



GROUP COMMON BOARD MEETING

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

**Held at 2.30pm on Thursday 15 September 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) (by Teams), Michael Finister-Smith, John Wright, Rachel Cook (by Teams), Paula Gouldthorpe (by Teams), Natalie Cresswell (by Teams), Helen Lennon, Liz Cook
Officers: Jo Sugden, Karen Cowan, Fiona Ruddick (Minutes), Louise Usher, Mark Perrin, Neil Key, Dawn Hill

Apologies: Paul Warburton

Absence: None

Also Present: Kacper Merta

Time meeting opened: 2.30pm

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: Steve Hepworth declared he is a trustee of Scunthorpe Citizens Advice Bureau which is working with Ongo to support tenants as referred to in the Chief Executive's update report detailing work under the financial crisis action group.

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

The minutes from the meeting held on 4 July 2022 were agreed as a true and accurate record for the Group Common Board and will be signed by the Chair.

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

Updates on the action list were noted as per the meeting pack.

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.

The cost of living crisis presents significant challenges both for our tenants and for the organisation. The business plan, budget and rent setting report on the agenda deals with the organisational issues and rent setting and I will cover the plans we have to support our tenants in this report.

Discussion points/questions:

- The report detailed the work Ongo intended to do to support tenants with the cost of living. A Financial Crisis Action Group had been formed with key staff from around the business taking party.
- Ongo are considering purchasing slow cookers for tenants as it is considered that using a slow cooker is cheaper to run than an oven.
- A Member asked what the perceived demand was for the proposals in the report, such as warm banks. This was an unprecedented situation and Steve Hepworth did not know what demand would be.
- Staff visiting tenants in their own homes were more likely to identify those that need additional support.
- A Member stated that trades staff may need training to identify those people who are struggling.
- In one organisation tenants are being asked not to self-disconnect and stop using heating altogether as that could cause more issues with damp and mould.
- Steve Hepworth hosted a Facebook live event last night that had over 100 people join.
- There is a lead in time for repair appointments with availability now from December. Ongo are using less contractors and the turnaround time is holding steady. It is anticipated this spend will be on budget by the financial year end.
- A request may be made to put additional resources into this area which will put pressure on budgets.
- It was recognised staff will struggle with the cost of living crisis and Jo Sugden advised that People & Culture team have already moved to reimbursing mileage payments weekly for some staff.
- In relation to the bank holiday for the Queen's funeral, all tenants with a scheduled repair for that date have been contacted. Some chose to defer the repair whereas others wanted it to continue. To cover these appointments, volunteers to work the day have been found and they are being recompensed for working a bank holiday.

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: Carbon Reduction

Summary: At the meeting in July 2021 the Carbon Reduction plan and associated action plan was agreed by Board. Whilst the Board acknowledged the challenges around uncertain future government policy, lack of proven technologies, uncertainty over costs and funding, potential skill and supply chain shortages, customer engagement/buy in etc. a plan was agreed to ensure



the whole approach was built into the culture of the organisation. This is an update a year on from adoption.

Discussion points/questions:

- Karen Cowan explained that sitting behind the board plan is a very detailed operational plan to support it.
- A Member felt this was good work and demonstrated something was being considered in every area.
- There are four or five big organisations in the sector leading the way in this area that Ongo can obtain best practice from.
- Operationally there is a plan to pilot six electric vehicles in different areas of the organisation. This will be by way of leased vehicles when the current leases expire, the vehicles will be replaced with electric models.
- At a recent conference a member explained how they had heard about some housing associations selling their carbon offset in a scheme being overseen by HACT.

Ongo Partnership and Ongo Homes Agreed: Board considered progress against the organisation's agreed carbon reduction plans and confirmed that they are satisfied with current progress.

5. **Agenda Item 7: Review Delivery of Overall Strategy & Financial Plan**

6. **Agenda Item 7.1: Year End Financial Statements 2021/22**

Summary: The Companies Act 2006 requires a set of audited statutory accounts to be prepared for each company within the Ongo Group. As the ultimate parent company the financial statements for Ongo Partnership Limited are required to include both Ongo Partnership Limited as an individual company and also the group consolidated position, after eliminating intra-group transactions.

