



## GROUP COMMON BOARD MEETING

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

**Held at 2.00pm on Monday 4 July 2022  
Board Room, Ongo House, High Street, Scunthorpe, DN15 6AT and via MS Teams**

### MINUTES

**Present:**

**Group Common Board:** Bob Walder (Chair), Steve Hepworth, Melvin Kenyon (Senior Independent Director), Michael Finister-Smith, John Wright, Rachel Cook, Paula Gouldthorpe, Natalie Cresswell (by Teams),

**Officers:** Ashley Harrison, Pete Stones, Karen Cowan, Fiona Ruddick (Minutes), Kevin Hornsby, Louise Usher

**Apologies:** Liz Cook, Helen Lennon

**Absence:** None

**Also Present:** Tom O'Reilly and Claire Shannon of RSH

**Time meeting opened:** 2.02pm

**Quorum:** It was reported that proper notice of the Meeting had been given in accordance with the rules of Ongo Homes and the Articles of Association of Ongo Partnership. A quorum being present, the Chair declared the meeting open.

**Declarations of Interest:** No declarations of interest were made.

**1. Agenda item 3: Minutes of Previous Meetings & Matters Arising**

The minutes from the meeting held on 18 May 2022 were agreed as a true and accurate record for the Group Common Board and will be signed by the Chair. Paul Warburton was not at the last meeting and he asked what the outcome of the Board decision was around appointing a champion for complaints. It was explained the decision was to not have one specific Board Member as the Board felt there should be a collective responsibility for this. Kevin Hornsby as Director of Customer Services has executive responsibility for complaints and is an appropriate contact point for board members if required.

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

Updates on the action list were noted as per the meeting pack. Two actions are not yet due and the Governance Team will try and arrange for the talk on cyber (action 2/22) to be held on the same day as an existing meeting.

### 3. Agenda item 5: Chief Executive's Update

*Summary: This report provides an update on activity undertaken to achieve the key strategic objectives agreed in the Ongo Corporate Plan 2019-2023 and the attached Key Performance Indicators (KPI) report tracks progress against these strategic objectives.*

Discussion points/questions:

- Steve Hepworth explained officers are trying to refine figures about individual outcomes of the work in the Communities directorate as this is not currently tracked at that level.
- It is felt the increase in mental health absences reflects where we were year on year since the lockdown. People continued to work through different situations in lockdown and as things have returned to normal, it is felt more staff are reporting in sick.
- A Member asked about the Aspire and Vibrant managers programmes. They have been running for around the last five years and usually have 10 participants at a time. Figures will be obtained around succession and promotion of those who have attended. **Action 8/22.**
- Pete Stones explained that for wave 2 funding on decarbonisation, Ongo have chosen Equans as a partner in both submitting a bid and to deliver a programme if successful. They were the number one provider on Vision 21 which is a framework Ongo uses and they have a good track record of winning funds through wave 1.
- Members agreed the case study information provided in the report was useful and felt it brought the work to life from the communities' area.
- A Member asked what percentage of colleagues responded to the latest pulse survey. There was a 48% response rate. The same Member queried the staff turnover KPI and was trying to understand if there were any underlying issues within Ongo Communities. Kevin Hornsby explained some departures related to fixed term contracts that were grant funded coming to an end. Ongo does not have any comparators with other organisations and this would be sourced. It was also asked that more detail be reported around overall turnover and churn of employees. **Action 9/22.**
- Staffing is not on a top risk and Mike Finister-Smith felt this should be discussed at Audit & Risk Committee. Louise Usher explained recruitment is within the people risk, with Rachel Cook adding that it could be discussed at the Governance & Remuneration Committee and fed back to Audit. **Action 10/22.**
- In terms of income collection, a Member asked how confident staff were about meeting the year end target. Kevin Hornsby explained the rent arrears target has been reset to 2%. There is a lot of focus around affordability. The housing benefit cycle does not align with our year end, it is normally one week after.
- In readiness for the Board discussions around rent setting, the Finance Team are undertaking a piece of work to map out components within CPI (consumer price index) which effect our business and consider other components, outside CPI that also impact. The intention being to get a good set of information before the rent setting work.
- Officers will also look at how inflation is impacting our customers in advance of the rent setting. **Action 11/22**



**Ongo Partnership and Ongo Homes Agreed:** Board considered the report and performance data detailing progress made towards meeting the Corporate Plan strategic priorities and debated issues affecting the sector and highlighted any additional work or activities required.

