

# **Ongo Homes**

Report and Financial Statements

Year Ended

31 March 2023

FCA Registration Number 7639

Regulator of Social Housing Registration Number L4486

# Ongo Homes

## Report and financial statements for the year ended 31 March 2023

---

**Page:**

3	Executives and advisors
4	Report of the Board of Management
24	Audit and Risk Committee report
26	Strategic report
35	Value for money statement
64	Independent auditor's report
67	Statement of comprehensive income
68	Statement of financial position
69	Statement of changes in equity
70	Statement of cash flows
71	Index of notes
72	Notes forming part of the financial statements

---

# Ongo Homes

## Executives and advisors for the year ended 31 March 2023

---

### Board Members

The following members have held office during the period and to the date of this report unless otherwise stated:

H Lennon	M Kenyon
E Cook (resigned 31 December 2022)	J Wright
R Walder	S Hepworth
R Cook	N Cresswell
M Finister-Smith	P Gouldthorpe
P Warburton	K Merta (appointed 15 Sept 23)
G Oakley (appointed 1 Jan 23)	

<b>Executive leadership team:</b>	Chief Executive	S Hepworth
	Property Director	P Stones
	Director of Resource and Commercial	A Harrison
	Director of Corporate & Compliance Services	J Sugden
	Director of Customer Services	K Hornsby

**Secretary and registered office:** J Sugden

Ongo House, High Street, Scunthorpe, North Lincolnshire, DN15 6AT

**Auditor:** Crowe U.K. LLP  
3<sup>rd</sup> Floor  
The Lexicon  
Mount Street  
Manchester  
M2 5NT

**Bankers:** Barclays Bank plc  
One Snowhill  
Snow Hill Queensway  
Birmingham B4 6GN

### Solicitors:

Devonshires Solicitors  
Park House  
Park Square  
Leeds  
LS1 2PW

Forbes Solicitors  
Rutherford House  
4 Wellington Street (St Johns)  
Blackburn  
BB1 8DD

Knights Professional Services  
The Lexicon  
Munt Street  
Manchester  
M2 5FA

Bermans  
Exchange Station  
Titheburn Street  
Liverpool  
L2 2QP

Trowers and Hamlins  
55 Princess Street  
Manchester  
M2 4EW

Wilkin Chapman LLP  
Cartergate House  
26 Chantry Lane  
Grimsby  
DN31 2LJ

# Ongo Homes

## Report of the Board of Management for the year ended 31 March 2023

---

### Nature of Business

Ongo Homes Limited (“Ongo Homes”) is a charitable Community Benefit Society (CBS) regulated by the Financial Conduct Authority (FCA) and a Registered Provider of social housing regulated by the Regulator of Social Housing.

During the year ended 31 March 2023 Ongo Homes was a wholly-owned subsidiary of Ongo Partnership Limited, a company that was not a registered provider with the Regulator of Social Housing. On 31 March 2023 Ongo Partnership Limited undertook a transfer of engagements resulting in the whole of its assets, liabilities and all engagements being transferred to Ongo Homes. Ongo Homes became the parent company of all subsidiaries within the Ongo Group. This transfer was deemed to occur at midnight on the aforementioned date. These financial statements represent the position of Ongo Partnership Limited being the ultimate parent company throughout and at the end of the financial year.

The corporate structure of the Ongo group is clearly defined and the relationship between this CBS, the parent (as was during the financial year) and its other subsidiaries is set out in Intra-Group agreements which were considered and approved by each of their Boards.

The primary role of the CBS is to provide social housing in North Lincolnshire having taken over the ownership and management of North Lincolnshire Council's homes in February 2007.

### Board and Executive Directors

The Board Members and Executive Leadership Team serving during the period and up to the date of signing the Financial Statements are listed on page 3. None of the Board Members and Executive Leadership Team hold any interests in the capital of this CBS, or held any in Ongo Partnership Limited.

Executive Leadership Team members act as executives within the authority delegated by the Board. The CBS' insurance policies indemnify Board Members and officers against liability when acting on its behalf.

The Chief Executive is appointed on a permanent contract with a six month notice period. Other Executive Directors have a three month notice period, but are, otherwise employed on the same terms as other staff.

The Executive Directors are all members of either the East Riding Pension Fund, a final salary pension scheme, or the defined contribution scheme provided for the employees, currently through Aviva. They contribute on the same terms as all other eligible staff and the CBS contributes to the schemes on behalf of its employees.

### Financial Statements

The Board present their report and audited Financial Statements of the CBS for the year ended 31 March 2023.

### Results

The CBS made an operating surplus of £9.9m for the year (2022 - £12.1m). The Directors consider this to be an acceptable performance.

# Ongo Homes

## Report of the Board of Management for the year ended 31 March 2023

---

### Reserves

Revenue reserves total £125.4m at the year-end (2022 - £117.0m). The business plan dictates that these reserves will be utilised for the furtherance or the stated corporate objectives.

### External Factors

We carry out extensive sensitivity and combined stress scenario testing of the business plan. This includes identification of a range of mitigating actions which could be taken upon onset of the identified, or other, factors which may have a detrimental impact on the financial position of the business. When applied to the stress tests carried out these mitigating measures show that the business is in a position to operate sustainably and within our financial covenants.

### Going Concern

The CBS's business activities, its current financial position and factors likely to affect its future development are set out in this report. The CBS has in place long term debt facilities which provide adequate resources to finance committed reinvestment and development programmes along with day-to-day operations. The CBS also has a long-term business plan which shows that it is able to service these debt facilities whilst continuing to comply with lenders' covenants. The board approved the 2023/24 budget and business plan in March 2023 and were content that these plans were affordable and that the accounts should be prepared on a going concern basis.

The ongoing impact of the COVID-19 pandemic and its financial effect combined with the current high levels of inflation and interest rates has meant that the executive leadership team and the board have reviewed financial assumptions in the budget and business plan, particularly focusing on the next five years to ensure the CBS remains a going concern. The long-term business plan is stress tested to assess the possible financial impacts and the resilience of the plan including the range of available mitigation plans. This multi-variate stress testing did not cause a breach in bank covenants, which remained compliant even in the most severe of scenarios once identified mitigations were applied.

Given the strength of the balance sheet, liquidity, and availability of undrawn loan facilities, the board believes that, while some uncertainty remains in respect of COVID-19, this does not pose a material uncertainty that would cast doubt on the CBS's ability to continue as a going concern. The CBS's financial performance in 2022/23 proved resilient and on this basis, the board has a reasonable expectation that the CBS has adequate resources to continue in operational existence for the foreseeable future, being a period of twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

### Governance

Ongo Homes holds the highest rating available for governance (G1) and financial viability (V1). The Regulator of Social Housing (RSH) undertook an In-Depth Assessment in August 2022 and concluded Ongo Homes had further strengthened its governance arrangements and simplified its governance structures and upgraded Ongo Homes to G1.

# Ongo Homes

## Report of the Board of Management for the year ended 31 March 2023

---

### Statement of the Board's Responsibilities in Respect of the Accounts

The board members are responsible for preparing the report of the board, the strategic report and the financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Society law and social housing legislation require the board members to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

In preparing these financial statements, the board members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice: Accounting by registered social housing providers 2018 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the CBS will continue in business.

The board members are responsible for keeping adequate accounting records that are sufficient to show and explain the association's transactions and disclose with reasonable accuracy at any time the financial position of the association and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. They are also responsible for safeguarding the assets of the association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The board is responsible for ensuring that the report of the board is prepared in accordance with the Statement of Recommended Practice: Accounting by registered social housing providers 2018.

Financial statements are published on the CBS's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the CBS's website is the responsibility of the board members. The board members' responsibility also extends to the ongoing integrity of the financial statements contained therein.

### Assessment of the effectiveness of Ongo Homes' system of internal control

The Board is ultimately responsible for the CBS's system of internal control and for reviewing its effectiveness.

The Board recognises that no system of internal control can provide absolute assurance or eliminate all risk. The system of internal control is designed to manage risk and provide reasonable assurance that key business objectives and expected outcomes will be achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of CBS assets and interests.

