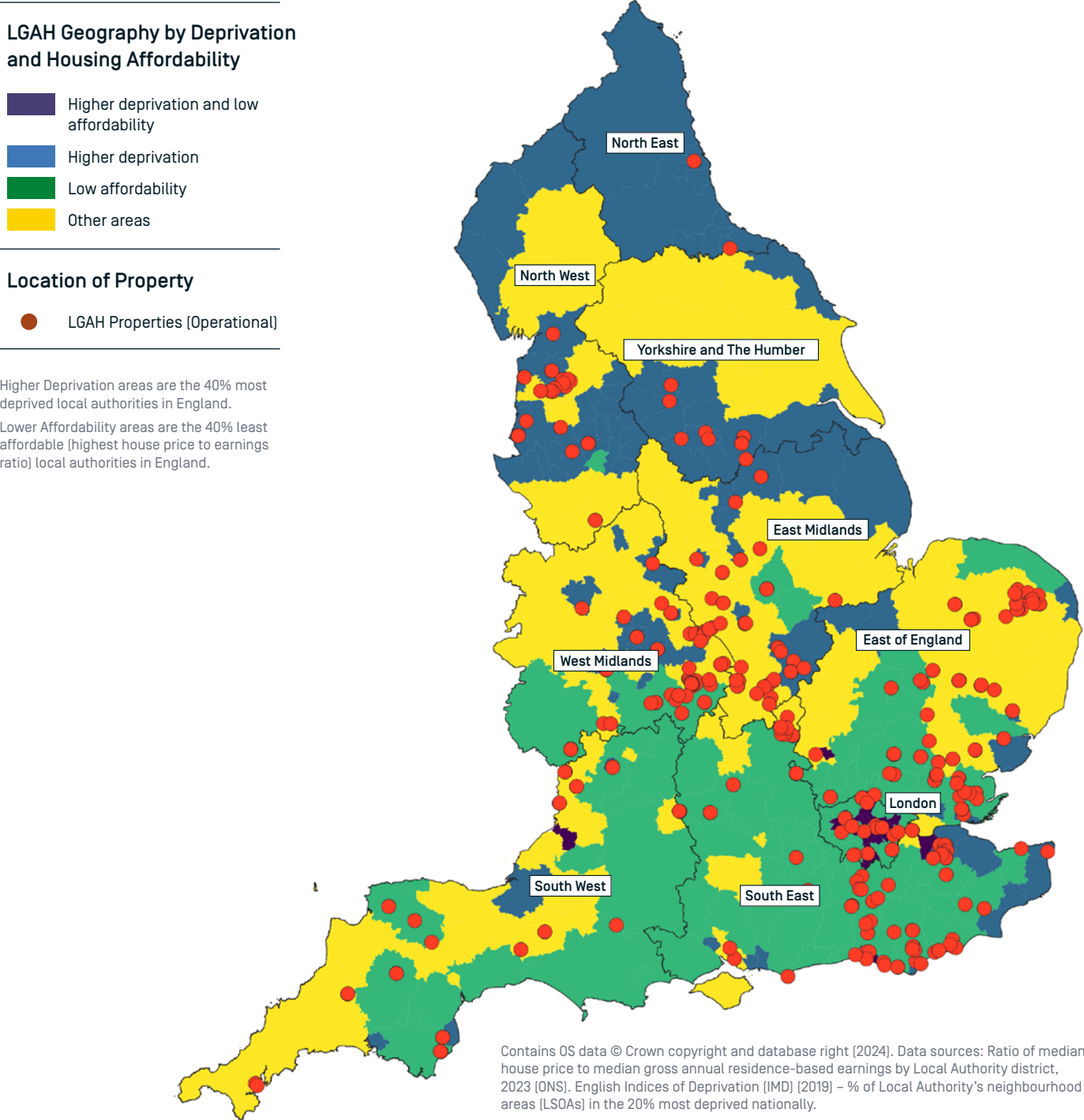


22. Housemark, 2022. [Sector Scorecard Analysis report 2022](#).

Geographical difference in need

LGAH could increase its impact through a particular focus on areas with greater demand for affordable rental housing, higher levels of deprivation and lower affordability for home ownership.

Figure 8: LGAH operational homes by deprivation and housing affordability



While there is a national need for affordable housing, only 30% of LGAH's homes are in areas with above-average social housing waiting lists, and 41% are in the 40% most deprived local authorities. Similarly, only 46% of homes are in the least affordable areas for home ownership, and 37% in areas with lower-than-average home ownership rates. Although LGAH has not set specific intentions for these measures and seeks to meet targets for delivery of affordable homes, it could strengthen its impact by more strategically targeting areas with higher demand, greater deprivation, and lower affordability.

ARE LGAH’S HOMES TRULY AFFORDABLE?

Figure 9: Breakdown of all homes by tenure type

	#	%	% point change from 2023 to 2024
Affordable Rent	2,827	39%	-5%
Intermediate Rent	125	2%	0%
London Affordable Rent	88	1%	0%
Shared Ownership	3,531	48%	+4%
Social Rent	716	10%	+2%

In 2024, LGAH expanded both the number and proportion of social rent homes in its portfolio, adding 242 additional homes through several new pipeline schemes.

Affordability compared to the open market

LGAH remains dedicated to providing homes at prices well below local open market rental rates. On average, residents pay 60% of what they would for similarly sized homes in the local open market (based on open market data provided by LGAH²³).

Affordability for local households

We consider the affordability of LGAH’s homes based on local household earnings.

Rental Portfolio

On average, LGAH’s rental homes are affordable to 72% of local households – based on local wages.²⁴

The average affordability for local households across LGAH’s rental portfolio has improved, increasing by 8% from last year. 74% of LGAH rental homes are affordable to households earning between the 0 and 40th percentile of local households.

Figure 10: Proportion of operational rental homes affordable to local households at different percentiles



23. Open market data is provided by CBRE for homes of equivalent bedroom numbers and locality to LGAH’s portfolio, based on live rent data sources.
24. For each, home, we calculated the monthly income required for households to not be overburdened by their housing costs. This was compared with local earnings data to establish the share of local residents who would be likely to be able to afford to live in the homes. It should be noted that our calculations did not consider housing benefit, which many LGAH residents receive – and explains wider affordability of homes to lower income households.

72% of rents are at or below the local housing allowance (LHA).²⁵

This shows reasonable affordability for lower income households in receipt of housing benefits. However, it is important to recognise that in areas with severely constrained affordability and high LHA rates, low-income households and households affected by the benefit cap may still find these homes unaffordable.

Shared ownership portfolio

On average, LGAH’s shared ownership homes are affordable to 54% of local households.

Figure 11: Proportion of shared ownership homes affordable to local households at different percentiles²⁶



25. LHA is set at 30% of the local open market rent level for the Broad Rental Market Area. Different levels of LHA are calculated based on the number of people in a household/ bedroom required. LHA has been frozen since 2020.
26. Note – no homes affordable to households earning under the 10th percentile of local earners.
27. There is a range of research evidencing the ratio of housing costs versus income that is deemed as ‘affordable’. 30%, the portfolio target, is generally regarded as an acceptable affordability threshold (UK Office of National Statistics). When costs are between a third of income and 39%, depending on income levels households may start experiencing some pressure with housing costs (see Affordable Housing Commission methodology). Where rents exceed 40% net household income this is widely understood as the Household Overburden Rate – i.e. the rate over which housing costs pose seriously challenging for residents.

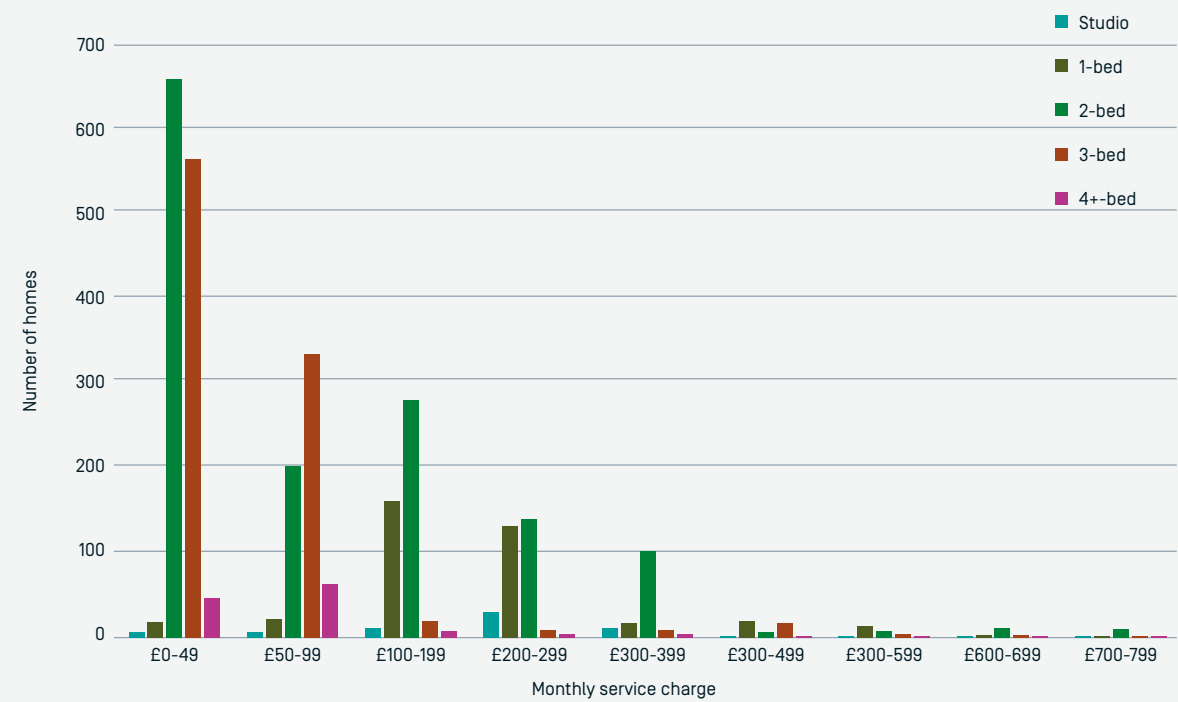
The average affordability of LGAH’s shared ownership portfolio remained stable in 2024, with only a 1% decline from last year. Shared ownership homes largely serve middle-income households, with around 14% affordable only to those earning above the maximum shared ownership income thresholds. These are mainly larger flats in London. Rising service charges have contributed to affordability pressures, raising the risk of households becoming overburdened²⁷ (see box on p.24). LGAH has taken steps to suppress rents for some homes, and we recommend it continues to prioritise shared ownership schemes accessible to lower-earning households.