#### 4. **Agenda Item 6: 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:

- There are three risks flagged for discussion – financial decline, development and decarbonisation.
- 65 tenants attended the tenant conference which had a focus on sustainability. This will also be covered at the Ongo carnival in August as these are good opportunities to get the views of tenants on these issues.
- If tenants were unable to afford the electricity required to run new heat sources, there would be little value in Ongo coming up with speedy programmes to replace heating systems. Tenant's views are needed so that understanding and engagement is achieved.
- The Chair endorsed that approach but added that quick wins such as loft insulation should not be overlooked. They should go ahead as well as seeking views as it is known these can make a positive difference to heating costs.
- A Member picked up from the CIH Conference last week that many organisations had focused on the technology and not on the customers so educating customers needed to be factored in.
- The Board discussed managing customer expectations and how this linked in. They also felt it important to record and manage customer aspirations. Sometimes when properties change hands, the new tenants do not have the benefit of having new technologies fully explained to them. This can cause them to be unsure how to use them or not understand the benefits they can bring.
- The proposal to add customer expectations as a new strategic risk was discussed. The move to digital surveys has seen a drop in satisfaction but Steve Hepworth felt we should be brave and stick with this method of collecting data as feedback is more real time and gives us better information to make improvements. The fundamental point about collecting satisfaction is to learn.
- There are community focus days where officers go out to engage with tenants who may not be in regular contact with us. Officers will record electronically any feedback given to them during those days.

**Ongo Partnership and Ongo Homes Agreed:** Considered and debated the Strategic Risk Register with specific reference to the future development assumptions agenda item. Agreed to add risk SRO4: Customer Expectations to the Strategic Risk Register.

#### 5. **Agenda Item 7: Management Accounts and Performance**



*Summary: This report presents the abridged management accounts of Ongo Homes, and full management accounts of Ongo Partnership (the entity) and the Ongo Group. The report and management accounts provide information on the financial performance of the group for the period ended May 2022.*

Discussion points/questions:

- The accounts provide two months of data to May 2022 and are in line with budgets. The accounts have been updated to reflect the new business plan.
- The first fixed loan repayment from Barclays is due in October with the money set aside ready.
- A Member commented there was a significant amount of uncommitted spend for the capital programme and asked if that would be spent during the financial year. Pete Stones explained most of the budget is now planned for spending but is uncommitted as the actual contracts have not yet been awarded.
- In terms of increased costs a lot of work is tied down in historical contracts so that is not impacted. A new contract is just being awarded for kitchens and bathrooms that will account for a big area of the spend.

**Agreed:**

**Ongo Homes**

- Noted the contents of this report and associated information and approved the management accounts of Ongo Homes for the period.
- Noted that the Financial Golden Rules and Stress Test Indicators have been updated to reflect the 2022/23 Business Plan, and that a separate paper will be submitted to the Group Audit and Risk Committee and then to the next Group Common Board for formal approval.
- Noted the amber status of one financial golden rule, the red status of four and amber status of two business plan stress test indicators and will continue to consider the impact of rising inflation on future costs and rent settlements.

**Ongo Partnership**

- Noted the contents of this report and associated information and approved the management accounts of Ongo Partnership (the entity and group) for the period.

**6. Agenda Item 8: Governance**

**6.1 Agenda Item 8.1: Regulatory Standards Self Assessment**

*Summary: Throughout the year, each Group Common Board meeting receives a different regulatory standard reviewed in depth, so it can review each standard in detail with the actual self-assessment provided as part of that in depth consideration.*

Discussion points/questions:

- The Value for Money standard has not yet been assessed. It will be reviewed after the publication of the year end statutory accounts.
- All other standards have been reviewed by the standard owners and are considered compliant. An additional verification stage was added this year where the internal Audit &



Risk specialist reviewed all statements of compliance and cross checked the evidence provided in support of those statements. Additional evidence was requested where needed with all standards being confirmed as compliant.

