



**ONGO PARTNERSHIP LTD (Company Registration Number: 08048224)
and ONGO HOMES LTD (FCA Mutuals Registration No 7639)**

JOINT BOARD MEETING

Held at 4.30pm on 28 November 2019 in the Board Room, Ongo House, Scunthorpe

MINUTES

Attendance:

Ongo Partnership: Bob Walder (Interim Chair), Daniel Klemm, Michael Finister-Smith, Kevin Yorath

Ongo Homes: Tim Mills, Matthew Spittles (Chair), Melvin Kenyon, Rupert Pometsey, John Wright, Helen Lennon

Officers: Steve Hepworth, Ashley Harrison, Kassie Boothby (minutes), Kevin Hornsby, Pete Stones, Louise Usher, Karen Cowan

Apologies (Ongo Homes): Liz Cook

Apologies (Ongo Partnership): Natalie Cresswell, James McKellar-Main

The meeting was confirmed as quorate. Three members are required (Ongo Partnership (Article 48) and Ongo Homes (Rule D13)).

1. Declarations of Interest

Matthew Spittles and Helen Lennon declared that they are Board Members of both Ongo Homes & Ongo Partnership (Category D).

2. Minutes and Matters Arising

The minutes of the meeting held on 19th September 2019 for Ongo Homes and Partnership were agreed as a true record and signed by the Chairs of both Boards.

The minutes of the meetings held on the 11th July 2019 and the 11th September 2019 for Ongo Partnership were agreed as a true record and signed by the chair of Ongo Partnership.

The minutes of the meeting held on the 19th September 2019 for Ongo Homes were agreed as a true record and signed by the chair of Ongo Homes.

3. Action List

The action lists for joint meetings of Ongo Homes and Ongo Partnership, Ongo Partnership and Ongo Homes were all agreed as complete.

4. Governance Update

Summary: To provide both (OH) & Ongo Partnership (OP) boards with an update on the Governance work that has been undertaken over the last two months.

Discussion points/questions:

- Steve Hepworth introduced this report and informed the Board that the general feeling arising from the discussions with the Regulator are indicating that we are in a positive position in relation to progress with the Voluntary Undertaking (being over 80% complete at this time).

Agreed: The Board discussed the report and noted the work that had been carried out and the positive relationship with the Regulator.

5. Health, Safety and Environment

Summary: To provide the Board with information on Health and Safety, allowing scrutiny and challenge. The information helps to provide assurance that Health and Safety is being effectively managed.

Discussion points/questions:

- Louise Usher introduced the report.
- There was a query around the timeliness of the Health and Safety checks with confirmation being provided at the meeting that these are done yearly.
- The Board requested that the climate emergency sector be added into the Risk report as well as the Health and Safety report.

Agreed: Board Members confirmed that they are satisfied with the Health and Safety and Environment report.

6. Governance Documents

Summary: To consider items for approval which have previously been considered by the Regulatory Working Group (RWG); which are Board Member induction and CPD statement and Board Member expenses policy

Discussion points/questions:

- The Board Member Induction and CPD statement was discussed. It was explained that Safeguarding would be added to the induction training. **Action J4/19**
- Regarding Board Member Expenses, there was a conversation around point 4.7.1 which relates to the amount payable for childcare. Board Members pointed this out to be below the living wage – this will be amended to minimum living wage. **Action J5/19**

Agreed: Ongo Partnership & Ongo Homes Members considered and approved the Board Member Induction and CPD Statement and Board Member Expenses Policy, subject to the amendments above to go live 1 January 2020.

7. Board Member Update

Summary: To receive an oral update on the outcome of the recent recruitment exercise and the structure of the new Boards that will come into effect from January 2020.