The Board has adopted a risk-based approach to internal controls, which are embedded within the normal management and governance process. This approach includes the regular evaluation of the nature and extent of risks to which the CBS is exposed and is consistent with good practice and regulatory requirements.

# Ongo Homes

## Report of the Board of Management for the year ended 31 March 2023

The main area in which this is evidenced is as follows:

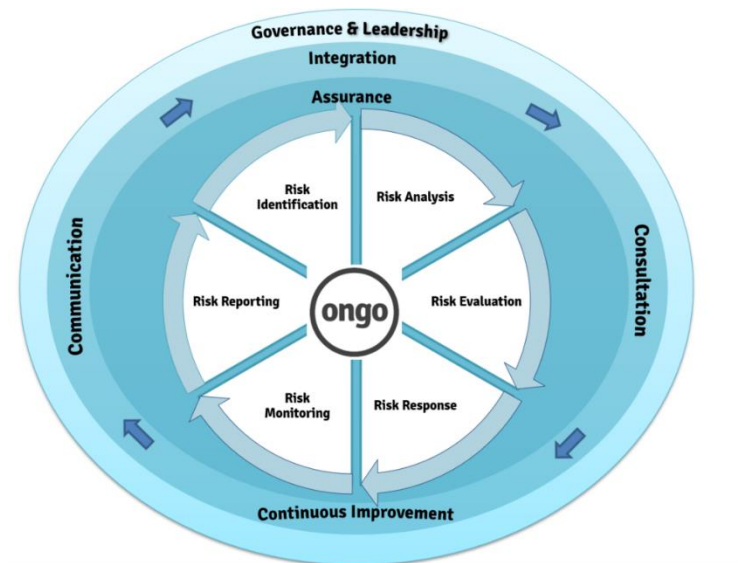
### Risk Management

#### Our approach

Risk is the possibility of an event and the consequences it has on the achievement of objectives, at a strategic, operational and project level. Risk creates uncertainty which we must understand, control, and monitor to reduce the uncertainty to an acceptable level.

Risk is part of everyday life and linked directly the decisions we make. The management of risk is therefore essential in ensuring the CBS meets its strategic objectives and remains legally and regulatory compliant.

Our risk management framework provides a clear and robust approach to managing risk. It provides a structure to integrate risk management into all aspects of Ongo activity, with the aim of protecting our assets, complying with all relevant laws and regulation, successfully achieving our corporate plan and creating a truly vibrant and resilient organisation.



#### Our principles of risk management

The overarching principle of risk management is to add value, and to support the successful delivery of objectives.

At Ongo, we use **GUARDED** principles to set our approach to risk management:

- **Governed** – Risk management is integral to governance and leadership at Ongo, it is fundamental to how Ongo is directed and managed.
- **Understood** – Risks are comprehensive, well-articulated and understood by all.
- **Aligned** – Risk management is aligned with other business activities and is not a separate activity.
- **Relevant** – Risks are relevant to objectives and the management of risk is proportionate to the level of risk.
- **Discussed** – Risk is communicated and discussed with all interested parties.
- **Embedded** – Risk management is part of everyday life, activities and decision making at Ongo,
- **Dynamic** – The management and reporting of risk is responsive to change and can adapt and identify emerging risks quickly.

#### Our risk appetite

Our risk appetite is reviewed and set by Board, as high-level statements which sets the tone for risk taking. Detailed statements are then provided as guide for decision making to ensure we do not take risks outside of our agreed boundaries. Our risk appetite was last reviewed by Board in March 2023.

# Ongo Homes

## Report of the Board of Management for the year ended 31 March 2023

---

- **Financial (medium risk appetite):** We ensure that we remain financially strong and not take risks outside of our golden rules. We will seek to take risk only where the benefits outweigh potential costs.
- **Compliance (low risk appetite):** We understand our compliance obligations and have a very low appetite for any action or decision that would result in a breach of our statutory or regulatory obligations.
- **People (high risk appetite):** We empower and trust our colleagues to make the right decisions and look to take risks where benefits can be justified and any potential risks are managed.
- **Reputation (medium risk appetite):** Being a great landlord, employer, partner, company is at the heart of our corporate plan. Although we recognise that we cannot control how others view us, we will work together to understand and manage the expectations of all stakeholders.
- **Infrastructure (low risk appetite):** We rely on our technological infrastructure and will look for innovative ways of working. However we have a low appetite for any risks resulting in security vulnerabilities, critical system downtime, data inaccuracies and loss of personal data.
- **Governance (low risk appetite):** We will ensure that our governance structures are strong and all decisions are risk based, we will not enter into any activity that puts our social assets at risk.
- **Growth (high risk appetite):** We are open to growth opportunities that align with our corporate objectives, and will look at innovative ways of working and new technologies. Where the benefits can be demonstrated and outweigh the potential costs we will manage the risk.

### Stress testing

To ensure we understand the effect of risk on our business plan, we use possible scenarios taken from our strategic risk register. Our Board has an active role in developing additional scenarios and agreeing on multivariate scenarios based on likelihood and onset. These tests are intended to identify and model situations that could arise and enable us to then identify where management action could be required to rectify a situation.

Various individual stress tests are modelled, followed by multivariate tests on the most likely combinations. The following combinations were assessed:

- **Economic stress**  
This model looks at the combined effect of rent regulation requiring a rent freeze in 2024/25 followed by rent settlements matching CPI inflation, macro-economic difficulties (inflationary pressure and increased borrowing rates), and local economic slowdown (increased voids and bad debts and slowdown of shared ownership sales).
- **Business stress**  
This model looks at the combined effect of various business factors moving in an adverse manner due to either factors outside of our control or poor business management (increased voids and bad debts, business continuity, repairs, maintenance and stock condition, changes to legal compliance and building safety).
- **Development stress**  
This model looks at the combined effect of a number of adverse situations affecting the development programme of the business; property build and acquisition and investment in current stock (increased costs for new builds and investment in existing properties, quantity of new properties brought into service and decarbonisation).



# Ongo Homes

## Report of the Board of Management for the year ended 31 March 2023

- **Staff stress**

This model looks at the combined effects on the business of changes in specific factors around the costs of employing our Ongo colleagues, specifically pensions' provision, salary increases and operational issues requiring recruitment of additional colleagues.

Following the modelling of multi-variate scenarios on the business plan, we consider the mitigating actions that could be taken to recover the situation and return the business plan to a financially viable position. Our Asset and Liability Register is vital in understanding our options.






### Operating environment and risk management

To help identify emerging risks, we assess the external and internal environments using a variety of tools and techniques. Our performance management framework runs in line with our risk management framework to help identify areas of concern or emerging risks. We have a suite of key risk indicators (KRIs) which provide intelligence on the key areas of risk facing our business and act as early warning indicators. Our key financial ratios and stress testing indicators are monitored monthly in our management accounts. We also map the annual sector risk profile with our existing risk registers as a comparison aid.

### Our principal risks







Our principal risks are ultimately owned by our Board and monitored through our strategic risk registers. Our Executive Leadership Team have direct ownership of specific risks to ensure that they are effectively managed. The risks on the strategic risk register are continually reviewed and linked directly to achieving our corporate objectives.