**Ongo Homes Agreed:**

- Considered the information provided gave assurance that officers consider Ongo Homes to be fully compliant with the RSH Regulatory Standards for Governance and Financial Viability, Rent, Home, Tenancy, Neighbourhood and Community and Tenant Involvement and Empowerment;
- Noted that the Value for Money standard will be self-assessed in full once the year end statutory accounts are finalised as it draws upon data from there.

**6.2 Agenda Item 8.2: Governance**

*Summary: This report aims to provide an update on any recent regulatory judgements and gradings to ensure Board are fully aware of any recent changes in the sector, including any other updates from the Regulator. It also covers an update on the annual declarations of interest and policy review schedule.*

**Discussion points/questions:**

- The declarations of interest by Board Members have been declared as part of the annual review. Steve Hepworth added that he is also a trustee of Citizens Advice North Lincolnshire which was not included on the report.
- The Board considered whether it wished to take any appropriate action on the number of Board Members who were also affiliated to a National Housing Federation (NHF) member organisation. The reason for this was to avoid group think and ensure the right mix of skills were on the Board.
- A Member who was not on an NHF organisation felt there was a good representation from non-NHF Members that brought commerciality to the Board.
- It was commented that whilst there is involvement with other NHF organisations, a lot of that is from a governance perspective e.g. Melvin Kenyon does sit on boards of NHF organisations but his expertise and background is outside the housing sector.
- In terms of the policy updates, a Member suggested the environmental policy would need reviewing considering the developments in this area including the work with Equans referred to above for Wave 2 decarbonisation. It was felt this policy should come to a board meeting for discussion and approval rather than via Convene.

**Ongo Partnership and Ongo Homes Agreed: The Board:**

- Considered the declarations of interest made by Board Members.
- Noted this Board declarations of interest register is publicly available by request on the Ongo website.
- Considered no action was needed on the number of Board Members who are paid employees of, or Board Members, of another organisation which is a member of the National Housing Federation (NHF).
- Noted the annual update on progress against the policy review schedule.



- Noted the updates from around the sector.
- Noted the working assumption around the group structure to remove Ongo Home Sales Ltd and Ongo Commercial Ltd and that officers intend to formally present this to the Board for consideration at a future date.

## 7. **Agenda Item 9: Future Development Assumptions**

*Summary: To determine whether potential development projects represent good investments for Ongo Homes, all projects are run through a financial feasibility model and within this model there are number of standard assumptions applied. The environment around the delivery of the development programme and meeting the growth targets agreed by Board in the corporate plan (225 homes per year) is becoming increasingly challenging. Many factors are having an impact on the financial feasibility of schemes and therefore the conversion of schemes on the pipeline into live schemes on site.*

Discussion points/questions:

- Our business plan assumptions are now based on receiving grant proportionate to 30% of build costs. Currently we are achieving around £44/45k per unit which shows the necessary increase in grant being required to negate rising costs of delivering schemes. The new scheme at Ashtree Close is being discussed with Homes England and the grant rate being proposed there is around £55k per unit.
- There have been some good successes this last month with land and schemes being secured, but there are still challenges as developers are not prepared to take on the same amount of risks they have previously and rising costs making schemes difficult with regards to financial viability.
- Due to a reduction in schemes being brought forward by developers, new approaches to land acquisition need to be considered. If a new approach to acquiring land is taken, there will be some increased risks and abortive costs on occasions may result. Conditional contracts for land purchases would be employed with the ultimate sale being dependent upon successful planning permission being obtained and sites would only be pursued where planning permission is likely to be granted therefore significantly reducing the associated risks. Some of the assumptions impact the bottom line. The business plan is based on build aspiration, not applying a set of parameters.
- A Member asked if these assumptions were approved would there be an issue with covenants. It was confirmed there would not be.
- Natalie Cresswell explained this has been discussed in depth at the Developments Board where it was felt this should be agreed. Across all sectors the rate of new builds is declining and unless we can engage with our partners to build homes, Ongo would have to reconsider its build targets.
- The geographical area the Developments Team are considering is still within the previously agreed areas, albeit they have been told they can flex that slightly. A proviso is we need to ensure we can deliver the same support to our tenants. Kevin Hornsby has been tasked with considering how to ensure our employment support service is accessible to all our tenants irrespective of the area they live in.