Discussion points/questions:

- Mark Perrin explained that since the Audit Committee in August, no adjustments have been made to the financial statements.
- This is the first year of using Crowe as Ongo's external auditors. A Member explained their experience from another organisation with the first year of new auditors has been problematic and commented how well this transition had gone. They went on to say that having unqualified accounts issued was a good achievement and felt the organisation was in good financial health.
- The Audit Committee had been happy to recommend all the financial statements to each entity for approval.
- A Member asked about the actuarial rate related to pension liability. Mark Perrin explained this was a bespoke rate built into the business plan, approved by the Board which Crowe had identified. In the longer term this will impact on the business plan but is not a cause for concern.



Ongo Partnership Agreed:

- Board considered the statutory accounts, which incorporated the group consolidation, for Ongo Partnership Limited for the year ended 31 March 2022 and authorised them for approval.
- Each member of the Board considered the letter of representation and agreed for it to be signed as approved on behalf of the Board.
- Board reviewed and noted the contents of Crowe's external audit completion report.
- Board gave authority for the documentation to be signed either by wet ink or e-signature by the required signatories and officers are authorised to make the necessary filings with regulatory bodies.

7. Agenda Item 7.2: Consideration of Going Concern

Summary: The expected financial performance of Ongo Partnership for the financial years (FY)2022/23 and FY2023/24 is based on the budget for the periods. Performance so far in FY2022/23 is broadly in line with budget and is expected to continue in line with budget through to March 2024.

Discussion points/questions:

- The Board need to consider Ongo Partnership, the entity as a going concern for at least 12 months after agreeing the financial statements. The forward plan has been extended to cover 24 months.
- The Board were happy to accept this.

Ongo Partnership Agreed: the contents of the report and considered and confirmed the assessment of going concern for Ongo Partnership and the Ongo Group for financial years (FY)2022/23 and FY2023/24.

8. Agenda Item 7.3: Business Plan, Budget and Rent Setting Assumptions FY 2023-24

Summary: The annual rent settlement must be considered and agreed by the Board within the parameters allowed by the current rent regime, including the expected rent increase cap for 2023/24 and possibly 2024/25 following the recent announcement. The report set out some key factors for consideration as we commence the rent setting and financial planning cycle.

Discussion points/questions:

- Mark Perrin explained salary cost is higher than the business plan which originally had 7.15% identified for rent increases.
- A Member explained at a different organisation they are involved in; the employer is making a one off payment to lower grade staff to help them get through winter. This is something Ongo could look at and Jo Sugden questioned what would be classed as lower grade.
- It was suggested the budget should be set as late as possible to allow officers to get more information as the situation is constantly changing. There are, however, some hard deadlines that have to be met such as the issuing of rent payments for the next financial year to tenants.



- The service charges proposed for 2023/24 will be based on what has happened during 2022/23 so there is likely to be a delay in the increases being incurred to being passed on through this charge.
- The Chair had agreement from the Board they agreed in theory that the assumptions proposed were reasonable ones.
- Steve Hepworth explained it is useful to get feedback from the Board to help prepare for pay negotiations. He felt a 5% rent settlement was likely. This would put some pressure on the next year and estimated £2/3million additional spend currently unaccounted for.
- A Member felt that coming back to the reason Ongo Homes exists is something that Board should consider when looking at rent.
- Another Member questioned whether some assumptions were too cautious and Mark Perrin accepted this comment.
- If the rent settlement is 5%, officers need to do some further work on the figures and consider the full impact. The number of people we employ makes a difference. A Member suggested something less subtle than a full vacancy freeze. It was accepted that with less people, it will be harder to deliver the same service.
- Ongo Homes is going to be submitting a response to the rent settlement consultation from the Regulator.

Ongo Partnership and Ongo Homes Agreed: Board considered the presented initial business plan assumptions and

- considered the setting of Rents 2023/24 and the effects of options available and provides direction on inclusion in financial planning.
- considered the annual pay award for 2023/24 and the effects of options available and provides direction on inclusion in financial planning.
- considered the possible effects of inflation on the business and provides direction on the key drivers for the business in this respect and their consideration in financial planning.
- considered the development programme for inclusion in the business plan.
- considered and advise on the specific 'other' matters identified
- noted that work will take place on all areas of the business plan and budgets, with further information provided at the November meeting of the Board on the expected components and outcomes of that work.

9. Agenda Item 7.4: Management Accounts and Performance July 22

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

Discussion points/questions:

- A member asked about £0.5million of spend on property that was within the detailed accounts for Ongo Homes available in discretionary reading. This will be checked but initial thoughts are it related to the replacement of a district heating system at Lincoln Court.