Each of the strategic risks below are fully assessed to identify the cause and consequence of the risk occurring. A likelihood and impact score has been applied before and after reviewing current controls in place. Risk is assessed within each Board report and the strategic risk register is reviewed at alternate Board meetings. The Board seeks assurance to understand the wider strategic impact and to inform the decision-making process. Additional assurance is gained from reviews, overseen by our Group Audit and Risk Committee. The Strategic Risk Register is reviewed at each committee meeting. The table below provides a brief overview of the position and assurance received:

Corporate Objective	Risk Header	Risk Description	Current Status	Risk Appetite
Compliance Risk	SRC1: Health and Safety	Poor internal control leads to a breach of health and safety legislation results in harm and prosecution.		Low
Compliance Risk	SRC2: Legal and Regulatory Compliance	Poor internal control leads to a breach in legal and regulatory obligations leads to prosecution and/or regulatory intervention.		Low
Be a great landlord	SRF1: Financial Resilience	Uncertain economic pressures and fluctuations to income leads to reduction in operating margin.		Medium
Be a great landlord	SRO1: Business Continuity	Significant disruption leads to loss in core service delivery for extended period.		Medium
Be a great landlord	SRO1.1: Cyber Security	Ongo is the victim of a cyber incident which results in a significant loss of systems or data impacting our ability to deliver our services.		Low

# Ongo Homes

## Report of the Board of Management for the year ended 31 March 2023

Corporate Objective	Risk Header	Risk Description	Current Status	Risk Appetite
One Ongo	SR02: People	Problems with recruitment, retention and disengaged staff leads to incidents and poor customer service/quality and our ability to deliver the Corporate Plan.		High
Offer quality homes	SRO3: Quality Homes	We are unable to maintain quality homes leading to poor living conditions, higher costs, and reputational damage.		Medium
Be a great landlord	SRO3: Customer Expectations	We are unable to meet customer expectations through poor communication or service delivery leading to high dissatisfaction and complaints.		Medium
Creating Opportunities	SRG2: Subsidiary Performance	Subsidiary action or decision adversely impacts Ongo Homes resulting in reputational damage or financial loss.		High
Offer quality homes	SRG3: Development	Delays in the development programme or funding arrangements leads to stagnant growth, financial loss and additional management expense.		High
Offer quality homes	SRG4: Decarbonisation	We are unable to affect culture and the pace of change in order to meet our carbon reduction plan targets, leading to expensive investment decisions and limited progress.		High

### Assurance framework

To ensure that risk management is effective and that we have a sound and effective system of internal control we have a control framework in place. As Boards have ultimate responsibility for Risk Management, it is essential that Board members understand the risks facing Ongo and receive assurance on the effectiveness of controls. Strategic and emerging risks are discussed at each Board meeting as a separate agenda item (alternate meetings), but also embedded within each report. The Group Common Board have delegated assurance reviews to the Group Audit and Risk Committee. This enables the committee to focus on key areas of risk and assurance.

# Ongo Homes

## Report of the Board of Management for the year ended 31 March 2023

---

Assurance can come from many sources within an organisation. Developed from the three lines of defence, we have adopted four lines of assurance (FLA), which helps identify and understand where these different contributions arise:

- **First line of assurance**  
This comes directly from our business operational areas. Various controls are in place, designed or directing processes and behaviours to ensure that operational objectives are achieved. The responsibility is to ensure procedures are followed, identify risks and improvement actions, implement controls and report on progress.
- **Second line of assurance**  
This comes from corporate oversight. It is separate from those responsible for delivery, but not independent to the organisation. There are various teams that provide this assurance, including health and safety, finance, compliance, legal and audit and risk. The responsibility is to ensure that compliance obligations and commitments are understood and met.
- **Third line of assurance**  
This comes from independent, objective and expert sources. It provides independent challenge. It places reliance upon assurance mechanisms in the first and second lines of defence, and request evidence to confirm assurance is in place. Assurance is gained from internal and external audit, regulators, and accreditations.
- **Fourth line of assurance**  
Our customers provide a fourth assurance level. As they directly receive certain services, they are in the ideal position to assess and review service delivery. We have strong customer engagement arrangements, including a Resident Scrutiny Panel, Property Services Panel, and Complaints Monitoring Panel.

All assurance activities are co-ordinated centrally to provide assurance maps. The assurance map of the strategic risk register is used to inform the internal audit programme and assurance work for the next financial year.

### Internal controls assurance

#### Internal audit

Our internal auditors are appointed by the Group Audit and Risk Committee to provide an objective evaluation and opinion on the overall adequacy and effectiveness of our risk management and internal control environment.

The annual internal audit plan is set using a risk-based approach and is approved by the Group Audit and Risk Committee. The plan includes a range of internal audits and assurance appraisals, which cover two types of corporate assurance risks – directed and delivery. Underpinning these two types of assurance risk are six root cause indicators (RCI):

# Ongo Homes

## Report of the Board of Management for the year ended 31 March 2023



**Directed Risk: Failure to properly direct the service to ensure compliance with the requirements of the organisation.**

Cause Root Indicator	<b>Governance Framework</b>	There is a documented process instruction which accords with the relevant regulatory guidance, financial instructions and scheme of delegation.
	<b>Risk Mitigation</b>	The documented process aligns with the mitigating arrangements set out in the strategic risk register.
	<b>Compliance</b>	Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.



**Delivery Risk: Failure to deliver the service in an effective manner which meets the requirements of the organisation.**

Cause Root Indicator	<b>Performance Monitoring</b>	There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.
	<b>Financial Constraint</b>	The process operates within the agreed financial budget for the year.
	<b>Resilience</b>	Good practice to respond to business interruption events and to enhance economic, effective and efficient delivery is adopted.

The findings against these corporate assurance risks informs both an individual assurance assessment and also the annual assurance opinion statement, provided by the Head of Internal Audit.

The annual plan is subject to ongoing review and could change as the risks change throughout the year. Any changes are formally reviewed with the Executive Leadership Team and the Group Audit and Risk Committee should a significant issue arise.

Internal audit reports carried out are signed off at each Group Audit and Risk Committee, where members have the opportunity to discuss and challenge the findings. Progress on any recommendations made are monitored by the committee and once implemented are verified by internal audit for final sign off. The internal auditors have an opportunity at every committee meeting to discuss matters without the presence of executives.

Our internal auditors provide an annual report on the internal control environment at Ongo. The annual report summaries the outcomes of the reviews that have been carried out on the Ongo group's framework of governance, risk management and control. The Head of Internal Audit's annual opinion states that they are satisfied that, for the areas reviewed during the year, Ongo has reasonable and effective risk management, control and governance processes in place.

This opinion is based solely on the matters that came to the attention of internal audit during the course of the internal audit reviews carried out during the year and is not an opinion on all elements of the risk management, control and governance processes or the ongoing financial viability or your ability to meet financial obligations which must be obtained by Ongo from its various sources of assurance.

# Ongo Homes

## Report of the Board of Management for the year ended 31 March 2023

Our internal auditors carried out nine reviews, which were designed to ascertain the extent to which the internal controls in the system are adequate to ensure that activities and procedures are operating to achieve Ongo's objectives. For each assurance review an assessment of the combined effectiveness of the controls in mitigating the key control risks was provided.

The table below provides an overview of the assurance findings in 2022-23

Assurance Assessments	Number of Reviews	Previous Year
Substantial Assurance	4	8
Reasonable Assurance	5	5
Limited Assurance		
No Assurance		

The areas on which the assurance assessments have been provided can only provide reasonable and not absolute assurance against misstatement or loss and their effectiveness is reduced if the internal audit recommendations made during the year have not been fully implemented. Progress with internal audit recommendations are monitored by the Group Audit and Risk Committee and implementation is verified by internal audit twice a year. All audit recommendations have been accepted and implemented.

### External audit

The external auditors have an annual meeting with the Committee without the presence of executives.

### Fraud

The fraud register is reviewed at each Group Audit and Risk Committee. To assess our internal control framework, assurance tests are built in to the internal audit plan each year.

The fraud register is updated as necessary for all actual and potential frauds committed or attempted to be committed against the CBS.

### Reporting, review and corrective action

A process of regular management reporting on control issues provides assurance to the Executive Leadership Team and to the Board. This includes a rigorous procedure for ensuring that corrective action is taken in relation to any significant control issues, particularly those that may have a material impact on the financial statements and the delivery and fulfilment of our services.

The Group Audit and Risk Committee conducts an annual review of the effectiveness of the system of internal control and has taken account of any changes needed to maintain the effectiveness of risk management and control process. This Committee makes an annual report on this matter to the Board. The Board has received this report and has included it within the Financial Statements.