Discussion points/questions:

- Karen Cowan introduced the report and informed the Board of the recent updates.
- The new governance structure has been put into place and the composition of the Boards and the appointments to be made was shared earlier this week.
- After discussions with our lawyers, Trowers, they recommend a number of appointments are made today to ensure there is continuity of business for the Boards and that we do not breach any constitutional documents by having too few Board Members on a company.
- Letters of resignation were discussed and a request was made for Trowers to complete these on behalf of Ongo. *Post meeting note: The Chair and Governance Manager have discussed this and agreed the letters will be produced in house, based on advice previously obtained from Trowers.*

Agreed:

- The Board of Ongo Partnership Ltd agreed to appoint Steve Hepworth with immediate effect to the Board of Ongo Partnership (in accordance with Article 31.1) and Ongo Homes (in accordance with Rule D2.2 - Ongo Partnership is exercising its power as parent of Ongo Homes to appoint a board member at any time). Agreed to authorise the Company Secretary/Assistant Company Secretary to register the changes with Companies House and the Financial Conduct Authority.
- The Board of Ongo Homes agreed, as the sole shareholder and parent of Ongo Home Sales Ltd, to appoint Peter Stones and Elizabeth Cook as Directors with immediate effect and to authorise the Company Secretary/Assistant Company Secretary to prepare and send the relevant written notice to Ongo Home Sales and to register the changes with Companies House.
- The Board of Ongo Partnership Ltd agreed, as the sole shareholder and parent of Ongo Commercial Ltd, to appoint Robert Walder, Ashley Harrison and Lee Coulson as Directors with immediate effect and to authorise the Company Secretary/Assistant Company Secretary to prepare and send the relevant written notice to Ongo Commercial and to register the changes with Companies House.
- The Board of Ongo Partnership Ltd agreed, as the parent of Ongo Communities Ltd, to appoint Timothy Mills and Helen Lennon as trustees and Members of Ongo Communities with immediate effect and to authorise the Company Secretary/Assistant Company Secretary to prepare and send the relevant written notice to Ongo Communities and to register the changes with Companies House and the Charity Commission.

8. Treasury Strategy

Summary: To present to The Board the updated Treasury Strategy (appendix 1) for 2019/20 for review, comment and approval.

Discussion points/questions:

- Ashley Harrison introduced this report.
- There was a discussion around the cash position, credit ratings and the difference between the estimate amount and the actual amount; this is because the spend profile has moved up.

- Board Members agreed to get the regulatory issues sorted and finalised, then focus on the treasury sector in regards to the short term loans.

Agreed: The Board reviewed the proposed Treasury Strategy and considered the various funding options available to Ongo and advice on the methods which they see as appropriate for consideration and use by Ongo, and further investigation.

- Approved the Treasury Strategy update for 2019/20.

9. **Low Demand Issues**

Summary: To update the Board on Low Demand Issues with social housing and the plan of action which is to be taken.

Discussion points/questions:

- Kevin Hornsby gave an oral update to the Board around the low demand issues across Ongo as well as the plans in place to address issues on the back of the voids and lettings review, which was completed by the Northern Housing Consortium. A key action was about improving the way we work as an organisation internally and how we market Ongo as a landlord through a mixture of choice based lettings and ready to rent. Other key areas include matrix appraising certain stock types using our sustainability index.
- The Board were advised that the Aranca report was available in additional reading and its recommendations are being considered by the wider management team with an action plan to be developed.
- Ongo has been working hard to minimise the impact of Universal Credit (UC) with the average debt across all of our customers on UC being £125. When looking at those in debt only as opposed to all cases, we have 47% of UC customers in debt with an average debt of £456. 13% of these customers have a debt of more than £500. The income and tenancy support teams are working proactively to minimise the impact of UC on our customers and business.
- A question was raised around former tenant arrears (FTAs). Whilst we have seen improvements over the past few months, FTAs remain an areas of focus as we remain off target in this area at 2.49% vs. a 1.25% target. Actions have been put in place to improve this area.

Agreed: The Board considered the information given by Kevin Hornsby around the Low Demand Issues and noted the update.

10. **Risk Management**

Summary: to provide an update on the Ongo strategic risk register. It provides a review of the 10 active strategic risks, and highlights any areas of concerns and actions to be taken.