Action 14/22



Ongo Partnership & Ongo Homes Agreed: The Board:

- approved the management accounts of Ongo Homes for the period and noted the contents of this report and associated information.
- noted the amber status of one financial golden rule and the red status of four business plan stress test indicators and continues to consider the impact of rising inflation on future costs and rent settlements.
- approved the management accounts of Ongo Partnership (the entity and group) for the period and noted the contents of this report and associated information.

10. Agenda Item 7.5: Impairment of Fixed Assets 2022

Summary: Housing assets are reviewed using the 'cost' method by calculating a potential sales value and comparing it to the net book value of an asset or group of assets. Impairment should be considered when the NBV is greater than the estimated recoverable/sales value. Property Stock Assets reviewed for impairment only relate to those properties that have been acquired since transfer.

Discussion points/questions:

- The Board were happy to receive this report and accept the recommendation.

Ongo Homes Agreed: Board reviewed and accepted the impairment judgement in the report, made for Assets valued at 31st March 2022.

11. Agenda Item 7.6: Stock Valuation & Condition Report 2022

Summary: The results of the annual desktop valuation exercise prepared by Jones Lang LaSalle (JLL) were presented for consideration along with the stock condition survey exercise. At the Group Common Board meeting in July a report was presented giving the initial findings of the report, but as agreed this report provides further commentary on the findings of the survey.

Discussion points/questions:

- Neil Key explained that the items identified by JLL as a priority in their stock condition survey exercise have been dealt with. Officers are happy the report reflects the planned spend programme.
- The number of our own stock surveys has increased to over 5,000 and the data collected from there is helpful for managing the stock.

Ongo Homes Agreed: The Board

- considered the stock valuation report from JLL for assets valued at 31st March 2022 and confirmed that they are happy with the valuation process and results.
- considered the findings of the stock condition survey report from JLL and confirmed they are happy with the report, in particular the levels of stock investment needed compared to the Business plan allowances and the explanations around Decent Homes failures.

12. Agenda Item 7.7: Accounting Policies for the Group



Summary: The financial record keeping and reporting for the Ongo Group are based on the approved accounting policies. These are contained within the annual financial statements and should be reviewed and approved on a regular basis to ensure that they are appropriate to the businesses within the group.

Discussion points/questions:

- These policies were reviewed by the Group Audit and Risk Committee at their meeting on 11 August 2022 and recommended to the Board for formal approval.
- The Board were happy to accept this recommendation and it was confirmed by Mark Perrin that nothing had occurred that would mean a change in accounting policies was required.

Ongo Partnership and Ongo Homes Agreed: The Group Audit & Risk Committee have considered the accounting policies set out within the Financial Statements for 2021-22 and recommended these to Group Common Board for continued use during 2022-23 financial year.

13. Agenda Item 8: Governance Update

Summary: The report covered several governance related issues considering board remuneration levels, new board appointments, outcome of the annual self-assessment of the Value for Money regulatory standard, succession planning, our governance upgrade, an update on regulatory issues within the sector and progress on the group simplification work.

Discussion points/questions:

- All Members accepted they had a personal conflict with the Board Remuneration item and accepted this was unavoidable. A review had been commissioned by Campbell Tickell on this which did provide an external view.
- Rachel Cook explained the board remuneration had been considered by the Governance & Remuneration Committee who had debated when an appropriate time to make this increase had been. They felt it would be ideal to increase when new Members were joining.
- A suggestion was made to backdate the increase to 1 April 2022.
- Another suggestion was made to say the recommendation to increase from Campbell Tickell was noted but to not implement it and review again in two years. An alternative view was if we were not planning on considering the recommendation of the external review, why was it commissioned.
- Jo Sugden felt if an increase was not applied now, in two years' time the increase would be larger as it would be catching up. She went on to explain the board remuneration external reviews had been aligned with the two year staff reviews so value for money could be gained by having one company undertaken both reviews.
- The Chair requested a vote as there were differing opinions. Firstly, he asked for votes in favour of accepting the recommendation of Campbell Tickell for an increase in board remuneration. This was agreed by a majority.
- He then asked for votes in favour of backdating the increase in remuneration to 1 April 2022. This was agreed by a majority.