The Board confirms that there is an ongoing process for identifying, and managing significant risks faced by the CBS. This process has been in place throughout the year under review, up to and including the date of the annual report and accounts, and is regularly reviewed by the Board.

# Ongo Homes

## Report of the Board of Management for the year ended 31 March 2023

---

### Employment and equal opportunities

Employee information is set out in the notes to the financial statements.

The CBS is committed to the principles of equal opportunities.

### Employment of disabled persons

The company is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind. Particular attention is given to the training and promotion of disabled employees to ensure that their career development is not unfairly restricted by their disability, or perceptions of it.

Ongo is accredited with the Disability Confident Employers and this means we are recognised as going the extra mile to make sure disabled people get a fair chance. The group's HR procedures make clear that full and fair consideration must be given to applications made by and the promotion of disabled persons. Where an employee becomes disabled whilst employed by the group, the HR procedures also require that reasonable adjustments are put in place to ensure that the individual can sustain their role and continued employment within the group.

### Engagement with employees

We aim to involve staff and keep them engaged with decisions that will impact them and seek their continuous feedback.

Over the last 12 months, from April 22 to March 23, 80% or more colleagues continually said that Ongo is a great place to work. We've seen a really positive increase in engagement levels in some areas, particularly within property Service. New starters speak of a very positive experience of joining Ongo and we developed and introduced a new corporate induction in December 2022 which all new colleagues attend.

Ongo's policies set out clearly how our employees should act and what they should do if they need to raise any concerns, as well as meeting any legislation or regulatory requirements. Policies are reviewed in line with the Policy Development and Review Framework and staff consultation is always part of any policy review.

The CBS recognises three unions: Unison, GMB and Unite the Union, and the company holds a Joint Consultative Committee (JCC) on a regular basis, led by the CBS's executive leadership team. The purpose of this committee is to jointly agree effective collective bargaining, negotiation, consultation and communication in order to maintain good employment relations. We successfully negotiated a pay award of 6% with an overwhelming vote in favour across all three recognised unions from 1 April 2023.

The One Ongo strategy focuses on our internal culture and the way we work as an organisation with a clear focus on our people. These are the key achievements against our One Ongo strategy over the last twelve months:

- **Coaching journey** – We continued to deliver awareness training and focus on embedding a coaching culture. For those colleagues who opted to take a professional qualification they are required to undertake a minimum number of coaching hours as well as the assignment which will amount to approximately 600 hours of coaching.
- **Change management framework** – We have developed a change management framework which provides a structured approach to managing the impact of change however big or small to ensure change is implemented successfully. This sits alongside our organisation review guidance which has been aligned more closely and also a new technology and innovation change guidance that supports the framework.

# Ongo Homes

## Report of the Board of Management for the year ended 31 March 2023

---

- **Reward and recognition** – We have developed a reward and recognition policy and guidance which clearly sets out our approach to how we determine pay and the other elements of our overall package.
- **Review of agile framework** – We have updated the framework now that we have been working in this way since Covid-19, and made some minor changes to place more emphasis on the need for colleagues to attend in person meetings and events and also created an online team meetings etiquette.

In addition, the CBS has a number of employee forums including a health and safety and equality, diversity and inclusion (EDI) forum which is represented by employees across different areas of the business. This provides an opportunity for employees to put forward their views and suggestions on how we can improve working practices.

### Our environmental impact

As a social landlord and responsible employer we have an important role in ensuring that new and existing homes are built or adapted to meet the climate change challenge and reduce our CO<sup>2</sup> emissions. This is far reaching from how we procure products and conduct our business to ensuring our homes are as energy efficient as possible.

Our Board has recognised that a commitment to reducing the carbon impact of the business must be a key component of the corporate plan/business plan. It recognises that it will touch every aspect of the business and will affect all aspects of decision making across the organisation.

Our approach to carbon reduction, has three specific areas of operation to ensure a holistic solution is found:

- **Existing homes** – 10,000 + stock, new Decent Homes standards, challenge to get all stock to Energy Performance Certificate (EPC) B etc. engagement, awareness and culture.
- **New build homes** – establishing specification for the future, modern methods of construction
- **Corporate** – offices, fleet, procurement, purchase of utilities, engagement, awareness and culture

We have five key principles that support delivery of our carbon reduction plan:

- **Availability of quality data** – ensuring the accuracy and completeness of data helps us to understand our requirements and support planning and funding.
- **Maximise available public funding opportunities** – financing the necessary works within the business plan is one of the key challenges and access to public funding will be essential in this.
- **Scale up activities at the right pace** – there will be a need to gradually increase activity, as confidence, skills and technology improves within the sector and in the organisation. Carrying out pilot schemes will be a key part of this journey to help make the right choice.
- **Carbon literacy** – promoting a cultural change amongst staff and tenants is essential on the carbon reduction journey.
- **Social value** – decarbonisation requires long term investment and provides opportunities to create significant growth areas in the economy, thereby creating meaningful employment and training opportunities.

# Ongo Homes

## Report of the Board of Management for the year ended 31 March 2023

---

During the financial year 2022-23, we have continued to move forward on our path to achieve net zero, with some highlights during the year being:

- The continuation of our Ongo Net Zero Steering Group, led by the Chief Executive with a cross team membership of internal stakeholders
- Continuation of our membership with the Off Site Housing Alliance (OHSA) to progress opportunities to develop new properties using modern methods of construction (MMC)
- The commissioning and completion of SECR compliance reports which provide a benchmark position, identifying energy use and carbon emissions for each financial year (the SECR framework being a mandatory UK-wide energy and carbon reporting scheme)
- Embarking down a new path of SHIFT accreditation (SHIFT being the environmental sustainability standard for the housing sector)
- Implementing smart technology pilots to monitor the energy efficiency and tenant usage of components and systems (e.g. air source heat pumps etc.)
- Re-roofing works now including the upgrading of loft insulation where it falls below a depth of 270mm
- The development of a pilot and phased plan for the replacement of fleet with hybrid or electric vehicles
- Electric charging points now standard inclusion into new build specifications
- Capital investment projects, e.g. March 2023 saw the completion of our brand-new pilot of eight carbon neutral properties in Westcliff; all of which will be monitored and benchmarked against standard similar sized homes in the area
- Embarking on a culture change, raising net zero awareness to tenants via our tenant conference interactive agenda session, our dedicated tenant net zero workshops and promotional articles in our tenants' newsletter and via social media

### **SECR (Streamlined Energy and Carbon Report)**

The SECR framework is a mandatory UK-wide energy and carbon reporting scheme, implemented to create a straightforward carbon reporting framework. SECR seeks to improve transparency and help reduce UK carbon emissions associated with business and industry. From 1st April 2019, all large UK organisations are mandated to make an annual public disclosure within their Directors' Annual Report and Accounts of their UK energy use and carbon emissions

### **Why calculate a carbon footprint?**

To support the management and reduction of greenhouse gas (GHG) emissions an organisation needs to understand which business activities generate GHG emissions and the magnitude of the generated emissions.

A carbon footprint provides a quantitative assessment of the GHG emissions arising from an organisation's business activities. Once a carbon footprint has been created, an organisation can begin identifying areas with the greatest potential for emission reductions.

The footprint includes the 'Scope 1' (e.g. combustion of fuel, fugitive and process emissions) and 'Scope 2' (electricity) emissions associated with the activities for which Ongo Partnership Ltd are responsible. For the purposes of the report only 'Scope 1' (Direct) and 'Scope 2' (indirect) emissions sources are required.

### **Methodology**

The footprint is calculated in accordance with the Greenhouse Gas (GHG) Protocol and Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance. Activity data has been converted into carbon emissions using published emissions factors. The data used has been provided by Ongo Partnership Ltd.

The results below included figures for the Ongo Group. The figures also includes energy used in our communal areas (such as heating and lighting, in over 400 sites) we have not made any adjustments for recharges.



# Ongo Homes

## Report of the Board of Management for the year ended 31 March 2023

### Intensity ratio

The intensity ratio constitutes a simple measure of energy efficiency, as opposed to total energy or emissions.

### Usage

### Streamlined Energy and Carbon Reporting (SECR)

Energy Consumption	2021-22	2022-23	Trend	
Mains gas (KWh)	7,152,358	6,299,605	12%	↓
Mains electric (KWh)	1,282,543	1,157,960	10%	↓
Transport – direct (KWh)	402,008	741,489	84%	↑
Total energy consumption (KWh)	8,836,910	8,199,054	7%	↓
Emissions – Mandatory SECR Reporting				
Combustion of fuels (Scope 1) tCO <sub>2</sub> e	1,405	1,328	5%	↓
Combustion of fuel for transport (Scope 1 – Direct) (tCO <sub>2</sub> e)	169.7	178.0	5%	↑
Purchased electricity (Scope 2, location-based) (tCO <sub>2</sub> e)	5	34	580%	↑
<b>Total gross emissions for which SECR reporting required (tCO<sub>2</sub>e)</b>	<b>1,410</b>	<b>1,361</b>	<b>3%</b>	<b>↓</b>
Intensity ratio – mandatory emissions reporting				
Total gross emissions divided by turnover (tCO <sub>2</sub> /turnover)	25.5	23.9	6%	↓
Methodology				
The footprint is calculated in accordance with the Greenhouse Gas (GHG) Protocol and Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance. Activity data has been converted into carbon emissions using published emissions factors.				
Key points				
From April 2022 to March 2023 the consumption of gas decreased slightly from the previous year.				
During the same period, the miles travelled increased substantially, impacting on transport emissions, due to the relaxation of COVID restrictions.				
Purchased electricity emissions saw an increase due to new sites in the year which were not on a green tariff however, overall electricity consumption saw a decrease over that of the previous year.				

# Ongo Homes

## Report of the Board of Management for the year ended 31 March 2023

---

### Engagement with suppliers, customers and others

We are a partnership of companies with a shared vision to create and sustain truly vibrant communities.

At Ongo, we understand that getting the very best value we can from our services and homes means we can invest more in opportunities for local people by creating jobs, training and neighbourhood services – things our tenants told us are important to them. We believe that working together produces better and more efficient results, and underpinning everything we do are core values of:

- **Partnership**
- **Drive**
- **Responsibility**

As a Registered Provider of Social Housing, our purpose is to provide a great service to our customers, tenants and communities.

We strive to create long-term value for our stakeholders but in order to do this, it is important to understand who our stakeholders are, their diverse requirements and what matters to them.

Our work generates value for the local economy through, for example, job creation and delivering environmental improvements to develop the communities and natural environment in the region in order to create desirable places to live.

Our main stakeholders are:

- Tenants and customers
- Colleagues
- The communities in which we operate
- Suppliers and contractors
- Regulators
- Auditors
- Third party partners
  - Local authorities
  - Police
  - NHS
  - Fire services
  - Schools and colleges
- The environment

We recognise that we do not operate in isolation and it is not our decision alone to determine what the region needs us to deliver. This is why it is essential we engage with stakeholders across the areas we operate, to identify shared solutions to shared challenges.

We value the diverse perspectives that a broad range of stakeholders, representing different and often competing interests, can bring to our decision-making. The relationships we build are subject to robust governance to ensure the insights generated are taken into account in decision making at executive and Board level.

# Ongo Homes

## Report of the Board of Management for the year ended 31 March 2023

---

### How we engage with, and are influenced by our...

#### Tenants and customers

Our tenants are at the heart of everything we do, with all our decisions made. We aim to deliver a great service in a way that customers value, and we listen to and engage with them to grow and improve our services.

We engage with our customers through a variety of methods, including our Community Voice panel, various other tenant panels, via our Customer Engagement and Communities teams and through our digital channels.

Our tenant magazine, Key News, aims to engage with and inform our tenants on matters important and relevant to them.

We also have digital champion and environmental champion groups of tenants to help shape our services in these areas.

Throughout the year we also seek feedback from our wider tenant population through surveys, workshops and feedback forms on different matters across the business.

### How we engage with, and are influenced by our...

#### Colleagues

We have a highly engaged, diverse and skilled team of colleagues who take pride in their work, value opportunities to learn new skills, and maintain an open and honest dialogue with unions and the business. Managers play a vital role in supporting their teams, with regular one-to-one meetings, and our engagement survey regularly scores above the UK norm.

We continue with regular leadership team updates through a weekly email from our Chief Executive and a weekly video from either him or another member of the leadership team. These updates share important company news, ways for colleagues to get involved and have their say.

### How we engage with, and are influenced by our...

#### Communities

Our work puts us at the heart of local communities. We develop strong relationships with those living in our communities, understanding the impact our work has on their lives. We tackle issues through engagement and investment, and by identifying the issues that matter most to communities we can develop solutions in partnership with them.

Our community hubs - The Arc and Viking Centre are places specifically designed to help tenants in vulnerable circumstances or that need support to access opportunities. We've also held events such as our Ongo Carnival, neighbourhood action and we care days and other local events to improve our presence in the community, give tenants the opportunity to get involved and give us feedback and to make our communities even better places to live.

### How we engage with, and are influenced by our...

#### Suppliers and contractors

As well as our colleagues, we rely on our suppliers and contractors to deliver our services, and the availability of goods and services in the market influences our strategy and how we operate. Good relationships with suppliers ensure projects are delivered on time, to a high standard, at efficient costs, and can bring innovative approaches and solutions.

# Ongo Homes

## Report of the Board of Management for the year ended 31 March 2023

---

We use procurement to generate, build, and maintain business relationships with suppliers. As we carry out some duties on behalf of the public sector, we must always ensure that we contract with suppliers in an open, fair, and transparent manner whilst conforming to the Public Procurement Regulations 2015 (PCR). We actively seek to engage with local suppliers, local contractors, and local service providers whenever possible and run active marketing, meet the buyer events, and supplier workshops so that we generate local interest and competition.

We maintain an electronic procurement and tendering portal for running all procurement processes, and conduct due diligence on suppliers ahead of contracting and permitting them onto our approved supplier list.

### **How we create value for our suppliers...**

#### Short term

- We spend significant amounts with our suppliers each year to help deliver maintenance and enhancement projects across our asset base, and this helps support thousands of jobs in our region.
- By investing in our infrastructure we are helping to keep the economy flowing. We generate jobs through our capital programme and provide income for workers in the region

#### Long term

- Supporting jobs through our supply chain in the short term catalyses the development of skills and jobs in the region, providing a stimulus to benefit the regional economy in the long term.
- Working together to develop innovations and new technologies means we can identify solutions that will make our services better in the future.

We act with integrity, giving suppliers confidence in the way we do business, which translates to transparency and fairness for our suppliers.

### **How we engage with, and are influenced by our...**

#### **Regulators**

Through proactive, constructive engagement with The Regulator of Social Housing, we agree to deliver commitments over specified time frames. We actively engage to shape the policy and regulatory framework within which we operate, covering customer, economic, environmental, social and governance matters. These priorities need to be balanced and viewed over a long-term horizon and maintaining relationships is key to this. The priorities and objectives of regulators can change over time so active engagement to provide our perspective around future policy is important to us.

# Ongo Homes

## Report of the Board of Management for the year ended 31 March 2023

---

### How we engage with, and are influenced by our...

#### Auditors

We conduct audits to assess, interrogate, and test our internal processes. This aids with ensuring good governance, and makes sure that any weaknesses in our processes and practices are identified prior to critical failure. In turn, this provides assurance to our customers, regulators, and our board and helps us to identify, assess, and manage our operational risks.

We have a small team of staff dedicated to the delivery of audit and risk management, and also engage the services of independent, third party auditors in order to provide assurance that internal control is in place and effective.

### How we engage with, and are influenced by our...

#### Third party partnerships

##### NHS

Despite not running, maintaining, or operating traditional 'care' facilities, we maintain a close working partnership with our local NHS providers. The care, wellbeing, and welfare of our tenants and customers is vital to us, and if society on a whole is to cope with an ageing population and the growing number of people with multiple long-term conditions then it is also essential for us to help maintain care services for people across our wider communities wherever we can.

As a registered provider of social housing, we are in a good position to form innovative partnerships with the local NHS care teams enabling us to help direct services to where they are most urgently required.

Through jointly running initiatives to promote positive mental health and wellbeing, or ways to lessen the 'isolation' of tenants, we can help to reduce the 'burden' which is typically placed on the NHS.

##### Police

We have a long standing and collaborative working relationship with the Police. We regularly support each other with issues of anti-social behavior (ASB) and crime, and run joint initiatives to improve our local communities.

Our community hubs often have a police presence with officers working from the buildings to be available for tenants to speak to, report any issues and learn more about the support available from them.

##### Fire services

As a provider of Social Housing, fire safety has always been of paramount importance to us, and we ensure that we maintain a positive relationship with the local fire and rescue services across our regions. We regularly share information with them, have undertaken training with operation watches in our high risk properties and we always keep them apprised of any changes to our systems or working practices that may affect fire safety.

We have a legal duty to ensure our properties are safe and meet the requirements of the Regulatory Reform (Fire Safety) Order 2005 (RRFSO) and to achieve this we carry out fire risk assessments annually to all of our high risk buildings. In addition to this we also carry out weekly health and safety checks to ensure we are aware of any new or potential risks.

All of this information, together with any other relevant safety information relating to our properties, is shared with the fire service to help them develop their standard operating procedures for dealing with emergencies in our buildings.

# Ongo Homes

## Report of the Board of Management for the year ended 31 March 2023

---

### Local authorities

In order to be successful and good at what we do, it is vital that we maintain close working relationships with the local authorities in all the areas we operate. Whether it is for facilitating housing need and planning requirements for our development team, highways access for our grounds maintenance teams, the safeguarding of our tenants, or the co-ordination and liaison of our homeless services. We need to maintain professional close working relationships with all of the local councils under which the jurisdiction of our properties fall.

### Schools and colleges

As a major local employer, we have a responsibility to help prepare the next generation of talent for the workplace.

Our structured partnerships with local schools and colleges include the provision of opportunities for work experience and apprenticeships, delivering talks on business, getting involved with careers events, and providing CV and interview training.

These arrangements not only prepare young people for the world of work, they also help to raise their aspirations. We endeavor to give young people ambition and the motivation they require to continue their studies and to perform well at all levels of their education journey.

We have supported 118 young people in the last 12 months through our Raising Aspirations mentoring programme, 69 of which were from our tenants' families.

### How we engage with, and are influenced by our...

#### Environment

In the last 12 months, our 'net zero working group' has progressed with its action plan making progress in all areas of the organisation. The group is led by our Chief Executive with representatives across Ongo to feed in and drive our plan forward. The action plan created continues to focus on key areas including:

- Existing homes
- New homes
- Our offices and buildings
- Corporate
- Education and awareness

We've also completed our pilot scheme of eight carbon neutral homes in Scunthorpe.

The plan has targets in all of the above areas to achieve by 2025, 2028 and the national targets to meet by 2050.

### How we create value for our environment...

#### Short term

- We meet increasingly stringent environmental standards which help to improve the quality of our services and improve sustainability.
- We adopt best practices to avoid generating waste and contract with waste partners to assist with recycling and effective waste disposal.
- We invest in innovative new products to reduce waste whilst still ensuring our services provide value for money.
- We achieve our short term targets set out in the net zero action plan.

# Ongo Homes

## Report of the Board of Management for the year ended 31 March 2023

---

### Long term

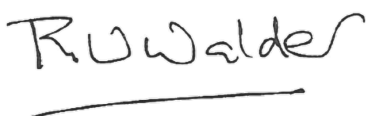
- Our investment in renewable energy generation is reducing our carbon footprint and contribution to climate change.
- We innovate and invest in new technologies to make our properties more efficient and environmentally friendly.
- We plan far ahead to ensure our activities and investment enhance the long-term resilience of the environment.
- We achieve our longer term targets set out in the net zero action plan.

### Auditors

All of the current Board of Management members and Executive Management Team have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purpose of their audit and to establish that the auditors are aware of that information. The current Board of Management and Executive Management Team are not aware of any relevant information of which the auditors are unaware.

Following a tender process during 2021/22 Crowe UK LLP were appointed as auditors for three years. They are in the second year of their appointment to serve as auditors for the Company and the Group.

### By order of the Board



A handwritten signature in black ink that reads "R. Walder". The signature is written in a cursive style and is underlined with a single horizontal line.

**R Walder**  
**Director**

**Date: 13 September 2023**

# Ongo Homes

## Audit and Risk Committee report for the year ended 31 March 2023

---

From 1 April 2022 to 31 March 2023 there were five meetings held on

14 June 2022	11 August 2022
27 September 2022	1 December 2022
21 March 2023	

These meetings were attended by:

Name	Number of meetings eligible to attend	Number of meetings attended
Cook, Rachel	5	4
Finister-Smith, Michael	5	5
Wright, John	5	5
Gore, Martin	5	5

Michael Finister-Smith served as chair of the Committee for the full year. The committee has continued to focus on risk management as a key part of its terms of reference.

The key responsibilities of the Group Audit and Risk Committee, which enable it to assist the Board in fulfilling its oversight responsibilities, are:

- Reviewing the effectiveness of the Community Benefit Society's (CBS) and the Ongo Group's financial reporting and internal control policies.
- Reviewing procedures for the identification assessment and reporting of risk and the effectiveness of risk management.
- Monitoring the integrity of the CBS's financial statements.
- Monitoring compliance with applicable legal and regulatory requirements.
- Agreeing the scope of the internal auditors annual audit plan.
- Agreeing the scope of the external auditors audit plan.
- Monitoring the qualifications, expertise, resources, independence, performance and effectiveness of the internal and external auditors.
- Making recommendations to the Board on the reappointment or otherwise of both the external and internal auditors and keeping their fees, terms of engagement and independence under review.

The minutes of each Group Audit and Risk Committee meeting are available to the Group Common Board and a written update provided by the Chair on key decisions of each committee meeting is made available to Board members immediately following meetings to ensure Board members are promptly informed on the matters considered by the Committee. This update is provided to the following Group Common Board meeting.

The Committee has asked that the Chief Executive and the Director of Resource and Commercial Services attend its meetings. Other members of the Executive Team attend as and when required.

Members of the Committee have the opportunity to meet alone and/or to meet with both the internal and external auditors who have direct access to the Chair of the Committee.

The Committee may, at Ongo's expense, obtain independent professional advice on any matters covered by its terms of reference.

The Committee accepts that certain work of a non-audit nature is best undertaken by the external auditors. The Committee reviews the amount of non-audit work they perform on an annual basis.



# Ongo Homes

## Audit and Risk Committee report for the year ended 31 March 2023

---

The principal activities undertaken by the Committee in the period under review were as follows:

### Internal controls and risks:

- Contributing to the review of the risk management framework of Ongo Homes and Ongo Partnership group.
- Regularly reviewing the strategic risk register of the organisation and receiving updates on the operational risk registers.
- Considering reports from the internal audit partners on work undertaken in reviewing and auditing the control environment related to various functions of the business, to assess the effectiveness of the internal control systems. Specific subject matters covering; payroll, asset and liability register, anti-social behaviour, insurance, cyclical testing, ICT project management, budgetary control, fraud management and performance monitoring.
- Considered work in relation to the compilation of the annual business plan and related sensitivity and stress scenario analysis.
- Monitoring compliance with general data protection regulations.
- Regularly monitoring direct award procurement actions to ensure appropriateness of the actions and receiving a report on overall procurement activity for a twelve month period.
- Reviewed the tender and procurement process relating to internal audit services for the Group
- Monitored fraud attempts.
- Monitored health and safety as regards to compliance.

### Finance reporting:

- Reviewed the financial statements of the CBS and other entities within the Ongo Partnership Group and as part of this process the significant financial judgements contained therein.
- Reviewed the assumption regarding the preparation of the financial statements on a going concern basis, including the supporting information and disclosures contained therein.

### External audit:

- Agreed the approach and scope of the audit work to be undertaken by the external auditors
- Received, reviewed and considered the interim and final management reports of the external auditors.
- Monitored the progress the CBS and the Group has made to implement any recommendations made by the external auditors.

### Internal audit:

- Agreed the internal audit plan for the period aimed at assessing the effectiveness of policies and processes relating to the key areas of operational and financial risk.
- Received, reviewed and considered the reports from the internal auditors with respect to the work they had done with regard to their agreed audit plan.
- Monitored the progress the CBS and the Group had made to implement any recommendations made by the Internal Auditors

**AUDIT AND RISK COMMITTEE CHAIR**

**DATE: 13 September 2023**



**M Finister-Smith**

# Ongo Homes

## Strategic report for the year ended 31 March 2023

---

### VISION

“To create and sustain truly vibrant communities.”

### CORPORATE OBJECTIVES

Our 2019-23 corporate plan focuses on three key objectives:

- Being a great landlord – involving tenants in our decision making, providing excellent services to tenants and running an efficient landlord service.
- Offering quality homes – enhancing our environments to make them places people want to live in, investing in our existing homes to meet future demand and building new homes to help address housing need.
- Creating opportunities – increasing the employment potential of tenants, raising the aspirations of young people in our communities and investing £1m each year in programmes which improve communities.

### Nature of business

The Association was formed on 28 April 2006. It became operational with the transfer of the housing stock of North Lincolnshire Council on 26 February 2007 and its head office is located in the town of Scunthorpe.

The CBS's housing stock at 31 March 2023, which is located in North and Greater Lincolnshire, Yorkshire and Bassetlaw, consisted of 9,281 units for general needs, 921 affordable rent units, 36 units for supported housing/housing for older people and 51 units for shared ownership. Included within these numbers is a dementia care scheme. The CBS has a high exposure to the risks associated with a large number of general needs housing in a concentrated area.

The condition of the stock was reviewed as part of the stock transfer, and became the platform on which the CBS built its refurbishment and improvement programme for the following five years. This was designed to exceed Decent Homes Standard and was successfully completed in March 2012 and continues to be attained now.

### Compliance with Governance and Financial Viability Standard

We have carried out an assessment against the standard for 2022/23 and have self-assessed Ongo Homes as being fully compliant against the Governance & Financial Viability Standard.

### Governance

The CBS is governed by a Board of Management comprised of up to eleven non-executive members plus the chief executive officer. The current list of members is included on page 3 of these financial statements. The CBS strives to ensure it is able to recruit members from a diverse background to bring together the necessary skills and expertise required to lead a successful and high performing organisation. All Board Members are subject to individual annual assessments. The Board agreed to a Board Trainee programme delivered in conjunction with the Housing Diversity Network. The programme aims to equip individuals to be Board Members of the future, giving them the skills and experience to apply for future Board vacancies.

# Ongo Homes

## Strategic report for the year ended 31 March 2023

---

The Board delegates the day to day running of the CBS to an Executive Leadership Team, headed by a Chief Executive and supported by a Director of Property, a Director of Customer Services, a Director of Resource and Commercial and a Director of Corporate and Compliance Services. Members of the Executive Leadership Team also attend the Board meetings.

### Employees

The CBS recognises that fulfilment of its corporate objectives is underpinned by the quality and contributions of its Board and all the people it employs across the organisation. The CBS is committed to investing in its employees and through its annual performance and development process it is able to identify and build upon each and every employee's development needs to equip them with the necessary skills and experience they require.

The CBS shares information on its objectives, progress and activities through a series of meetings involving executive directors, the senior management team and its employees, and by means of the intranet and other social media sites. It also participates in a Joint Consultative Committee with elected employee representatives and meets regularly to discuss issues relevant to them.

As an equal opportunity employer, the CBS is committed to the equality and diversity agenda regardless of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief, sex or sexual orientation. We see it as fundamental to the way that we operate to ensure that we:

- a) aim to eliminate discrimination, harassment and victimisation;
- b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
- c) foster good relations between persons who share a protected characteristic and those who do not.

As such it invites interests from all of its stakeholders and believes that this commitment is fundamental across its organisation and integral in what it seeks to achieve. The CBS currently holds Disability Confident accreditation and Leaders in Diversity demonstrating its commitment to employing staff with disabilities.

### Business planning

The business planning process is centred on achieving the CBS's key corporate objectives. This includes an assessment of strengths and weaknesses, opportunities and threats related to these objectives. These are discussed annually between the Executive Leadership Team and the Board and appropriate measures are included within the business plan.

# Ongo Homes

## Strategic report for the year ended 31 March 2023

---

### OPERATIONAL HIGHLIGHTS

There are a number of positives to take from 2022-23, with the main highlights below:

**Rising cost of living:** We understood that for both our colleagues and tenants, the rising cost of living would have a big impact and we needed to look at the ways in which we could offer support.

For tenants, we set up a dedicated area on our website which, since being set up in October 2022, has had 7,400 visits to the pages along with targeted Facebook advertising which reached 3,000 tenants. We set up support through our Income and Communities teams – acting both proactively with targeted communication and reactively when tenants contacted us.

We utilised a hardship fund of £138k which supported tenants by providing food vouchers, fuel vouchers, rent credits, household items and support bundles. Some of this was allocated to fund a specialist advisor from Citizen's Advice, who since November 2022 has supported 130 tenants to secure £200k collectively in additional benefits they were entitled to. Energy advice and guidance has also been offered to tenants to support with reducing bills.

**Operational plan:** We completed 81% of our operational plan for 2022-23.

**Rent arrears:** Current rent arrears are at a level of £622k this is all debt owed up until Sunday 9<sup>th</sup> April 2023 and includes expected housing benefit payments, which is 1.3% against our 2% target. At a time when money matters are extremely tough for many, this is a brilliant achievement.

**Investing in our homes:** Many investment projects took place over 2022-23 including upgrades at retirement schemes – a new heating system, decoration and fire alarm upgrades at Lincoln Court in Scunthorpe and fire alarm upgrades at Victoria House in Barton. Trent View House had new fire doors installed, plus our decent homes programme continuing.

**Building new homes:** In the year ended 31 March 2023 we built 100 homes and started work on 143 more, with two of our new developments being awarded the Police Secured by Design Gold awards for the way in which they were designed and built to reduce crime and anti-social behaviour.

A highlight included the completion of eight carbon neutral homes in Scunthorpe.

We began regeneration projects on a site of old flats in Belton, and also on the site of the former Ashby Market in Scunthorpe, which will be a big positive for the area once complete.

**Smart home technology:** We have progressed with the three trial projects using smart home technology. The projects are:

- An air source heat pumps project that will help identify performance of the property, controls the temperature of the home, monitors heating effectiveness and highlights any potential issues with the help of smart thermostat.
- A damp and mould project that will use smart sensors which will help to identify the early onset of problems such as damp and mould, plus offer advice on how to reduce or stop the problem. So far, 70 sensors have been installed and are being monitored.
- Virtual assistance – using this system tenants can show us a repair or issue through live video/image-sharing leading to more first-time resolution and clearer diagnosis. So far, results show that virtual repairs could cut almost 20% of in-person callouts, by empowering tenants to fix issues, or making an effective diagnosis before a visit is needed.

# Ongo Homes

## Strategic report for the year ended 31 March 2023

---

### Impact of operations on the community and environment

- £1,053k (2022: £10) was invested into Ongo Communities, a registered charity and member of the Ongo group, to provide community projects and initiatives to benefit our local people and the areas they live. This includes supporting our mental health and counselling service for tenants to access, many employment initiatives to support our tenants to get back into work, working closely with our young tenants to raise their aspirations and encourage them to have the tools and ambitions to succeed in life. The funds also support the management and activities delivered from our two well-established community hubs located on our estates.