**Ongo Partnership & Ongo Homes Agreed:** The Board:

- Discussed and approved the proposed changes to the development assumptions applied when appraising potential development schemes.
- Considered and discussed the proposed changes to the delivery strategy around land acquisition and procurement routes and confirmed they are happy with the recommended approach.

**8. Agenda Item 10: Health, Safety & Wellbeing**

*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. Board members must play a key role in setting the tone from the top, the risk appetite and providing oversight for Health and Safety. Board members must satisfy themselves that Ongo is effectively managing the risk.*

Discussion points/questions:

- Louise Usher explained there had been three RIDDORS since the last report. Two through injury or absence over 7 days and a third relating to a strike to a gas pipe. The H&S Manager is undertaking a full investigation around the gas pipe. The gas strike was notified to Board orally at their last meeting as it happened after reports were issued.
- A new RIDDOR has happened since this report was issued relating to an asbestos release by a contractor. This is under current investigation.
- A Member asked if there was anything of concern around legionella and Louise Usher explained nothing had been flagged to her.
- The outstanding fire risk assessment relating to telecommunications kit was discussed. The Board requested that in the first instance, a strongly worded letter should be sent by Forbes explaining the unhappiness of this Board in the failure to provide PAT testing documentation and their desire to report the company to whichever statutory agency they could. The Board were clear they wanted legal action on this case escalating. They would accept a fall back position of offering to pay for the required PAT test if this was a means to getting a resolution and clearing the outstanding fire risk action. This would be limited to a maximum cost of £1,000. **Action 12/22.**
- There will be some additional works required to ensure Ongo Homes meets the deadline around carbon monoxide alarms installed by October.
- The Board asked that a note be sent from the Board congratulating the staff who were shortlisted in the Association of Safety and Compliance Professionals (ASCP) Safety & Compliance Awards 2022. **Action 13/22**

**Ongo Partnership and Ongo Homes Agreed:** The Board confirmed they were satisfied with the management of Health, Safety and Environment arrangements set out in the report.

**9. Agenda Item 11: Stock Investment Existing Properties**

*Summary: In November 2021, Ongo commissioned Jones Lang LaSelle (JLL) to carry out a sample stock condition survey. The purpose of the survey and subsequent report was to provide an*



*expenditure profile to assist in the consideration of Ongo's asset management strategy and to provide a survey which satisfies the requirements of our lender, Barclays.*

Discussion points/questions:

- Pete Stones explained the report was not received from JLL until a few days before the meeting pack was issued. Officers were still working with JLL to clarify some points.
- The information provided in paragraph 4.1 was taken directly from the JLL report.
- The Finance and Asset Teams are working with the data to smooth out programme of works. It is common with stock transfers that an initial investment is made upon transfer for items with a life cycle of 20 to 25 years which brings another wave of investment.
- On initial investigation officers are confident that there are no compliance issues with standards highlighted in the JLL report. Further information on the detail of the JLL report will be brought back to a later meeting after the catch-up repairs highlighted have been investigated further.
- The Board felt the JLL report gave assurance the business plan contained adequate funds to maintain the existing stock over the next 30 years.

**Ongo Partnership and Ongo Homes Agreed:** The Board discussed the initial findings of the Stock Condition survey report carried out by Jones Lang LaSelle (JLL). Following further consideration of the report with JLL the full report will be presented to the Board at a later meeting.

**10. Agenda Item 12: Other Board & Committee Updates:**

**10.1 Agenda Items 12.1: Minutes and 12.2: Assurance Update from Board and Committee Chairs**  
Minutes from all other Board and Committee meetings are available for Members to view within the Document Library in Convene. The updates provided by the subsidiary Chairs were shared in the meeting pack and all noted. For Ongo Roofing, Ashley Harrison explained it is too early to see the results for June. There had been a couple of site specific issues which are being resolved. For Audit & Risk Committee Mike Finister-Smith thanked Louise Usher for the internal audit on risk that provided substantial assurance.

**11. Agenda item 13: Attendance List**

The attendance list was noted with Paul Warburton highlighting that he was absent from the May meeting. This will be updated. **Action 11/22**

**12. Agenda item 14: Time for Reflection**

A Member felt this was a good meeting with lots of discussion taking place.

With no further business, the meeting closed at 4.03pm.

Signed by Chair: ..... Date: .....

As a true and correct record of the Group Common Board meeting held on 4 July 2022.