- A Member felt that work should be undertaken to pay trustees on Ongo Communities Ltd. Steve Hepworth suggested the compelling reason to be able to do this (difficulty recruiting) had perhaps been lost with the recruitment of three new trustees.
- This is something that will be looked at in the future although it has been stated that the Charity Commission require a very strong business case to justify the payment of trustees.
- Fiona Ruddick went through the other items included on the report.
- The Board were happy to accept the recommendation of officers that the Value for Money Regulatory Standard was considered to be fully complied with for Ongo Homes.
- The request to increase the size of the Ongo Communities common board on the composition statement was agreed. This allows the three potential Board Members identified to be appointed. Following two earlier unsuccessful attempts to recruit, officers and the Chair of the Board were keen to secure the candidates.
- Fiona Ruddick thanked the Board for their prompt responses when dealing with the approvals and resolutions to proceed with the conversion of Ongo Partnership Ltd to a charitable community benefit society via Convene. This is on track to be achieved by the target date of 1 October 2022. When this happens, Board Members will need to sign a new agreement to act for Ongo Partnership.
- The succession plan had been updated and discussed at the August Governance & Remuneration Committee. They recommended it to the Board for agreement.
- A proposal was made to change the frequencies of when Board receive Risk and Health and Safety. Rather than receiving both at each meeting, it was proposed that one report would come to each meeting, on an alternate basis so one meeting would have Risk the next meeting would have Health and Safety. If anything urgent arose in between the updates to Board, this would be brought to Board's attention.

The Board:

- **Acting for Ongo Homes Ltd & Ongo Partnership Ltd:** Considered the recommendation from the Governance & Remuneration Committee to adopt the increased remuneration levels proposed and agreed the increased levels would be backdated to 1 April 2022. The new annual remuneration levels are Chair of Group Common Board £13,250, Senior Independent Director £8,500, Chair of Subsidiary Board/Committee £7,500, Group Common Board Member £6,000, Independent Board/Committee Member £3,500.
- **Acting for Ongo Homes Ltd & Ongo Partnership Ltd:** Approved a change to the board composition statement to increase the size of the Ongo Communities Common Board to six members by adding an additional independent member.
- **Acting for Ongo Partnership Ltd:** Agreed to appoint Kacper Merta as Director of Ongo Partnership Ltd in accordance with Articles 9 and 31.1 with effect from 15 September 2022.
- **Acting for Ongo Partnership Ltd:** Agreed to appoint Kacper Merta to the Board of Ongo Homes Ltd as a Board Member (in accordance with Ongo Homes Rule D2.2, Ongo Partnership Ltd is exercising its power as parent of Ongo Homes Ltd to appoint a board member at any time) with effect from 15 September 2022.
- **Acting for Ongo Partnership Ltd:** Agreed to appoint Debbie Clegg, Karen Locking, Hayley Phillips and Kacper Merta as Trustees to Ongo Communities Ltd (in accordance



with Ongo Communities' Articles 11.2. These appointments will be effective from 14 October 2022.

- **Acting for Ongo Homes Ltd:** Received the self-assessment against the Value for Money Regulatory Standard and noted that officers consider Ongo Homes to be fully compliant.
- **Acting for Ongo Homes Ltd & Ongo Partnership Ltd:** Approved amendments to the Standing Orders for Group Common Board to receive reports on Health and Safety and Risk at every other meeting starting with the November 2022 meeting. *Secretary's Note: by agreeing this change, Board give their approval for the supporting policy documents, namely the Risk Management Framework and Health and Safety Policy to be updated to reflect this change.*
- **Acting for Ongo Homes Ltd & Ongo Partnership Ltd:** Considered the updated succession plan as considered by the Governance & Remuneration Committee and confirmed they are satisfied with the plan, accepted the recommendation of the Committee and noted the intention to engage an external company to support the ongoing recruitment requirements.
- **Acting for Ongo Homes Ltd:** Confirmed it is satisfied that the Asset and Liabilities Register (ALR) is current, accurate and complete. Board reviewed and approved the content of the register and noted any key issues.
- **Acting for Ongo Homes Ltd & Ongo Partnership Ltd:** Noted Ongo Homes' upgrade to G1 by the Regulator of Social Housing following the recent in depth assessment and noted the updates from around the sector.
- **Acting for Ongo Partnership Ltd:** Noted the application has been made to the Financial Conduct Authority to convert Ongo Partnership Ltd to a charitable Community Benefit Society. The aim is to have this application accepted and go live on 1 October 2022

14. Agenda Item 9: Annual Statement of Assurance

Summary: Ongo uses four lines of assurance to ensure that risks are well managed and controls are in place and effective. The Controls Framework provides a breakdown of each source of assurance. This statement of assurance provides an overview of key assurance areas for Group Common Board so they can satisfy themselves that Ongo has a robust controls framework and assurance processes.