Discussion points/questions:

- Louise Usher introduced this report and updated the Board Members of recent activity of the Risk sector. Louise informed the Board that managers have been involved with risk workshops assessing risks that would appear in their area of work.
- The potential impact of the Homes (Fitness for human habitation) Act 2018 could have been discussed. Board suggested this should be a new emerging risk and asked for some information to be included in the next report. **Action J6/19**

- Board highlighted that the subsidiary boards are still a risk even though they are progressing more and the Board would like more assurance that they aren't going to become more of a risk in the future. They also questioned whether the risk score should change due to the independent consultant report on Ongo Commercial. **Action J7/19**
- A discussion was held around NROSH and Board Members wanted to know how the risk is managed e.g. around timeliness and accuracy of returns. **Action J8/19**

Agreed: The Boards reviewed the strategic risks and updates as presented and noted the content of the report.

11. Chief Executive's Update

Summary: To advise Board Members on progress across a range of current issues/activities intended to deliver the agreed Corporate Plan 2019-2023 and discuss important issues affecting the social housing sector. Members will note the format of this report follows the themes in the new Corporate Plan.

Discussion points/questions:

- Steve Hepworth introduced this report, advised of new risk climate/renewables, impact of rent up front initiative, focus on former tenant arrears and community events coming up.
- The Board was informed of the progress within Ongo which was seen as positive.

Agreed: Board confirmed the above represented satisfactory progress toward achieving the Corporate Plan strategic priorities.

12. Management Accounts

Summary: To advise the Board on the financial performance of Ongo Partnership for the six months of the 2019/20 financial year ending 30th September 2019 with management accounts appended to this report. The continuous monitoring of the financial position and the application of financial controls are essential to maintaining good governance.

Discussion points/questions:

- It was highlighted that 11 out of the 14 builds are now complete and by Christmas one will be outstanding.
- Ongo Homes has a £360,000 leasehold debt provision for recharges for works and Board requested an update. **Action J9/19**
- The Board requested that year-end graphs should show extended forecasts and identify correlation (value for money metrics as interlinked). **Action J10/19**

Agreed: The Board Members approved the content of the report.

13. Board and Committee Updates

Summary: To update on all Board and Committee activities.

Discussion points/questions:

- The board was updated on the recent activity of the following;
 - Ongo Recruitment – The Ongo Recruitment business is in profit but the Arc Cafe is in loss. Therefore the Café opening times and menu are being revised. The Post Office only had a 4.2k loss instead of a predicted 10k loss.

- Audit and Risk – the new Terms of Reference have been agreed as part of the new Standing Orders.
- Ongo Developments – Schemes for other development programmes have been agreed for in and around Scunthorpe. All schemes are successfully on target.

Agreed: The board noted the successes of the Boards and Committees.

14. Endorse Group Audit and Risk Minutes

Summary: To note the Audit and Risk Minutes.

Discussion points/questions:

- The Audit and Risk minutes from the meetings held 1st May 2019, 29th July 2019 and 15th August 2019 were all endorsed.

Agreed: The Board endorsed the Audit and Risk minutes as required by National Housing Federation Code of Governance F5.

15. Decisions between meetings

Summary: To advise the Board of urgent actions taken by the Chair and of decisions taken between meetings by the Boards.

Discussion points/questions:

- Ongo Homes took a decision by email, circulated on 17 October 2019 for the market sale project at East Lane, Corringham
- The Chair of Ongo Homes signed extension for the Decent Homes contract with Matthew & Tannert.

Agreed: Ongo Homes Board:

- Noted the Chair signed a contract extension for the Decent Homes contract in line with the authority levels in the Procurement and Procedure rules.
- Confirmed their decision taken by email in October 2019 to approve the overall loan of £1.9m to Ongo Developments Ltd, drawn down in an initial loan of £1m in October 2019 and future tranche of £0.9m in March/April 2020.

With no further business the meeting closed at 6.34pm.

Signed by Chair:
Ongo Partnership

Date:

Signed by Chair:
Ongo Homes

Date: