



ONGO COMMUNITIES COMMON BOARD

**COMPRISING OF: ONGO COMMUNITIES LTD (Company Number 08619739)
ONGO RECRUITMENT LTD (Company Number 04750128)
CROSBY BROKERAGE LTD (07307333)**

**Held at 10.45am on Thursday 3 February 2022
By Microsoft Teams**

MINUTES

Present:

Common Board: Helen Lennon (Chair), Jan Williams, Tim Mills

Officers: Karen Cowan (Minutes), Richard Green, Kerry Copson, Marie Riggall, Kevin Hornsby, Ashley Harrison, Jo Sugden

Apologies: None

Absence: None

Observers:

To support good governance of the companies and ensure the Board's business could continue without delay, it was agreed to hold the meeting virtually via Microsoft Teams given the current situation with Covid-19.

The meeting was confirmed as quorate - three members are required (Standing Orders, Ongo Communities Board section, quorum point 13).

Declarations of Interest: Tim Mills and Helen Lennon declared they were members of the Group Common Board and Jan Williams is employed by Ongo.

Time meeting opened: 10.50am

1. **Agenda item 3: Minutes of Previous Meetings**

The minutes of the meeting held on 7 October 2021 were agreed as a true and accurate record and will be signed by the Chair.

2. **Agenda item 4: Action List**

All previous actions were complete apart from 8/21 which had been delayed whilst waiting for new Board members to be recruited. A discussion took place within the meeting with Board



taking the decision that the Communities Board half day discussion should go ahead on the morning of the 29th March at the Arc (**Action 8/21**), despite new members not being recruited at this stage.

The agenda for the meeting to include – current and future funding, Value for Money (VfM) vs £1m and priorities in the new strategy (Group Common Board (GCB) want to review the relationship between Communities and VfM), budgets (VAT options for Crosby Brokerage growth), targets, and how the Communities Board can be closer to the GCB. Kevin Hornsby to put draft agenda together (**Action 1/22**)

3. **Agenda item 5 – Budget 2022/23**

Summary: The Board must approve a budget for the upcoming financial year for the Ongo Communities businesses. This paper considers the initial version of the budgets for these entities. Final budgets will require approval prior to the commencement of the financial year and if any amendments to these initial versions are required, in the absence of a Board meeting this communication will need to be managed electronically.

Discussion points/questions:

Communities

- A Board Member raised concerns that showing negative accounts could be problematic when applying for funding over the coming years. It was stated that a deficit is shown but reserves are being used for the Endeavour project and to cater for a small timing issue with Kickstart in terms of accounting periods. Part of the deficit is from conscious decisions to fund Endeavour with match funding, and the peculiarities of the timings for Kickstart as well as some known loss making areas, such as the Arc and Viking Centre.
- Questions posed - should we go into the New Year with a deficit budget with only the amount which we can explain away, or do we want to go in with a deficit budget because our income doesn't match our costs, or should we make an assumption of earned income?
- By March it will be known whether the two bids that are in are successful or not; these are not included in the budget. There is a need to calculate what income could actually be achieved if they are successful (minus the costs). Note: we have reviewed this as Exec team and have fully revised the communities' budget that will be shared with board members as agreed.
- There is a potential request to extend the Ongo Talk project for a further three months. This would be to extend an existing job role to continue supporting individuals whilst funding opportunities are sought to continue the project. However, if it was approved then this would increase the budget deficit by a further £10k. Board were reminded that this request would need to go back to Executive Leadership Team (ELT) for approval in line with instructions from the Chief Executive re any new / extended posts.
- The question was raised as to whether Board should stop being so prudent and be confident that the bids will be successful; part of the financial targets for the year is generation of monies from bids. Choices are to be comfortable to extend the deficit as it stands, or to make an assumption of the income which would then mean the budget would need to be carefully monitored; with savings having to be made if necessary. Debate took place on the

options, with one side being to budget for what we know now and then adjust if the bids are successful, and the other argument being to include an assumed income within the budget.

- Agreed that 43% increase in overhead costs seems a prudent increase.
- It was agreed that ELT would be asked to consider extending the Ongo Talk project for a further three months at a cost of circa 10k.
- **Action 2/22** – Proposal to be put to ELT for a three month extension to Ongo Talk.
- The Board asked for the budget to be reworked to assume income figures (and Ongo Talk Extension if relevant). The reworked budget to be emailed to Board Members for approval by 16 February 2022.
- **Action 3/22** – Budget to be reworked and emailed to Board Members.

Recruitment

- A Board Member stated that their perception of the report indicates a sound market but bullish on agency results, and asked why this was. Rich Green stated that there had been an uplift in new clients (couple of new contractors and some employer incentives) and they had experienced a good run but could not identify any real reasons as to the success. He said it had been a good year and was hoping for the same for the next year too.
- The question was raised as to whether there was any risk of bad debts from employers not paying due to the current economic situation. Rich Green replied that the bad debt level is higher with the Local Authority as their monies were not coming in on time, but these monies will arrive.
- Ashley Harrison added that Ongo has a bad debt policy that says how we will provide for these debts, and this is followed; general allowance is made on this basis in this budget.

Crosby Brokerage

- Noted turnover levels approaching the VAT registration threshold. The two options being:
 - Continue business as normal and register for VAT when required. This would result in either VAT being charged on our fees at current levels resulting in higher prices to clients, or in us needing to reduce our fees such that the VAT costs is absorbed by the company
 - Manage turnover levels so that we do not exceed the VAT registration threshold. Pricing can then remain the same, but the business will never be able to grow
- It was agreed that the options should be considered as part of the away day discussion.
- The Crosby Brokerage budget was approved.
- The 30% reduction in income was noted.

Ongo Communities Agreed:

- The Board did not give approval on the initial draft of the budget. They asked for the budget to be reworked to assume income figures, and if relevant, to include an extension of the Ongo Talk project for a three month period. Reworked budget to be emailed to Board Members for approval by 16 February 2022 (**Action 3/22**).

Ongo Recruitment Agreed:

- The Board approved the initial draft of the budget and the assumptions upon which it is based.
- The Board confirmed that the sensitivities applied to performance are valid scenarios which can be used to support the assessment of going concern when signing off the 2021/22 statutory accounts.

Crosby Brokerage Agreed:

- The Board approved the initial draft of the budget and the assumptions upon which it is based.
- The Board confirmed that the sensitivities applied to performance are valid scenarios which can be used to support the assessment of going concern when signing off the 2021/22 statutory accounts.

4. Agenda item 6 – Performance and Monitoring

4.1. Agenda Item 6.1 - Management Accounts.

Summary: This report presents the management accounts including financial golden rules of Ongo Communities, Ongo Recruitment and Crosby Brokerage. Management accounts have been summarised and are presented in an abridged format.

Discussion points/questions:

- Board considered the management accounts.

Ongo Communities, Ongo Recruitment and Crosby Brokerage Agreed: The Board approved the management accounts of Ongo Communities, Ongo Recruitment and Crosby Brokerage for December 2021.

4.2 Agenda Item 6.2 - Business Performance Report

Summary: The Board has approved targets for Ongo Communities to provide support for at least 700 people per year, as set out in the Corporate Plan. The Create Opportunities Strategy for 2020-2023 details the plans and ambitions to design and deliver projects and activities, utilising £1 million per year income from Ongo Homes and through externally funded grants and contracts. Through coaching and supporting customers, and managing community buildings, the purpose is to create truly vibrant communities.

Discussion points/questions:

- The Board were advised of some revisions to information within the report to:
 - Paragraph 4.2.3 should say one staff member was fixed term and one has been offered redundancy (instead of two offered redundancy).
 - Paragraph 4.4.1 should state £138k (which includes £10k for evaluation of project at end)
 - Paragraph 4.7.5 Both Building Opportunities projects end 31 March 2023 (not Summer 2023)
- Board noted that most indicators show as positive except for those aimed at tenants specifically. Kerry Copson responded by explaining that lots of tenants are in employment already and that as a team, reaching and engaging with tenants has proved to be a

challenge. Therefore they are concentrating on working more with the other internal teams to get buy in to sign post tenants to them. Kevin Hornsby added that he was not confident that the current targets for supporting tenants were right as no mapping exercise had been carried out and said there was a need to rethink the targets for the following year to ensure they are realistic.

- Board recognised the great work happening with young people, the employment of those from the Kickstart programme and loved the eco toilet at the allotment.
- Income for the Arc room hire has decreased due to businesses working differently due to Covid. This situation will be kept under review.
- Social return on investment was felt to be an impressive figure and the question was raised as to whether there was a sense as to how the local community felt about the Arc. Kerry Copson explained that a survey had been carried out as part of the Safer Streets evaluation outcome which had identified that residents really valued the facility. Future evaluations will also be captured through the 'We are Westcliff' campaign over the coming year.

Recruitment

- A question was raised as to whether the cost of the ICT system would be covered via the management charge. Confirmation was given that this would be the case.
- An update was requested on the Proud to Care Contract, the employment contract with North Lincolnshire Council (NLC). Rich Green explained that the two week induction had started this week and runs until the end of the financial year. North Lincolnshire Council (NLC) have indicated the project needs to continue but they need to work out where the funding will come from. This project had not been included in the budget for next year. If it gets awarded for the full year there will be £140k for the recruitment part with training costs coming back through the agency payroll. Ongo Recruitment were offered this contract on the back of the previous successful Appropriate Adults contract which had won awards.