Discussion points/questions:

- Louise Usher explained the different processes being used within the organisation to gain assurance.

Ongo Partnership and Ongo Homes Agreed: The Board:

- Reviewed and confirmed it was satisfied with the assurance provided.
- Confirmed they are satisfied that the Risk Management Framework remains effective and has been reviewed as required.
- Had no recommended areas for further review by Group Audit and Risk Committee (GA&RC).



15. **Agenda Item 10: Policies via Convene in Advance**

Summary: Two policies were circulated on Convene on 24 August with a request for Members to consider them in advance and the approval decisions to be ratified at the meeting.

Discussion points/questions:

- Fiona Ruddick confirmed the policies had been approved by a majority of Members on Convene and the policies were taken as approved.

Ongo Partnership and Ongo Homes Agreed: reviewed and considered the revised EDI Policy and formally approved it in line with the agreed Policy Development Framework.
Ongo Homes Agreed: Approved a new policy, Ongo Homes Community Initiatives Policy, written to provide an appropriate governance document to cover the financial payment made annually from Ongo Homes to Ongo Communities. Noted the IGA dated February 2016 between Ongo Homes and Ongo Communities is no longer in force.

16. **Agenda Item 10: Decisions between Meetings**

Summary: Standing Orders allows the Chair and others to deal with decisions in between scheduled meetings and for those decisions to be reported to the next meeting.

Discussion points/questions:

- Decisions had been made between meetings, especially around resolutions required to progress the group simplification.

Ongo Partnership and Ongo Homes Agreed:

To formally record in the minutes of the meeting that Board Members approved:

- **Acting for Ongo Homes Ltd**, beneficiaries were agreed for a claim on the life policy through Metlife that provides death in service cover equivalent to 3x salary, following the death of an Ongo employee
- **Acting for Ongo Homes Ltd** considered and approved the draft 2021/22 VFM Statement
- **Acting for Ongo Partnership Ltd:**
 - considered the note from Trowers & Hamlins LLP on Ongo Partnership Limited's ability to adopt charitable status, confirmed it is satisfied that Ongo Partnership meets all the relevant criteria and could convert to charitable status
 - resolved to take the necessary steps to proceed with the conversion of Ongo Partnership Limited to a charitable Community Benefit Society (CBS)
 - considered the proposed draft Rules for Ongo Partnership as a CBS and agreed to adopt these as part of the conversion
 - authorised three Members and the Secretary (Jo Sugden) to sign the Rules – this is proposed to be Bob Walder, Melvin Kenyon and Steve Hepworth with the caveat that any three Members of Ongo Partnership, together with the Secretary, shall be authorised to sign (please note that Michael Finister-Smith signed in lieu of Steve Hepworth)
 - to authorise Jo Sugden, as Secretary, to sign the special resolution for Ongo Partnership, once all Members have approved it via Convene



- to note the next steps required to achieve conversion to a CBS and the input required from Board Members
- **Acting for Ongo Partnership Ltd** agreed a written resolution of the Directors and then agreed a written resolution of the shareholders relating to the conversion of Ongo Partnership Ltd
- **Acting for Ongo Homes Ltd** To formally record in the minutes of the meeting that the Chair gave approval on 15 August 2022 to hold a balance in excess of £20m in our main clearing bank account with Barclays Bank for a short period of time. This approval was granted in accordance with the Treasury Policy and was to facilitate the repayment of a £10m fixed term loan.
- **Acting for Ongo Homes Ltd:** To formally record in the minutes of the meeting that a decision taken via Convene relating to loaning £1.3m from Ongo Homes Ltd to Ongo Developments Ltd is no longer needed as the scheme being considered at Blyton has fallen through.

17. Agenda Item 12: Other Board & Committee Updates:

17.1 Agenda Items 12.1: Minutes from all meetings within the group

17.2 Agenda item 13: 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. The update from Ongo Communities was too late to be included in the pack. It is available for all to access in the Chair's update section in Convene.

18. Agenda item 14: Attendance List

The attendance list was noted.

19. Agenda item 15: Time for Reflection

With no further business, the meeting closed at 4.35pm.

Signed by Chair: Date:

As a true and correct record of the Group Common Board meeting held on 15 September 2022.