Shared ownership service charges

LGAH has control over service charges for the rental aspect of shared ownership homes. These are regularly reviewed in line with average costs for that region. However, service charges for common areas of some shared ownership homes managed by external freehold block managers have increased significantly. There is a risk that service charges have become unaffordable for residents. Of the homes with services charges above £350 a month, these are all flats in London. For homes with service charges above £150 a month, these are all in London and the South East.

Figure 12: Shared ownership service charges



Mindful of rising service charges, LGAH has slowed shared ownership investments in London and avoids schemes where developers haven't been able to guarantee to protect residents from steep increases. A dedicated team now reviews service charges to ensure they are set fairly by developers and external managing agents, checking for hidden costs or artificially low first-year estimates. LGAH also works to set realistic service charge expectations for residents to minimise future shocks.

Monthly savings vs renting privately or outright purchase

Households with a 25% stake in LGAH's shared ownership homes can expect to save an average of £105 per month compared to average housing costs for purchasing a similarly sized home outright in their local authority. However, shared ownership residents are paying £223 more on average than they would for renting privately.²⁸ These results align to what we heard anecdotally from residents. Rental residents noted significant savings compared to renting privately, whereas some shared owners found housing costs to be stretching, albeit with the recognition that they were moving towards full ownership. While the benefits of increasing asset ownership are important, LGAH should monitor shared ownership affordability (see Outcomes section below).

Fund to support vulnerable residents in crisis

LGAH continues to operate its financial support programme, helping residents sustain their tenancy during periods of financial difficulty. Use of the scheme remained steady in 2024, with around 30 referrals accepted and over £27,000 spent between April and December, mainly supporting residents with essential items like white goods. More MPs are now signposting residents to the programme, and LGAH plans a refresher session in 2025 to boost uptake. While the offer plays a vital role in preventing tenancy breakdowns, one MP was unaware of it, highlighting the need for improved awareness-raising.

OUTCOME: GREATER RESIDENT FINANCIAL WELLBEING

Assessing changes in financial wellbeing:

LGAH likely contributes to improved financial wellbeing by providing long-term affordable housing, though limited outcome data makes its impact difficult to measure. We recommend adding questions on financial wellbeing to post-occupancy and ongoing surveys to build a clearer picture over time.

Customer interviews and focus groups suggest LGAH's homes offer financial stability, with rental residents highlighting affordable rent levels and lower energy costs compared to previous accommodation. One shared ownership resident reported feeling financially better off despite rising service charges, particularly knowing that he was able to staircase towards full ownership. High rent collection rates and no major arrears concerns were also noted by MPs. However, more systematic data collection is needed to better evidence LGAH's overall impact on resident financial wellbeing.

Promoting asset ownership:

LGAH supports asset ownership through its shared ownership homes, helping households build financial security and reduce economic inequality.²⁹ In 2024, 26 residents staircased, typically within 28 months of purchase, though the number remains low relative to the size of LGAH's portfolio. Since inception, only 44 residents have fully staircased (representing 1.5% of operational SO homes).

LGAH recognises the need to strengthen support for staircasing and is exploring bringing the service in-house to address delays and costs from MPs, as well as variation in awareness raising of staircasing options across the portfolio. We would be supportive of this change, assuming adequate capacity is allocated to address the current issues. Education around shared ownership has also improved, with clearer guides and regular buyer support, though residents suggested more ongoing guidance would be valuable.

LGAH offers reverse staircasing and buy-back options on a case-by-case basis but has yet to set a formal policy, which leaves some risk with shared owners. We recommend developing clearer criteria to ensure more consistent and fair outcomes.

²⁸. These calculations are based on a model that calculates the average monthly housing costs of LGAH properties (including service charge) versus PRS costs and outright ownership, respective of home size and location.
²⁹. UK Parliament, 2025. [Wealth in Great Britain](#).



3.2 HEALTH AND WELLBEING

Supporting the health and wellbeing of people influenced by places and buildings.

SOCIAL IMPACT PRIORITY	METRIC	RESULT 2022	RESULT 2023	RESULT 2024	CHANGE (2023 TO 2024)
Health and Wellbeing	KPI #2: Net Promoter Score (NPS) from new residents of LGAH homes	59	64	66	+2
	% homes that meet or exceed Nationally Described Space Standards (NDSS)	58%	54%	57%	+3%
	TSM 1 - Overall satisfaction with the service provided by the landlord	n/a	71.6%*		n/a

*Based on 792 responses received between June 2023 and April 2024. Note – results up until April 2025 not available at time of reporting and will be considered in the next report.

LGAH continues to provide homes of a good build quality, with survey results showing high levels of satisfaction with build quality and perceived safety. LGAH outperformed the sector for satisfaction with maintenance, and has taken action to improve service and resident engagement.

To assess the Health and Wellbeing social impact priority, we consider key factors relating to LGAH's homes considered to contribute to the health and wellbeing of residents, including housing quality and the service they are provided by their landlord. We ask:

- Is LGAH delivering well-designed, high-quality homes that residents are happy with?
- Is LGAH providing exceptional landlord services?



LGAH'S CONTRIBUTION TO IMPACT

Ensuring quality design standards:

- Land-led LGAH schemes must meet a detailed set of design criteria to ensure high-quality homes and placemaking.
- LGAH applies its Space Standards Practice Note to allocate appropriately sized households where homes fall short of National Space Standards, avoiding overcrowding.
- For Section 106 schemes, LGAH has less influence but uses its Investment Quality Criteria to assess and screen out poorly designed developments.
- Quality at handover is supported through a dedicated checklist and Aftercare Team, with a strong focus on defect resolution.

Delivering high customer service standards:

- **Proactive engagement with resident feedback:** LGAH proactively gathers resident feedback through surveys, Tenant Satisfaction Measures (TSMs), the Institute of Customer Service survey, and an active resident panel involving over 400 residents, alongside direct engagement with executive and board members.
- **Establishment of Brolly:** LGAH has launched its digital platform, Brolly, to improve property management, resident communications, and repair reporting.
- **Complaints Response:** A dedicated Resolutions Team has been established to improve the speed and consistency of complaint handling.

suggests that their input has helped improve practical design features, though partners would welcome earlier and more consistent engagement. The LGAH Resolution Team provides complaint insights linked to product quality to development teams who incorporate this learning into design principles. LGAH's influence over Section 106 homes is limited, as involvement starts post-planning, making quality largely dependent on developer selection. As land-led development grows, LGAH has greater scope to shape design and placemaking, which will be part of the Perry Barr scheme in Birmingham [see p.19 for background to the scheme].

Overall build quality is broadly in line with other institutional funders. There has been a need to complete some minor electrical and fire stopping works which were addressed quickly by LGAH. There was support for LGAH taking more direct responsibility for compliance sign-offs for gas and electricity. Site visits by TGE also noted some variation in quality, though residents generally reported positive experiences, particularly for accessibility-adapted units. Looking ahead, LGAH will need to focus on planned maintenance as its portfolio ages and it acquires more existing homes.

Size of homes

Only 57% of LGAH's homes meet or exceed Nationally Described Space Standards (NDSS).³⁰ 69% are within 98% of NDSS or above, which shows that many of LGAH's homes are around this minimum recommended level. While LGAH bought the majority of these homes once planning had already been approved and its allocation process helps to avoid overcrowding, we note that liveable space provided by a home is strongly linked to health and wellbeing, and smaller or overcrowded homes risk contributing to stress, poor physical health and reduced quality of life.³¹ NDSS is a recommended standard that local planning authorities can choose to adopt. We view best practice as ensuring 100% of homes meet or exceed NDSS.

Wider area

Overall, LGAH schemes are generally well-located with good access to amenities, based on site visits, interviews with partners, and resident interviews. However, one scheme in the South East was noted as more car-dependent, and a site near Okehampton was described as isolated from the town, with limited transport links and strained local facilities. Continued monitoring of location and accessibility will be important to ensure schemes meet residents' long-term needs.

IS LGAH DELIVERING QUALITY HOMES?

LGAH strives to maintain high design standards across its entire portfolio, all of which are new homes.

Build and design quality

LGAH's portfolio continues to demonstrate a good standard of housing build quality. Its specification guides for rented and SO homes helps deliver features such as flooring as standard for S106 homes across the portfolio over time. This has been informed by customer and MP feedback. Feedback from MPs

³⁰. MHCLG, 2015. [Technical housing standards – nationally described space standard](#).

³¹. TCPA, 2024. [Liveable space for all Homes](#).; Kearns, A. (2022) 'Housing space and occupancy standards: developing evidence for policy from a health and wellbeing perspective in the UK context', Building Research & Information, 50(7), pp. 722–737. doi: 10.1080/09613218.2021.2024756.

IS LGAH PROVIDING EXCEPTIONAL LANDLORD SERVICES?

LGAH is proactive in collecting and engaging with resident feedback through surveys, meetings and a resident panel.

LGAH has plans in early 2025 to recruit a dedicated Resident Engagement Manager to develop its framework for engaging with residents, including the establishment of a tenant scrutiny panel.

Post-Occupancy Satisfaction

LGAH achieved a positive post-occupancy Net Promoter Score (NPS) of 66.³²

This remains an excellent score and shows stable customer satisfaction.³³

Residents expressed high satisfaction with home quality and perceived safety (over 70%), but lower satisfaction with communication (55%) and ease of interaction with management providers (57%). We recommend LGAH engages directly with residents to better understand and address the causes behind the decline.