Ongo Communities Agreed:

- The Board considered the content of the report and discussed and debated performance issues.
- The Board agreed that the report demonstrates sufficient progress against targets and outcomes, and that risks are understood and managed appropriately.

5. Agenda item 7 – Ongo Communities Strategic Risk Register

Summary: Risk is the possibility of an event and the consequences it has on the achievement of objectives, both at a strategic and operational level. Robust Risk Management is an essential element of effective governance and a strong internal control environment.

Discussion points/questions:

- It was noted that an in depth discussion around the CSR1 funding arrangements risk had been debated within the budget agenda item three earlier within the meeting.
- A question was raised as to whether there was a new emerging risk arising from the cost of living crisis, e.g. any signs of pent up anger in terms of community cohesion in any of the

large estates. Assurance was given that nothing unusual is occurring out on the estates and that no major impact is evident at this time.

- It was recognised that the biggest risk is on funding but noted that internal audit had looked at this previously. A board member made a suggestion that value for money (VfM) within communities could be looked at, e.g. post office and the Arc café.

Ongo Communities, Ongo Recruitment and Crosby Brokerage Agreed:

- The Board reviewed the updated risk register, raised concerns and confirmed satisfaction that risks were managed appropriately.
- The Board highlighted emerging risks that may affect Ongo Communities.
- The Board suggested areas of assurance for inclusion in the 2022/23 Internal Audit Plan.

6. Agenda item 8 – Health, Safety and Environment Compliance Report

Summary: Ongo has a duty of care to all stakeholders, including our employees, customers, and contractors. We have a legal obligation to comply with various Health and Safety legislation and regulation, with serious consequences if we fail to do so. It is the role of the Communities Board to review Health, Safety and Environmental arrangements with regards to Communities to ensure they are satisfied it is effectively management and we meet our obligations and duty of care.

Discussion points/questions:

- The increase in H&S incidents is down to an increase in verbal abuse, e.g. phone incidents. It was noted that staff have been encouraged to report more incidents to enable monitoring and learning.
- It was explained that paragraph 4.3 in the report should have read “There were no serious incidents” (the word “no” was missing).

Ongo Communities, Ongo Recruitment and Crosby Brokerage Agreed:

The Board confirmed that they are satisfied with the management of Health, Safety and Environment arrangements set out in the report.

7. Agenda item 9 – Decisions Between Meetings

Summary: On 16 November 2021 Kevin Hornsby emailed the Board with details of a project called ReConnect. Earlier in the year (February) officers had expressed an interest in delivering the project and then received notification they had been selected to deliver it.

Discussion points/questions:

- The Board noted the decision taken between meetings.

Ongo Communities, Ongo Recruitment and Crosby Brokerage Agreed:

Formally record in the minutes a decision taken between meetings to deliver the Project ReConnect with a potential profit of less than 10%. This decision was referred to Board as it required their approval as per the Delegations Framework and was supported by all Board Members.

8. Agenda item 10 – Board Membership

Summary: Article 11.5 of the Articles for Ongo Communities Ltd requires one third (or the number nearest one third) of the Trustees (Board Members) to retire every year effective from 4 March 2015. Those longest in office will retire first.

The Ongo Communities Common Board currently have two vacancies for Independent Board Members and are working through another recruitment campaign.

Discussion points/questions:

- Board Noted decision on Helen Lennon's rotation taken by the Group Common Board.
- Recruitment of board members – will discuss overall group structure at Board away day in March. As a result may need to change current structures to fit.
- If Board want to be able to pay Communities Board members in the future this may be feasible, subject to approval by Group Common Board. If approved, it could take some time to go through the approvals process, e.g. Charities commission could take over a year.
- The need to continue to really push on the recruitment of new Board Members was agreed.

Ongo Communities, Ongo Recruitment and Crosby Brokerage Agreed:

Acting for Ongo Communities Ltd, the Board noted the re-appointment of Helen Lennon as Trustee to Ongo Communities Ltd in accordance with Article 11.5 of Ongo Communities' Articles of Association. Ongo Partnership Ltd has already confirmed this appointment as parent of Ongo Communities.

The Board noted the continued work to recruit new Board Members.

9. Agenda item 11 – Attendance List

The attendance list was noted.

10. Agenda item 12 – Time for Reflection

Members noted that the meeting had over run but felt it had been important and worthwhile to have in depth honest conversations in relation to the budgets.

Action 4/22 – The next meeting date needs to be pushed back to mid/late July to accommodate members' availability.

With no further business the meeting closed at 12.25pm.

Signed by Chair: Date:

As a true and correct record of the Ongo Communities Common Board meeting held on 3 February 2022.