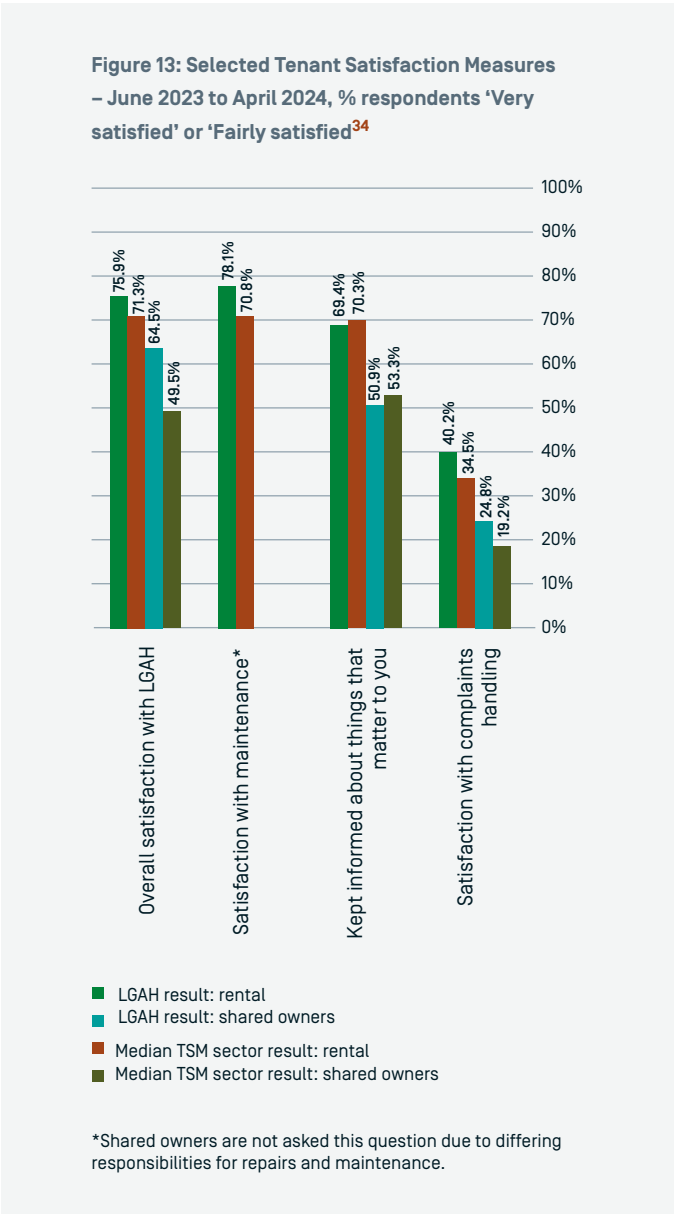
Ongoing satisfaction with LGAH’s resident service

A survey by the Institute of Customer Service, offered to all residents, found that overall resident satisfaction was 60.9%, just below the benchmark for housing associations of 62.8%.

LGAH scored well on ethics, resident ethos, and overall experience (all above 60%), but satisfaction with complaint handling remained low (below 30%), with notable declines in handling speed and outcomes.

LGAH’s newly established Resolutions Team, formally established in May 2024, is working to improve complaint management, recognising challenges such as communication with MPs and delays in defect resolution. While proactive steps are underway, continued focus on structured feedback and improvements will be important.

Customer interviews and focus groups reflected broadly positive views of LGAH’s responsiveness and staff interactions. One resident expressed being ‘lucky to have LGAH on their side’, given responsiveness and desire to help. However, concerns were raised about poor housing manager performance, confusion around who to contact for issues, and lack of communication at move-in, which affect residents’ sense of security. One person reported having to pay out of pocket for urgent repairs on multiple occasions. Residents suggested LGAH take a more direct role in overseeing housing management standards.



32. NPS is a measure used to gauge customer/user satisfaction and loyalty. It is gathered through asking one question: ‘How likely is it that you would recommend working with [your landlord] to other parties?’. Residents give a rating between 0 (not at all likely) to 10 (extremely likely), and fall into one of three categories based on their response: Promoters (9 or 10), Passives (7 or 8), or Detractors (0 to 6). The NPS is calculated by subtracting the percentage of detractors from promoters, with a possible overall NPS from -100 to +100.

33. Qualtrics, 2025. [What is a Good Net Promoter Score?](#)

34. Number of LGAH respondents for each TSM range from 250 to 792. This represents results for the period June 2023 – April 2024. Median TSM Sector results sourced from: Regulator for Social Housing, 2024. [Tenant Satisfaction Measures 2023/24: Headline report.](#)

The **Tenant Satisfaction Measures** for LGAH are the same as those reported last year, with the next set of results scheduled for June 2025. This year’s analysis compares the existing results against the full Regulator of Social Housing (RSH) results across the sector, providing a clearer benchmark than last year (see Figure 13).

LGAH outperforms the sector across resident satisfaction, maintenance and approach to complaint handling, for both rented and SO homes, indicating high resident satisfaction (averaging 71.6%). There is room for improvement in how well LGAH keeps residents informed, which aligns to resident feedback to improve communication about who owns their homes and who to contact for different queries.

It is valuable to consider the insights from both the TSM results and the ICS survey, as together they clearly identify complaint handling and communication as areas for improvement. This aligns with the earlier recommendation to enhance financial wellbeing outcomes by improving information around the shared ownership model.

OUTCOME: GREATER CUSTOMER PHYSICAL AND MENTAL WELLBEING

Housing is a key social determinant of health,³⁵ and by increasing the supply of affordable homes, LGAH is likely contributing to residents’ wellbeing, although this is not yet systematically measured in resident surveys. Interviews with residents reported improvements in mental wellbeing, comfort, and health, particularly highlighting trust in LGAH as a landlord and the quality of their homes. However, dissatisfaction with complaint handling and poor communication from housing managers has negatively affected some residents’ sense of security and wellbeing. During a focus group, we heard from a disabled resident who had a very poor experience with MP communication and resolving urgent issues such as broken locks, which resulted in feelings of housing insecurity and a decrease in health. Strengthening complaints processes could help facilitate better outcomes.

35. UK Parliament, 2022. [The role of homes and buildings in levelling up health and wellbeing.](#)



Case Study

WEMBLEY PARK, BRENT

We visited an Affordable Rent development in Wembley Park, comprising 213 flats managed by Pinnacle on behalf of LGAH. All three-bedroom homes are Council-nominated, and while the build quality is comparable to surrounding developments, rents are set below market level, partly due to fewer additional services like concierge facilities.

Residents benefit from well-designed, affordable homes with good transport links and a strong sense of security. Housing management has built positive relationships with tenants through direct communication and support. Although there have been past occupancy challenges, demand remains strong, with proactive steps underway to maintain stability. Some concerns about anti-social behaviour [ASB] were raised, and Pinnacle is working with local authorities to address this, including discussions around additional CCTV.

Feedback on Brolly, the tenant communication platform, has been positive, though staff requested further training and residents suggested improvements to maintenance requests.

CUSTOMER STORIES

Sam

Sam has lived in Wembley Park since the scheme opened, initially in a one-bedroom adapted home before recently moving to a two-bedroom flat within the same building for additional space. As a wheelchair user, finding accessible housing in London was challenging due to high costs and limited supply.

- **Quality & Accessibility:** He describes the property’s accessibility as “amazing,” with thoughtful design elements. The only adjustment needed was a small ramp for balcony access.
- **Affordability:** The rent is a financial stretch, particularly in the larger unit, but remains more affordable than other accessible options in the limited market. While many of his friends share houses, this isn’t a viable option for him due to accessibility needs.
- **Location:** Proximity to work and friends has been a major benefit. The area feels safe, even at night, with well-lit streets.
- **Health & Wellbeing:** Having his own space has made a significant positive impact to his health and wellbeing. He feels settled and wants to stay long-term.
- **Brolly & Tenant Communication:** He has used Brolly for maintenance requests and appreciates LGAH’s presence as a landlord, although he suggested improvements to categorising repairs.

Connor & Emily

Connor and Emily have lived in a two-bedroom apartment for three years. Before moving to Wembley Park, they briefly lived in a Build-to-Rent (BTR) property but found it unsustainable due to rising rents.

- **Affordability:** While their rent has increased, last year’s rise was lower than expected. They remain satisfied with pricing relative to the area, which they wouldn’t have been able to afford otherwise.
- **Location:** The transport connections have expanded their job opportunities, making the move particularly beneficial for their careers. There is good access to amenities and they experience minimal disruption despite proximity to Wembley Stadium.
- **Community & Environment:** They have noticed an increase in ASB and litter over the past year but have been satisfied with actions taken by housing management.
- **Health & Wellbeing:** Their housing situation has provided stability, allowing them to live together and work in London. They have no immediate plans to relocate.



3.3 JUST TRANSITION

Enhancing and preserving the local environment and supporting a just transition to net zero

SOCIAL IMPACT PRIORITY	METRIC	RESULT 2022	RESULT 2023	RESULT 2024	CHANGE (2023 TO 2024)
Just Transition	% of homes rated EPC B or above	97%	97%	94%	-3% ³⁶
	Reported GHG emissions	n/a	570 tCO2e [Scope 1&2]	637 tCO2e [Scope 1&2]	+12% increase in reported emissions

LGAH continues to deliver energy-efficient homes, with strong EPC performance and, where possible, the use of modern methods of construction to reduce embodied carbon. Land-led development offers greater scope for impact in this area than S106 schemes because LGAH has more control over the design and specification.

- To assess the Just Transition social impact priority, we consider:
- The operational efficiency of LGAH’s homes
 - The embodied carbon produced in constructing LGAH’s homes
 - Sustainability characteristics of LGAH’s schemes.



LGAH’s contribution to impact

LGAH is committed to ensuring all homes handed over from 2030 are enabled to operate at Net Zero Carbon (NZC). Its new ‘Road Map to NZC Ready by 2030’ sets out targets around green tariffs, EPC ratings, fossil fuel-free heating, retrofitting, and net zero standards.

- LGAH is working to a target that investment in new builds with fossil fuels will be phased out by January 2026, with a maximum of 50% of new contracts allowed to include gas boilers in 2025.
- LGAH has conducted a carbon baseline and is piloting measures to transition to cleaner energy across its portfolio.
- All new-build homes contracted must meet EPC B as a minimum standard from 2025.

LGAH recognises the challenges of improving environmental sustainability on S106 or SOFI homes and acknowledges the trade-offs required between affordability, profitability and sustainability ambitions in delivering affordable homes.

Trent Park, London

36. This decrease is driven by tenanted acquisitions, adding more homes to the portfolio rated EPC C, including tenanted acquisitions [see p.32].

OPERATIONAL EFFICIENCY OF LGAH HOMES

LGAH continues to provide energy-efficient homes, with 94% of properties achieving an EPC rating of B or above. This exceeds the sector average of 85% for new builds.³⁷

EPC ratings across LGAH's portfolio remained broadly stable in 2024, with a slight shift due to more homes rated EPC C through both new properties and tenanted acquisitions. New targets require all contracted new builds to meet EPC B by 2025, and 40% to achieve EPC A by 2028.

Alongside EPC ratings, LGAH has modelled Energy Use Intensity (EUI) across its home types, showing better-than-average performance compared to similar dwellings and across the social rented sector.³⁸ Pilot projects are also underway to collect more robust building performance data.

LGAH has updated its net zero roadmap, adjusting its target to allow up to 50% of new homes with gas heating in 2025, reflecting the challenge of delivering a just transition where many Section 106 schemes still include gas boilers. LGAH's landlord supply is shifting to a green energy tariff, and work is progressing on a retrofit strategy to future-proof the portfolio.

LGAH has incorporated tenanted acquisitions into its growth strategy, with a particular focus on acquiring homes in need of green retrofit. Homes will be acquired where cost of retrofit is reasonable and can be factored into the purchase price. They expect the acquisitions to accelerate and consolidate the timeline of home improvements for the residents. LGAH has developed criteria for portfolios which enables them to better meet these efficiency aims: for example, focusing on rented properties (for ease of access), which were built as houses or low-rise flats post-1945.

We welcome these actions and recommend further strategy development on data collection and retrofit as LGAH expands into acquisitions of older stock.

Embodied carbon produced in construction

The estimated embodied carbon for LGAH in 2024 was 1396 kgCO₂e/m², a similar level to RIBA's business-as-usual estimate and below future targets.³⁹ The increase reflects both a methodological update and a higher proportion of flats delivered compared to 2023. This remains an area for improvement, and we recommend LGAH sets formal targets to drive reductions.

The share of homes using modular construction rose to 7% in 2024, driven by the Perry Barr scheme (see p.19 for background to scheme). Modular methods typically reduce embodied carbon through efficient material use, reduced waste, and lower transportation emissions, supporting faster and more sustainable delivery.

Sustainability characteristics of LGAH schemes

LGAH's ability to make significant improvements to the sustainability features of its portfolio has been limited, given that the vast majority (96%) of schemes consist of Section 106 developments. However, as LGAH increases its focus on land-led developments, there is greater potential to shape sustainability outcomes from the outset.

All schemes comply with legislation by ensuring certified timber procurement and applying biodiversity net gain targets. Nearly all homes (99%) have access to bike storage, while 10% benefit from electric vehicle charging points or access to electric car clubs: an increase from 8% last year. Additionally, 5% of homes include smart controls linked to smart metering (although this has decreased from 7% in 2022).

Outcome: Reduced GHG emissions

Scope 1 and 2 emissions are tracked at a Group level through the Science Based Targets initiative (SBTi), reporting 637 tCO₂e in 2024—a 12% increase from 2023. While noting an increase of 31% in LGAH's operational assets, this rise should be monitored, with targets set out in the decarbonisation plan expected to support future reductions. LGAH has contributed Scope 3 emissions data, including business travel, to the wider L&G Group for several years. While downstream leased assets were previously estimated using industry benchmarks, in 2024 a new process trialled real, anonymised data to improve accuracy, marking a significant step forward. We recommend LGAH continue to strengthen Scope 3 reporting and progress on responsible procurement (see p.37).



Case study
CITY HOUSE, ENFIELD

City House is a newly built apartment development located in Enfield, North London. LGAH has 18 shared ownership homes in the building, which was completed in 2021. The properties are predominantly two-bedroom apartments, with two larger three- to four-bedroom units also included. All homes are currently occupied and meet an EPC rating of B.

The homes are in a good location, with convenient access to public transport and local amenities. Each unit has a private balcony, and there is a small amount of shared outdoor space available for residents.

Feedback from the two residents we spoke to was mostly positive. Both reported feeling stable and settled since moving in during 2022. One had moved from his parents' home, while the other had previously been renting privately. Neither resident had staircased, and both noted that shared ownership had not significantly improved their financial situation. Both also felt that their service charges were expensive. One resident expressed dissatisfaction with the management of the property, highlighting delays in repairs and recurring issues, including a persistent crack in the ceiling.

Overall, City House provides modern, well-located housing with a good standard of energy efficiency. While most residents are satisfied with their homes, there are areas for improvement in property management responsiveness and repair quality.

³⁷. DLUHC, 2024. [Energy Performance of Buildings Certificates Statistical Release: January to March 2024 England and Wales](#).
³⁸. MHCLG, 2024. [English Housing Survey data on energy performance, heating and insulation: DA7101: energy performance – dwellings](#).
³⁹. RIBA, 2021. [2030 Climate Challenge guide](#).



3.4 PARTNERSHIPS

Supporting engagement with community partners, developing industry partnerships and thought leadership.

SOCIAL IMPACT PRIORITY	METRIC	RESULT 2022	RESULT 2023	RESULT 2024	CHANGE [2023 TO 2024]
Partnerships	KPI #3 RSH Rating of partner MPs	All MPs graded G2/V2 or above, where ratings are available		All MPs graded G1/V2, where ratings are available	All MPs now G1, up from G2, where ratings are available

LGAH continues to work with well-run managing partners, with positive feedback on communication, alignment, and shared focus on resident outcomes. The rollout of its Brolly platform has been a key focus this year, with some challenges but clear collaborative efforts to support adoption and shared learning.

To assess the Partnerships social impact priority we consider:

- Is LGAH working with high quality Managing Partners?
- Is LGAH effectively partnering with other stakeholders including developers and local authorities?
- Is LGAH partnering with local communities that are impacted by its schemes?
- Is LGAH positively impacting the wider social housing sector?

LGAH’s contribution to impact

MP selection and management

- All MPs which are regulated providers must have an RSH rating of G2/V2 or higher.
- LGAH has a due diligence process to ensure new MPs meet its standards and will be able to continue to work in partnership.
- LGAH’s Management Agreements require partners to report KPIs monthly and provide quarterly in-depth performance tracking.
- LGAH also requires that all MPs adopt Brolly to support smooth and effective tenant management.
- Managing partners who do not meet minimum standards are actively engaged, with remedial plans put in place to address performance issues. As previously indicated, LGAH remains prepared to terminate partnerships where persistent underperformance occurs or where managing partners do not align with LGAH’s established approaches.

Developer and Local Authority Partnerships

- LGAH aims to develop strategic partnerships with both developers and LAs in the regions where future homes are planned.

MANAGING PARTNER QUALITY

Managing partner	Number of LGAH homes	Regulator rating ⁴⁰
CHP	565	G1 V2
Coastline Housing Ltd	86	G1 V2
Flagship Homes	756	G1 V2
Great Places Housing Group	461	C2 G1 V2
Pinnacle Group	3,615	Not rated ⁴¹
Southern Housing	1,804	C2 G1 V2

LGAH continues to build strong relationships with well-run MPs, supported by regular engagement and a proactive management approach. In 2024, all graded MPs were rated G1/V2 by the Regulator of Social Housing, an improvement from last year, and LGAH’s own Registered Provider retained its G1/V1 status.

Feedback from MPs was positive, with partners praising LGAH’s communication, responsiveness, and resident focus. While LGAH is seen as more involved and demanding than other funders, this was viewed as a strength in driving high standards. MPs welcomed opportunities to influence scheme design and suggested earlier involvement in new projects would further strengthen delivery.

Partner Consolidation and Contract Renewals

Through 2024 into 2025, LGAH consolidated its Managing Partner network from ten to six, driven by performance considerations and business strategy. Some homes were transferred between providers, with minor challenges, but MPs reported smoother-than-usual transitions and minimal disruption to residents. Four MP contracts were renewed, offering a chance to update roles and responsibilities, particularly for larger partners. Overall, LGAH and its key partners remain well aligned, with shared values and a commitment to long-term collaboration.

Rollout of Brolly

Brolly, LGAH’s resident portal and property management system, has been a major focus of MP engagement this year. Initially launched with two MPs, it is now being rolled out portfolio-wide, with full adoption expected by 2025 year-end. The platform aims to improve data visibility and streamline KPI reporting, as well as facilitate better resident transaction capability. Some challenges have been noted around payment functions, integration with existing systems, and additional reporting burdens.

MPs welcomed LGAH’s proactive support during rollout, including regular meetings and learning sessions, though some expressed concerns about maintaining dual systems and suggested a mobile version would aid on-site reporting. Issues with rent payment dates on Brolly have created challenges for Universal Credit tenants, requiring workarounds from MPs. We recommend system updates to better accommodate these residents. While early difficulties remain, MPs were positive about LGAH’s communication and willingness to learn, and upcoming system enhancements should be prioritised.

Cross-Partnership Learning

We are pleased to see that last year’s recommendation to facilitate shared learning between MPs has been partially implemented through Brolly-related sessions. These sessions have involved sharing process and findings from initial adopters to help ease onboarding of partners in 2025. We encourage LGAH to build on this by creating more structured opportunities for collaboration and knowledge-sharing across its MP network.

⁴⁰. Gradings from the [Regulator of Social Housing](#) assess the extent to which providers meet requirements for Governance, Viability and Consumer standards, where 1 and 2 are deemed satisfactory/adequate and 3 and 4 indicate regulatory concern. Consumer standards were introduced in 2024 and inspections have not yet been undertaken for all RPs.

⁴¹. Pinnacle Group is not graded by the Regulator of Social Housing as it is not itself a Registered Provider, but predominately manages homes on behalf of those that are.

PARTNERING WITH OTHER STAKEHOLDERS

Local Authorities

We spoke to two local authorities, both reporting positive relationships with LGAH and consistent engagement. One described LGAH as having the best communication among Registered Providers, valuing early involvement to align tenure types with local need.

Developers

One development partner described LGAH as 'one of the best partners', highlighting strong communication and regular meetings. While MPs reported that LGAH largely works with reliable developers, some compliance issues such as fire safety and electrical standards were raised. MPs praised LGAH's proactive response and recommended it take direct responsibility for compliance sign-offs to maintain quality.

Local communities

Progress on involving local communities has been limited in 2024. We recommend LGAH strengthen local engagement, particularly on larger sites where community input could meaningfully influence scheme design and delivery. This could include reviewing pre-existing engagement [e.g. from the council] as part of the due diligence process for new schemes.

OUTCOME: ACHIEVEMENTS OF INDUSTRY PARTNERSHIPS AND THOUGHT LEADERSHIP

LGAH aims to leverage its scale, capital, reputation, and influence to drive systemic change and elevate standards across the social housing sector. This includes contributing to sector-wide discussions on the role of institutional investment and maximising social impact, through thought leadership articles in sector publications.

This ambition is reflected to some extent in the development and future direction of Brolly, LGAH's end-to-end property management platform. Brolly is expected to enhance data visibility, support procurement processes, and enable more comprehensive KPI and impact reporting as it continues to be evolved.

Given the scale of shared ownership homes in the portfolio, LGAH has the opportunity to lead in best practice in this sector. As discussed in the Financial Wellbeing section (p.25), LGAH could provide better support and information for residents in staircasing (increasing ownership share), as well as a clearer policy on buying back homes which residents have struggled to sell on the open market.



Case study
OKEMENT PARK, DEVON

Located on the edge of Okehampton, this scheme provides one- to three-bedroom affordable rent and shared ownership homes, developed under a Section 106 agreement. LGAH became involved post-planning, with limited ability to influence placemaking and sustainability features.

Management has transferred to Pinnacle, with separate arrangements for grounds maintenance. Service charges for flats are included in rent, making them eligible for housing benefit, which some residents appreciated.

While homes meet basic quality standards, poor integration with the town, limited green space access, and a lack of renewable infrastructure were noted. Planned transport improvements in 2026 should improve connectivity.

Customer stories

A single man living in a one-bedroom flat described his home as warm, comfortable, and well insulated, with noticeably lower energy bills. After a challenging search for housing, he now feels settled, values being closer to his daughter's school, and enjoys the peaceful community. Despite some frustrations, he feels the home offers a good standard of living, though he remains financially squeezed even with the service charge included in his rent. He also raised concerns about unresolved damp and mould issues, and the lack of secure bike storage in an area with known theft.

A woman living alone with her cat, who previously faced housing insecurity and was classified as homeless by the Local Authority, spoke positively about the quality of her flat, particularly the bathroom and extra storage space. Although early maintenance issues were frustrating, they were eventually addressed. She described the site as isolating without a car, raising concerns about children's safety due to a lack of pavements, and highlighted pressure on local healthcare and schools. Despite these challenges, she feels fortunate to have secure, affordable housing and has built strong friendships with neighbours.



3.5 RESPONSIBLE PROCUREMENT

Responsible sourcing of supplies and services that is ethical, local and inclusive.

SOCIAL IMPACT PRIORITY	METRIC	RESULT
Responsible Procurement	KPI #4 % supply chain jobs with fair payment policies [of which, Real Living Wage]	N/A – not yet tracked

LGAH has the potential to make a meaningful contribution to responsible procurement through its development and operations supply chains. However, there is a need for LGAH to set out its strategy in this area to maximise impact and consistently integrate responsible practices.

To assess this social impact priority we consider:

- How is responsible procurement considered in development?
- How is responsible procurement considered in operations?

LGAH's contribution to impact

Development

- In the development phase, LGAH can use its role as a commissioner and partner to set expectations for sustainable materials, engage contractors who demonstrate ethical practices, and work with local suppliers who create social value through skills-building initiatives such as apprenticeships.
- LGAH's potential to shape responsible procurement is particularly strong in land-led schemes, where it has greater control over contractual terms and can integrate social and environmental criteria.

Operations

- During the operational phase, LGAH can continue to embed responsible procurement by considering ESG factors in the selection and management of its partners. This includes working with MPs who are committed to fair employment practices and supporting skill development through contracted services.



How is responsible procurement considered in development?

TGE has not yet seen a structured approach to responsible procurement within LGAH. We recommend defining what responsible procurement means to the organisation and setting a clear strategy with measures of success as a priority for 2025.

LGAH has stronger influence over responsible procurement in land-led schemes, where it can directly select contractors and embed ethical, local practices. For developer-led schemes, influence is more limited but can be applied through partner selection. There is also scope to strengthen material choices and targets for sustainable practices across all new schemes.

How is responsible procurement considered in operations?

MPs play a key role in responsible procurement during operations. While LGAH undertakes due diligence and ongoing monitoring, there are currently limited criteria focused on areas like employment practices within MPs and their subcontractors.

LGAH has prioritised working with regionally concentrated MPs to foster local economic impact, a focus maintained through the 2024 consolidation. It also supports living wage commitments and has updated supplier contracts to align with the group's modern slavery policies.

Given its limited influence over subcontractors, we recommend LGAH further encourage MPs to adopt responsible procurement standards, such as living wage commitments and fair employment practices, and recognise best practices to drive consistency across the portfolio.

OUTCOME: PRIORITY SUPPLIERS REFLECT BEST PRACTICE

We welcome steps taken by LGAH so far to implement responsible procurement practices, but there is more to be done to integrate this priority throughout LGAH's activities. This includes setting strategy, defining best practice and measuring progress in this area, which will enable reporting against this outcomes area in future.



4 / IMPACT RISK

Impact risk considers the likelihood that impact will not be achieved as intended, and whether the difference will be material from the perspective of those being impacted. We have analysed potential impact risks affecting LGAH using the Impact Frontiers' impact risk assessment framework. Of the nine impact risk categories, we have assessed the following as the most pertinent to LGAH.

Risk	Likelihood	Severity	Description	Suggested Mitigation
External risk: The probability that external factors disrupt LGAH's ability to deliver the impact	MEDIUM	MEDIUM	Supply: We heard from LGAH that the macroeconomic environment has slowed its pipeline and delayed its goal of delivering 3,000 homes annually. While further economic challenges may impact supply growth, this reflects slower progress rather than a failure to meet targets.	LGAH should continue to pursue other means of expanding its portfolio besides developer-led S106 schemes, including land-led schemes and tenanted acquisitions.
	MEDIUM	HIGH	Affordability: Inflationary pressures are creating affordability challenges across the country. Even with LGAH's rigorously applied affordability criteria, residents may struggle with rents. Where external freehold block managers set service charges, LGAH has limited levers to prevent escalating rates, which may risk affordability levels for some tenures.	Encourage proactive engagement with tenants by MPs and provide support for those struggling with rents. Ensure rigorous affordability screening before entry to homes. Continue to review affordability policy and engage with residents e.g. through the resident panel. Closely monitor service charge position, engaging with external freehold block manager companies to ensure transparency.
Execution risk: The probability that the activities are not delivered as planned or do not have the desired outcome	HIGH	MEDIUM	Complaint resolution: Customer surveys and interviews indicated lower satisfaction with complaint handling and outcomes by LGAH and MPs compared to previous years, despite the setup of a dedicated resolutions team. There can be challenges around communication with MPs and developers.	LGAH are seeking to understand the lower scores in this area and should engage with residents to understand this (e.g. resident panel and surveys). The resolutions team are implementing processes to improve quality and speed of complaint-handling.
	MEDIUM	HIGH	Brolly: Bringing residents and MPs onto the Brolly resident portal and property management system may have impacts on MP capacity while learning a new platform and in some cases using it alongside their own system. This adoption burden may take away from capacity to provide resident support. There is also a risk that residents experience disruption with rent payments and resolution of maintenance issues.	LGAH should continue to provide additional support and, where appropriate, compensation to MPs to minimise disruption for residents (although we recognise this is short-term funding and not long-term capacity). Enhancements to Brolly related to rent payments should be prioritised to reduce the risk of financial difficulties for residents.

5 / CONCLUSION AND RECOMMENDATIONS

Risk	Likelihood	Severity	Description	Suggested Mitigation
Execution risk: The probability that the activities are not delivered as planned or do not have the desired outcome	MEDIUM	MEDIUM	Health and wellbeing / Just transition: LGAH's ability to deliver its sustainability ambitions is limited in developer-led schemes. The impact of this is particularly seen in the size of properties, many of which are below NDSS. There is a risk that if the portfolio continues to consist mainly of these schemes, with a smaller pipeline of land-led projects, LGAH may not achieve its ambitions on the originally anticipated scale and with intended impact set out in the Social Impact Framework.	Continue to push for improvements within the developer-led portfolio. Influence the design specifications where possible. Maximise the potential of land-led projects. Ensure alignment to its social impact priorities, including Responsible Procurement priority.
	MEDIUM	MEDIUM	Occupancy: Lower occupancy of specific schemes may indicate that properties are not meeting the needs and preference of the intended residents.	LGAH should monitor these schemes and ensure understanding of any factors hindering lettings which could be avoided in future.
	LOW	MEDIUM	Affordability: LGAH's affordability policy supports investment in homes that meet housing needs but may not be affordable for the lowest-income households. While a mixed portfolio is necessary to secure returns and meet Section 106 requirements, there is a risk of it becoming weighted towards lower-need groups.	LGAH should consider prioritising acquisitions where affordability is weighted towards lower- to middle-income households.
Evidence risk: The probability that insufficient data is available to determine impact.	MEDIUM	MEDIUM	Customer Outcomes: By providing long-term affordable housing in high-need areas, LGAH likely creates positive impact. However, there is currently limited assessment of changes in resident financial wellbeing and health, which makes LGAH's contribution difficult to measure.	We will continue to conduct interviews and focus groups with residents, as well as monitoring TSM and survey data. We recommend adding questions around changes in financial wellbeing and health to understand more systematic outcomes over time for residents as a result of moving into LGAH's homes.

In 2024, LGAH took proactive steps to maintain and expand its impact, continuing to deliver well against most of its social impact priorities. The number of operational properties increased substantially, with some high additionality new-build schemes, as well as the introduction of tenanted acquisitions. There remain areas for improvement to ensure resident satisfaction and deepen impact, which we'd encourage LGAH to address in 2025 alongside its plans for expansion.

Strengths

Strong managing partnerships: LGAH continued to work with a group of well-run MPs, all of whom, where graded, were rated G1/V2 by the Regulator of Social Housing in 2024. LGAH has built strong and effective working relationships with these partners. In 2024, it completed a strategic consolidation of its MP network, reducing the number of partners and updating leases to reflect revised roles and responsibilities. Feedback from MPs has been positive, with many appreciating LGAH's clear communication and shared commitment to high standards and resident service.

Customer engagement: LGAH has continued to prioritise resident voice, refreshing its resident panel and expanding internal capacity to lead on engagement. Unlike many housing providers, LGAH retains direct responsibility for resident engagement rather than delegating it to MPs, helping to embed resident feedback into decision-making and respond more efficiently to feedback.

Securing new funding: Following a strategic focus on capital raising, LGAH successfully secured significant new funding from pension providers in 2024. Deployment began at the end of the year and is expected to support the delivery of new homes in 2025. This investment strengthens LGAH's ability to increase the scale of its contribution to impact through a larger and more diverse pipeline of affordable housing.

Additionality and partnership working: LGAH's investment in Perry Barr, Birmingham, stands out as a high-additionality scheme. The scheme will bring 487 homes originally intended for private market use into affordable rent and shared ownership tenures. LGAH helped to unlock this stalled development and together with its MP partner is looking to embed a placemaking approach to operations and activation.

Areas for Improvement

Complaint handling: Satisfaction with complaint handling has declined from 2023 to 2024, signalling an important area for improvement. While LGAH's Resolutions Team is now in place and working to improve processes, it is vital to deepen engagement with residents to understand the root causes of dissatisfaction. Some residents we spoke to expressed concerns about not knowing who to contact and problems with the responsiveness of the MP. We recommend the further use of resident panels and surveys to identify priorities and strengthen the quality and timeliness of complaint resolution.

Brolly rollout and reporting burden: The Brolly platform was rolled out to most MPs and a large proportion of residents in 2024. While there are clear long-term benefits, such as improved data visibility and simplified reporting [and ease of transacting for residents], there have been some challenges in implementation. MPs have raised concerns about capacity strains of dual-system usage, and residents have had difficulties with new rent payment schedules and reporting maintenance issues. Updates to accommodate Universal Credit payment cycles should be prioritised, alongside continued support and communication with MPs to ensure smooth adoption and minimised disruption.

Procurement strategy: LGAH has the potential to make a strong contribution to social and environmental outcomes through responsible procurement, particularly across its development and operational supply chains. This includes opportunities within MP procurement (e.g. employment standards) and in land-led schemes, where LGAH can exercise greater control over contractors and materials. However, to realise this potential, LGAH needs to develop a clearer strategy with defined targets and expectations for ethical and sustainable procurement across all areas of influence.

Drive shared ownership outcomes: As a result of a number of shared ownership investments being in areas of London with very high housing costs, there are some affordability concerns with this aspect of the portfolio. Increases in service charges risk decreasing affordability to lower income local households. In addition, some of these homes are targeted at households with higher incomes, which limits their impact: by TGE's calculation, the required income to afford 14% of shared ownership homes exceeds the maximum income limit set by Home England.⁴² In 2024, only 1% of shared ownership households staircased. Residents moving towards full ownership through staircasing is a key way of improving their financial security. TGE would encourage LGAH to look into methods of further facilitating staircasing such as increasing the efficiency of the process by bringing it in-house.

⁴². The maximum household income threshold for shared ownership buyers is £80,000 a year outside of London and £90,000 a year in London. Required income for housing to be affordable is based on total housing costs (rent, service charge and mortgage payments) totaling no more than a third of net household income, based on local earnings. See footnote 1 on housing costs as a proportion of income deemed as 'affordable'.

APPENDIX 1 – METHODOLOGY

- The findings in this report are based on a mix of quantitative and qualitative data. This includes:
- Portfolio data, resident survey data, and other documents provided by LGAH
 - Interviews with all six of LGAH's managing partners with operational homes
 - Interviews with c.10 LGAH staff
 - Interviews with other stakeholders: one developer, two local authorities. Focus group/interviews with residents from LGAH's resident panel [a virtual focus group with three participants and a virtual interview with an individual resident]
 - Site visits to three schemes, where we spoke to 2-3 residents at each, as well as on-site managing partner staff

Research was carried out between January and May 2025. Data relates to 2024.

Data Source / Evidence	Overview	Evidence Risk	Comments
Portfolio data	Portfolio data provided to TGE by LGAH. This included unit-level information for all operational and secured pipeline properties in the portfolio, such as address, tenure type, rent charges, completion date, square footage, and EPC ratings.	Low	Reliant on accuracy of information provided by LGAH.
Customer survey data	Results from several resident surveys have been included: 12-month post completion survey, an ongoing satisfaction survey (run by the Institute of Customer Service) with c.540 respondents, and Tenant Satisfaction Measures for June 2023 to April 2024 (792 respondents).	Medium	Reliant on accuracy of data provided by residents, and that samples are representative across the portfolio.
Documents provided by LGAH	Range of strategy and performance documents about LGAH's approach and activities.	Low	Reliant on accuracy of information provided by LGAH.
Interviews with LGAH staff	Interviews carried out with members of the LGAH team, to find out about performance, activities and areas of focus.	Low	Reliant on accuracy of information provided. Interviewees were transparent when answering questions.
Interviews with managing partners	Interviews with all operational managing partners, to find out about relationship with LGAH, perceptions of operations, and specific schemes and their residents.	Low	Reliant on accuracy of information provided. Interviewees were transparent when answering questions.
Interviews with other stakeholders	We spoke to a developer partners and two local authorities to understand experience of working with LGAH and perceptions of their operations.	Medium	Reliant on accuracy of information provided. Interviewees were transparent when answering questions.
Customer interviews (on site and virtual) and resident focus group (virtual)	Residents were either part of the resident panel, chosen by property managers, or selected randomly based on availability. Interviews lasted between 10 minutes and half an hour. The focus group lasted one hour and was facilitated by TGE.	Medium	Reliant on accuracy of data provided by residents, and that experiences are representative across the portfolio.

APPENDIX 2 – THE SUSTAINABILITY REPORTING STANDARD FOR SOCIAL HOUSING (SRS)

The table below presents LGAH's submission against the SRS, a reporting framework which was designed to make it easier for affordable housing providers to report on their ESG performance in a consistent, comparable and transparent way. This Appendix is LGAH's own SRS disclosure, with support provided by The Good Economy.

This SRS submission relates to the following entities:

- Legal & General Affordable Homes (Operations) Limited
- Legal & General Affordable Homes (Development) Limited
- Legal & General Affordable Homes (Development 2) Limited
- Legal & General Affordable Homes (Development 3) Limited
- Legal & General Affordable Homes (Capital) Limited
- Legal & General Affordable Homes Limited
- Legal & General Affordable Homes (SO) Limited
- Legal & General Affordable Homes (AR) LLP

ESG Area	Theme	Criteria #	Criteria	LGAH Disclosure
Environmental	T1, Climate Change	C1	Distribution of EPC ratings of existing homes (those completed before the last financial year	Operational units handed over before 1 Jan 2024: A: 2% B: 95% C: 2% D: 0.9% E: 0.2% EPCs rated C or higher: 99%
		C2	Distribution of EPC ratings of new homes (those completed in the last financial year).	Operational units handed over from 1 Jan – 31 Dec 2024: A: 5% B: 78% C: 17% D: 0.5% EPCs rated C or higher: 99%. Note: of these, 71% new build homes, 29% tenanted acquisitions of older stock, of which 50% graded EPC C.
		C3	Does the housing provider have a Net Zero target and strategy? If so, what is it and when does the housing provider intend to be Net Zero by?	LGAH has a target of all new homes being delivered being Net Zero Carbon in operation by 2030. This is set out in its 'Road Map to Net Zero Carbon Ready by 2030'. The timeline to achieve this goal, includes decarbonisation and retrofit strategies, and targets for EPC ratings and phasing out gas boilers.
		C4	What retrofit activities has the housing provider undertaken in the last 12 months in relation to its housing stock? How do these activities align with, and contribute towards, performance against the housing provider's Net Zero strategy and target?	No retrofit activities have taken place in the last 12 months, mainly as 2024 was the first year where LGAH acquired older stock below EPC C (which was exclusively shared ownership). The Net Zero strategy sets out intentions to develop a retrofit plan and establish options during 2025, complete a retrofit pilot during 2027 and complete spec for existing stock in 2028.

ESG Area	Theme	Criteria #	Criteria	LGAH Disclosure
Environmental	T1, Climate Change	C5	Scope 1, Scope 2 and Scope 3 Green House Gas emissions Scope 1, Scope 2 and Scope 3 Green House Gas emissions per home If unable to report emissions data, please state when the housing provider is expected to be able to do so.	For 2024, Scope 1 figure is 8.61tCO2e and Scope 2 is 628.63tCO2e.
		C6	How has the housing provider mapped and assessed the climate risks to its homes and supply chain, such as increased flood, drought and overheating risks? How is the housing provider mitigating these risks?	The majority of LGAH's portfolio is situated in Flood Zone 1. Development in Flood Zone 3 is generally avoided unless strategic infrastructure is implemented to mitigate the associated risks. LGAH's direct delivery schemes primarily consist of low-rise dwellings, where the risk of overheating is minimized. Factors such as window size, orientation, and ventilation are carefully considered to prevent any adverse impact. LGAH has recently reviewed the specification to reduce water demand from new development. This will help in reducing water stress.
	T2, Ecology	C7	Does the housing provider have a strategy to enhance green space and promote biodiversity on or near homes? If yes, please describe with reference to targets in this area. If no, are you planning on producing one in the next 12 months?	LGAH has limited authority over expanding green spaces due to land ownership. However, all existing green spaces will be retained and maintained. All new development complies with BNG regulations and seeks improvement when possible.
		C8	Does the housing provider have a strategy to identify, manage and reduce pollutants that could cause material harm? If so, how does the housing provider target and measure performance?	During the acquisition stage, due diligence is conducted to determine if any ground contamination or gas presence is identified and addressed to ensure the safety of internal air quality. No targets are set as contamination is addressed prior to occupation.
	T3, Resource Management	C9	Does the housing provider have a strategy to use or increase the use of responsibly sourced materials for all building and repairs works? If so, how does the housing provider target and measure performance?	LGAH does not directly procure building materials but promotes the use of sustainable materials, such as timber from FSC/PFEC, to our suppliers.
		C10	Does the housing provider have a strategy for waste management incorporating building materials? If so, how does the housing provider target and measure performance?	Our suppliers are encouraged to divert construction waste from landfill and their performance is monitored annually.
		C11	Does the housing provider have a strategy for water management? If so, how does the housing provider target and measure performance?	Recently revised specifications should deliver below 110 lpppd, well below Building Regulations [125lpppd]. Water demand from the house is monitored annually.

ESG Area	Theme	Criteria #	Criteria	LGAH Disclosure
Social	T4, Affordability and Security	C12	For properties that are subject to the rent regulation regime, report against one or more Affordability Metric: — Rent compared to Median private rental sector (PRS) rent across the Local Authority — Rent compared to Local Housing Allowance (LHA)	Affordable rent homes with rent levels set by LGAH do not exceed 80% of open market rent. Rents are set in line with the S106 agreements and in agreement with the relevant Local Authority. — Rent compared to Median PRS is at 72%, calculated using local authority median rent data from the ONS — Rent compared to LHA is at 91%
	T4, Affordability and Security	C13	Share, and number, of existing homes [homes completed before the last financial year] allocated to: — General needs [social rent] — Intermediate rent — Affordable rent — Supported Housing — Housing for older people — Low-cost home ownership — Care homes — Private Rented Sector	Operational units handed over before 1 Jan 2024: Social rent: 7% Affordable rent: 40% London affordable rent: 0.2% Intermediate rent: 2% Shared ownership: 50%
		C14	Share, and number, of new homes [homes that were completed in the last financial year], allocated to: — General needs [social rent], — Intermediate rent — Affordable rent — Supported Housing — Housing for older people — Low-cost home ownership — Care homes — Private Rented Sector	Operational units handed over from 1 Jan – 31 Dec 2024: Social rent: 5% Affordable rent: 28% Shared ownership: 66%
		C15	How is the housing provider trying to reduce the effect of high energy costs on its residents?	LGAH has a £120k customer support fund, which helps customers who experience some form of financial hardship. In 2024 we funded over £28k in energy-efficient white goods for new customers who would have otherwise resorted to high-cost methods of cooking and washing.
		C16	How does the housing provider provide security of tenure for residents?	100% of LGAH homes have a 3-year or longer fixed tenancy agreement. LGAH is adhering to good practice by ensuring that customers have tenancy security.

ESG Area	Theme	Criteria #	Criteria	LGAH Disclosure
Social	T5, Building Safety and Quality	C17	Describe the condition of the housing provider's portfolio, with reference to: % of homes for which all required gas safety checks have been carried out. % of homes for which all required fire risk assessments have been carried out. % of homes for which all required electrical safety checks have been carried out.	100% of LGAH's properties comply with its Gas Safety Policy ensuring that gas safety checks are carried out annually and any improvement works conducted accordingly. Wherever a customer fails to provide access, appropriate steps are taken to issue legal proceedings and ensure LGAH is fully compliant with gas safety regulations. 100% of homes have had all required fire risk assessments carried out. Following LGAH's Fire Safety Management Policy and Fire Safety Strategy, Fire Risk Assessments are undertaken at risk relevant intervals: every 12 months for high-risk buildings, 18 months for medium-risk buildings, and 36 months for low-risk buildings. 100% of LGAH's homes have had required electrical safety checks carried out. The majority of rented homes are under 5 years old. The policy position is to carry out an electrical safety check at 5 year intervals. As at 31st December all RPs were 100% compliant. It has also been confirmed that all units older than 5 years old have had required electrical checks carried out.
		C18	What % of homes meet the national housing quality standard? Of those which fail, what is the housing provider doing to address these failings?	100% meet the Decent Homes Standard. LGAH's Home Standard Policy considers the location, design and build quality of all homes prior to acquisition to ensure all homes are the appropriate size and quality for households.
		C19	How do you manage and mitigate the risk of damp and mould for your residents?	All homes are assessed against a robust quality criteria before handover to ensure quality standards are met and to prevent exposure to damp and mould. LGAH has a specific Damp and Mould policy in place which sets out the approach to identification and management when it occurs. LGAH reports volume and performance to RP Boards on a quarterly basis.
	T6, Resident Voice	C20	What are the results of the housing provider's most recent tenant satisfaction survey? How has the housing provider acted on these results?	LGAH's Tenant Satisfaction Measures survey April 24 to March 25 resulted in an overall satisfaction score of 70%. This was a reduction of 1.6% from the previous year, and we identified that improvements were needed on our repairs services, our approach to addressing anti-social behaviour and handling complaints. This has led to an improvement plan across 2025/26 to tackle these areas, and further review of survey results across the new financial year.

ESG Area	Theme	Criteria #	Criteria	LGAH Disclosure
Social	T6, Resident Voice	C21	What arrangements are in place to enable the residents to hold management to account for provision of services?	LGAH has a Board-approved Customer Engagement Policy, which follows a three-stage cycle: Listen, Inform, Evolve. The policy ensures a continuous feedback loop from customers through both periodic perception-based surveys and service-specific surveys. This listening phase provides insights into where services may be falling short of customer expectations. Working with LGAH's Customer Panel, the business then develops proposals for new ways of working and tests these with the panel to gather feedback and refine the proposed approach. Finally, improvements are implemented to evolve the service offer. The cycle continues, with feedback on the evolved service informing whether further changes are needed. The results of this work are presented externally each year in the Customer Annual Report. LGAH's Boards receive insights from this approach at every Board meeting, and the Risk and Audit Committee conducts regular deep dives into service areas to assess whether progress is sufficient. These reviews draw on a range of independent sources to provide assurance, including direct customer feedback to the Board and Committee.
		C22	In the last 12 months, in how many complaints has the national Ombudsman determined that maladministration took place? How have these complaints (or others) resulted in change of practice within the housing provider?	In 2024/25, 15 cases were referred to the Housing Ombudsman Service for formal investigation. Most of these were still pending at the end of the financial year, with one case closed with no negative determination. LGAH is pleased to report that it did not receive any findings of maladministration during this period. LGAH takes a proactive approach to all referrals made to the Housing Ombudsman Service. When a case is reported, LGAH conducts a further investigation to understand why the customer remains dissatisfied and what steps are needed to fully resolve their concerns. We have focused on improving our complaint response times, which has been a key learning point for us. Additionally, we have addressed complaint trends, including enhancements to our rent payment system through the online customer platform and improving communication during the transfer of homes across our network of Management Providers. These efforts have resulted in process reviews and increased service focus on addressing the most common categories of complaints, while also ensuring customers are better informed throughout the complaint process.
	T7, Resident Support	C23	What support services does the housing provider offer to its residents? How successful are these services in improving outcomes?	LGAH's contract with its 6 operational MPs requires that they deliver a proactive approach to tenancy management that supports residents to sustain their tenancies, providing targeted support where it is needed. The contract also requires that they must provide a customer-focused service to LGAH customers, providing certainty regarding their rights and expectations as customers of LGAH, as well as comply with the terms of the LGAH Vulnerable Customers and Tenancy Policies. There is also a specific requirement to engage appropriate advisory services either directly or through signposting to assist households experiencing debt with how to manage their issues and sustain their tenancy.

ESG Area	Theme	Criteria #	Criteria	LGAH Disclosure
Social	T8, Placemaking	C24	Describe the housing provider's community investment activities, and how the housing provider is contributing to positive neighbourhood outcomes for the communities in which its homes are located. Provide examples or case studies of where the housing provider has been engaged in placemaking or placeshaping activities.	LGAH's contract with its 6 operational MPs requires that they encourage and promote social inclusion whilst creating sustainable communities. LGAH's stock profile limits its ability to significantly impact local communities across most schemes. However, on larger schemes, it collaborates with customers and local organisations to foster community activities. In 2024, LGAH, in partnership with its insurance provider, funded secure bike storage in two locations to address customer concerns about theft and promote clean transport options.
Governance	T9, Structure and Governance	C25	Is the housing provider registered with the national regulator of social housing?	Yes, with the Regulator of Social Housing in England.
		C26	What is the most recent regulatory grading/status?	G1/V1 (Legal & General Affordable Homes Limited).
		C27	Which Code of Governance does the housing provider follow, if any?	NHF Code of Governance 2020.
		C28	Is the housing provider Not-For-Profit? If not, who is the largest shareholder, what is their % of economic ownership and what % of voting rights do they control?	LGAH RPS are for-profit. Each LGAH RP is ultimately 100% owned by Legal & General Group plc apart from: Legal & General Affordable Homes (Capital) Limited Legal & General Affordable Homes (Investment 2) Limited Legal & General Affordable Homes (Investment 3) Limited These RPs hold affordable housing for investment by external clients through an Affordable Housing Fund structure which is managed by a Legal & General Asset Management appointed as the FCA regulated Fund Manager and advisor to the General Partner of the relevant Limited Partner investing fund.
		C29	Explain how the housing provider's board manages ESG risks. Are ESG risks incorporated into the housing provider's risk register?	The Board ensures that the company operates within a system of internal control, with business risks identified through a system of continuous monitoring. The Risk Control Framework includes: The Risk and Audit committee, Risk Appetite Statements, and Internal Audit. The Risk Control Framework is reported annually within LGAH's Financial Statements.
		C30	Has the housing provider been subject to any adverse regulatory findings in the last 12 months (data protection breaches, bribery, money laundering, HSE breaches etc.) - that resulted in enforcement or other equivalent action?	Zero from a Health & safety, Environmental or Data Protection perspective.

ESG Area	Theme	Criteria #	Criteria	LGAH Disclosure
Governance	T10, Board and Trustees	C31	How does the housing provider ensure it gets input from a diverse range of people, into the governance processes? Does the housing provider consider resident voice at the board and senior management level? Does the housing provider have policies that incorporate Equality, Diversity and Inclusion (EDI) into the recruitment and selection of board members and senior management?"	29% of board are women 0% of board are BAME 0% of board are residents Average age of board members is 56 years Average board tenure for current members is 2.5 years The Investment Manager has appointed a customer scrutiny panel which includes eight shared ownership customers and two rented customers from across the UK to obtain feedback on the performance of the Investment Manager and how improvements can be made. The Investment Manager then reports back to the board via regular Performance Reports. Each year the board holds a customer immersion session where customers are invited to attend and feed back their thoughts and opinions directly to the board and senior executives of the Investment Manager. The board has adopted a Board Diversity Statement and EDI targets and instructed the Investment Manager to adopt and report on these. These also inform recruitment processes, and the board frequently discusses diversity. Reporting is brought regularly to the board as part of the Performance Report. The board received an update on EDI at the February 2025 board meeting.
	T10, Board and Trustees	C32	What % of the housing provider's Board have turned over in the last two years? What % of the housing provider's Senior Management Team have turned over in the last two years?	In the two years to the end of the reporting period, there have been five new members of the board equating to a turnover of 71%. The RPs do not employ any staff directly. However, the senior team at the Investment Manager has not changed during the period.
		C33	Number of board members on the housing provider's Audit Committee with recent and relevant financial experience.	The Risk & Audit Committee has two members of the board among its membership, both with recent and relevant financial experience. Their experience extends beyond the remit of just financial risk to include experience in direct investments, housing associations, telecoms utilities, and financial services. This reflects the fact that the LGAH Audit Committee's responsibilities also extend beyond the financial risk to include areas such as cyber risk, tenancy fraud and reputational risk.
		C34	What % of the housing provider's board are non-executive directors?	100%
		C35	Has a succession plan been provided to the housing provider's board in the last 12 months?	Yes, last reviewed in November 2023.
		C36	For how many years has the housing provider's current external audit partner been responsible for auditing the accounts?	Five years (six sets of accounts).
		C37	When was the last independently run, board-effectiveness review?	October 2022.

ESG Area	Theme	Criteria #	Criteria	LGAH Disclosure
Governance	T10, Board and Trustees	C38	How does the housing provider handle conflicts of interest at the board?	The LGAH Board operate under the L&G Group Plc Director Conflicts of Interest Policy. This policy works to identify and manage conflicts of interest. Additionally, a Conflicts Register is kept up-to-date and a report on conflicts of interest is conducted annually. In addition, in accordance with the Group Conflicts of Interest Policy, each RP Board has approved a Conflicts of Interest Register and a Conflicts of Interest Practice Note.
	T11, Staff Wellbeing	C39	Does the housing provider pay the Real Living Wage?	Yes.
		C40	What is the housing provider's median gender pay gap?	Currently LGAH is part of a wider employing entity, alongside other L&G entities. If this structure changes and LGAH moves to become its own separate employing entity, then at that point LGAH could consider calculating the Gender Pay Gap.
		C41	What is the housing provider's CEO:median-worker pay ratio?	The Group CEO:median-worker pay ratio is 161:1. Please note that this applies to the CEO of Legal & General plc, the entity which owns our housing business, and not that of the CEO of our housing business. We do not publish the latter information. Please see further information on pay ratio in relation to the Group CEO on p109 of our Annual report and accounts 2024 .
		C42	How is the housing provider ensuring equality, diversity and inclusion (EDI) is promoted across its staff?	At Group level, our vision is to build a workplace where all our people can perform at their best. We believe that a more diverse workforce and a more inclusive workplace can drive better decision making, greater understanding of our customer base and improved employee engagement and wellbeing. Our strategy is to recruit and retain diverse talent, to invest in manager capability, and to create opportunities for everyone. Further information on our strategy can be found on p52 of our Social impact report 2024 . This vision and strategy apply to all our directly-owned employing entities in the UK, including our housing businesses. We have set deliberately stretching D&I gender goals at group level which are detailed on p p52 of our Social impact report 2024 as well as our performance towards them. Our ethnicity goals have already been achieved and we continue to commit to our gender goals. We are committed to creating an inclusive culture. We recruit and retain diverse talent and create inclusive and fair opportunities for all through programmes such as line manager training, our Diverse Talent Sponsorship Initiative and our new Women in Data network. More information can be found on p53, 54 & 57 of our Social impact report 2024 . We work with external bodies to develop our understanding of issues connected to diversity and inclusion. We seek to recognise our, and our people's, successes by engaging with industry awards and recognitions. More information about our partnerships and awards can be found on p56 of our Social impact report 2024 . We commit to our people networks, recognising their contribution to the success of the whole firm. The groups focus on a range of themes including female representation, disability and neurodiversity. Further information on involving our people in inclusion can be found on p55 of our Social impact report 2024 . Our group level people data and pay gap reporting can be found on p58 – 66.

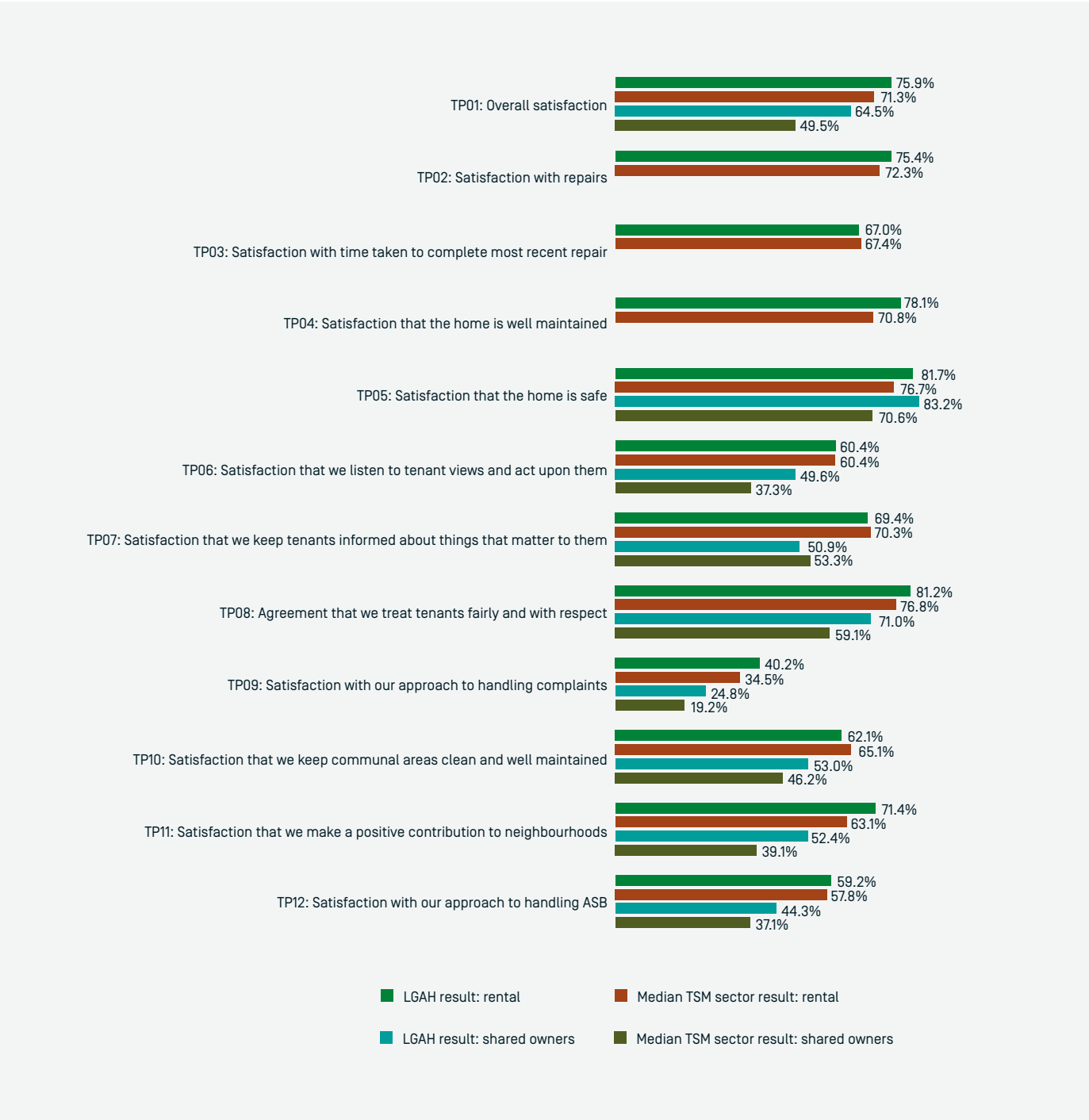
ESG Area	Theme	Criteria #	Criteria	LGAH Disclosure
Governance	T11, Staff Wellbeing	C43	How does the housing provider support the physical and mental health of its staff?	The health, safety and wellbeing of our people is highly important to us. As wellbeing can be influenced by personal and professional issues, we encourage our people to take control of their wellbeing where possible, but as their employer, we strive to understand the collective health of our organisation so we can make smarter decisions about how best to support our people. We recognise wellbeing as spanning mental health, physical health, financial health and social connection – all underpinned by resilience. We use insights from sources including employee surveys and data on sickness to inform our strategies and policies on health, safety and wellbeing. Mental health – We seek to normalise discussions about mental health, and we encourage our people to speak up about their experiences and challenges, whether anonymously through our employee surveys or publicly by sharing their stories in our communication channels. – We also promote active listening to create an environment of mutual support where our people feel they can safely ask for help. We help our people to support each other by offering mental health awareness training – for example we have mental health first-aiders (MHFAs) in the business. – Our employee-led Health and Wellbeing network has created and implemented a dedicated wellbeing programme, designed to foster an environment where colleagues can talk freely about their wellbeing. The network partners with external specialist Smart About Health, providing guidance and advice to our people across a range of wellbeing issues, directly from medical experts. – Each of our offices has dedicated wellbeing activities taking place throughout the year. These activities are organised by our people, for our people, and include social events and wellbeing activities in dedicated spaces in the offices, and regular sporting clubs. – As a benefit, we offer access to an employee assistance programme 24/7, 365 days a year for our people and their immediate families, as well as Future Talent candidates. – More info can be found on p36 of our Social impact report 2024. Physical health – Our people have: ○ Access to Bupa's private medical insurance, which also includes virtual doctor's appointments offered via Bupa ○ Gym membership discount ○ Cycle to work scheme ○ Free flu vaccination – More info can be found on p38 of our Social impact report 2024.

ESG Area	Theme	Criteria #	Criteria	LGAH Disclosure
Governance	T11, Staff Wellbeing	C44	How does the housing provider support the professional development of its staff?	Ensuring that our employees continue to learn, regardless of their age, role or position, is important to us because it enhances skills, keeps us abreast of the changing needs of customers and societies, and fosters personal growth. Our overall approach to learning and development focused on enhancing the accessibility of our learning, including increasing our 'in-the-moment of-need' offerings such as videos, top tips and how-to guides; investing in our senior leaders and management with tailored development programmes; and building change readiness through our 'Leading Through Ambiguity and Change' offering. In 2024, we invested £4.45 million across the group in people development through a blend of in-house and external training. We have various programmes to support the development of our people, including 'Leading Through Connection', designed to engage, challenge and inspire our most senior people to see and think differently about themselves as leaders and the problems facing today's organisations. We also offer sponsorship and coaching programmes for example our Diverse Talent Sponsorship initiative, 'Helping career returners' initiative and a programme to develop female portfolio managers. More information can be found on how we develop our people on p36 & 53 of our Social Impact report 2024.
Governance	T12, Supply Chain	C45	How is social value creation considered when procuring goods and services? What measures are in place to monitor the delivery of this Social Value?	When procuring services LGAH follows L&G's group wide procurement policies with regard to social value. This includes ensuring that modern slavery, living wage and training and development policies are present in supplier businesses
		C46	How is sustainability considered when procuring goods and services? What measures are in place to monitor the sustainability of your supply chain when procuring goods and services?	LGAH collaborates with reputable housing providers committed to sustainability. L&G's Supplier Code of Conduct is part of Employer's Requirements, and all suppliers comply with it, demonstrating their commitment to comprehensive sustainability principles.

APPENDIX 3 – TENANT SATISFACTION MEASURES (FULL RESULTS)

LGAH performance on the twelve tenant satisfaction measures relating to landlord perception, compared to results across the sector.⁴³ LGAH's most Tenant Satisfaction Measures survey covers June 2023 to April 2024, with 792 respondents across two registered entities. This represents 28% of the relevant tenant population size. A census approach was taken to sampling.

Figure 14: LGAH TSM results, by tenure type, against sector results - % respondents 'Very satisfied' or 'Fairly satisfied'



43. Regulator for Social Housing, 2024. [Tenant Satisfaction Measures 2023/24: Headline report](#).



About Us

The Good Economy is a leading, independent impact advisory firm. Grounded in theoretical rigour and with a broad range of expertise within our industry-leading team, our services are designed to help clients meet the growing demand for greater confidence and credibility in strategies that create positive impact or pursue sustainability outcomes.

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