### FINANCIAL REVIEW

The principal aim of this section is to explain the CBS's financial performance during the last year and how this is linked and influenced by its:

- capital structure,
- treasury policy,
- sources of liquidity and
- investment plans.

### Section 172 statement

Our duty to promote the success of the company for the benefit of its members as a whole, has regard to:

### Likely consequence of any decision in the long term

The current Ongo Group Corporate Plan was extended for a further 12 months and now runs until 31 March 2024. It is made up of three simple objectives:

- Be a great landlord
- Offer quality homes
- Create opportunities

By 2024 we aim to have achieved the following:

- For more than 80% of our tenants to say they feel their views are listened and acted upon
- For 97% of our customers to be happy with the maintenance service they receive
- For more than 90% of our tenants to be happy with their neighbourhood
- To achieve 100% in all our compliance and safety checks
- In line with our 2019- 2023 (now 2024) corporate plan objectives, to be on track to invest £83.1 million into our existing homes over the next 10 years following the year of the adoption of the plan
- In line with our 2019-2023 (now 2024) corporate plan objectives, to be on track to build 225 new homes every year for the next 10 years following the year of the adoption of the plan

### Act fairly between members of the company

We believe in involving our tenants in our big decisions to ensure the best outcomes for service improvements to truly benefit our tenants. Our Community Voice group discuss and approve all operational policies, having the opportunity to shape the way we develop as an organisation to improve our services to tenants.

# Ongo Homes

## Strategic report for the year ended 31 March 2023

---

Our Equality, Diversity and Inclusion (EDI) group is made up of colleagues and tenants who meet on a quarterly basis to discuss matters surrounding equality and diversity. In the last twelve months, we have hosted events and awareness sessions on a number of different EDI topics including Pride, Black History Month and signing up to the White Ribbon campaign to raise awareness of male violence towards women and the steps we're taking to put a stop to it.

We have been announced as the 44<sup>th</sup> most inclusive place to work on The National Centre for Diversity 'Top 100 Most Inclusive Workplaces Index 2022 and worked towards securing Leaders in Diversity again.

We have also published our annual gender pay gap report online.

Our Board composition statement also ensures that we include tenant experience as a key attribute, ensuring that tenants' views are represented on our Board at a higher, strategic level. We have tenant representation on our Board, meaning tenants have a say at every level within Ongo

### **Maintain a reputation for high standards of business conduct**

We strive to continuously improve and offer the highest possible services for our tenants. Below gives detail around some external recognition we received over the last twelve months and accreditations we currently hold across the whole group:

- CHAS
- Mindful Employer
- Disability Confident
- Which Trusted Traders
- Matrix Standard
- Leaders in Diversity
- Cyber Essentials
- Tpas – *currently reapplying for this*
- Construction Line

### **Foster business relationships with suppliers, customers and others**

Our Executive team actively encourage positive business relationships with our suppliers, customers and partners to ensure we're offering the best services to our tenants and customers.

We have a procurement framework that all departments within the business work to, making sure we are fair and reasonable in the way we appoint our suppliers. This also encourages the rotation of projects and work to all the suppliers on the framework to allow all our suppliers to work with us. We also encourage local suppliers to work with us whenever possible, to reinforce our commitment to support the local community. And with this, we encourage our suppliers to get involved in our community work including supporting local events and initiatives we run.

Partnership working is another way we build positive relationships with those living in our communities and the partners we work with in the areas in which we operate. This includes police, local authorities, schools and colleges and other relevant organisations. Through these partnerships we have seen many positive outcomes to benefit our tenants and our local communities. This way of working happens across the business, with many of our Leadership team sitting on local Boards and representing Ongo at partnership meetings. Other colleagues play key roles in multi-agency meetings to improve issues in our estates and communities. Areas of work in the last 12 months have included financial support for tenants, safeguarding and working in partnership with North Lincolnshire Council..

# Ongo Homes

## Strategic report for the year ended 31 March 2023

---

We involve our tenants in key business decisions and ways to help us improve as an organisation. We engage with our tenants through a number of channels including our Community Voice group, other tenant panels, our group of 'tenant testers' who trial our latest services and we also carry out consultation with wider tenants using direct communication and social media promotion. Over the last twelve months we have utilised our digital champions to make improvements to our My Home app, and also launched a group of environmental champions to work with us to deliver our commitments to become a net zero organisation by 2050.

### Interests of employees

We aim to involve colleagues and keep them engaged with decisions that will impact them. All our policies relating to staff are always put out for consultation and feedback when reviewing and creating new policies.

We continue to deliver against our corporate plan and the strategies that underpin the plan. We engage staff in the actions needed and the best way we can achieve our objectives and these are incorporated in to the operational plan and objective setting at team level. Regular updates are published and praise and recognition given for the teams delivering these as part of One Ongo.

We have developed a reward and recognition policy and guidance which clearly sets out our approach to how we determine pay and the other elements of our overall package. We are committed to undertaking salary benchmarking every two years and pay fair market rates for all roles.

### Financial performance

The CBS's turnover increased from £49.2m in the year ended 31 March 2022 to £52.0m in the year to 31 March 2023.

Rent losses from voids and bad debt (expressed as void and bad debt as a percentage of income from lettings) was 1.5% (2022: 1.8%). The Board considers void management to be a key performance measurement and, in addition to bad debt and void losses, continually reviews the percentage of void stock in management and void turnaround (re-let) time.

The group produces internal benchmarking for a number of areas with a cumulative position calculated for the year. The following areas are included within the monthly reporting and are considered to be key indicators:

Vacant dwellings as a percentage of stock (standard void) stood at 0.97% (2022: 1.17%) with total rent loss from vacant dwellings reducing to £447k (2022: £528k)

Rent arrears represents a key form of data and at the year end current tenant rent arrears, excluding housing benefit, as a percentage of rent was 1.57% (2022: 1.41%) with former tenant arrears falling to 0.9% (2022: 0.9%).

The net movement in housing stock saw an increase to 10,289 (2022: 10,263). During the year 63 tenants exercised their right to buy their home (RTB/RTA). The surplus on the sale of properties was £3.08m (2022: £1.99m).

The operating surplus before interest, gift aid income and right to buy was £6.8m (2022: £10.9m), with operating margin changing from 24.6% (2022) to 19.0% (2023). This was impacted by increases in all costs as a result of higher inflation combined with a greater volume of repairs due to backlogs resulting from the Covid-19 pandemic.

The surplus on ordinary activities before taxation for the year was £6.6m (2022: £7.5m). This includes a gift aid receipt from Ongo Developments Limited of £430k. After the actuarial gain on the defined benefits pension scheme of £1.8m (2022: gain of £10.5m) this leaves a gain to reserves of £8.4m compared to £17.9m in the previous year.

# Ongo Homes

## Strategic report for the year ended 31 March 2023

---

### Capital structure and treasury policy

The CBS continued to refurbish and improve its housing stock.

Drawn borrowings from a UK bank at the period end were £50m (2022: £60m), and unused available facilities totalled an additional £45m, as detailed above. This debt is borrowed using a mixture of fixed interest and variable rate loans. The first repayment of £10m of a fixed term loan was made in 2022/23. The CBS has a further £50m of borrowings from proceeds of bonds issued by bLEND at a premium to par. The nominal value of funds secured in a previous year was £50m with a bond premium of £7.8m. The debt is a fixed coupon rate with repayment due in March 2054.

The treasury strategy is set annually and approved by the Group Common Board. Normal policy is to maintain a minimum of 50% of borrowings at fixed rates of interest. At the end of the financial year 100% of the CBS's drawn borrowings were at fixed rates of interest, with the overall borrowing portfolio including 69% of debt at fixed rates. This ratio includes the bLEND bond funding.

The CBS does not use hedging instruments other than to fix variable rate debt at the time of drawdown.

The fixed rates of interest on the bank loan range from 6.02% to 6.33% at the year end, with margins on these fixed debts scheduled to increase by 0.35% over the next two years. The currently undrawn revolving credit facility incurs a commitment fee of 0.43% on undrawn facilities, and when drawn a margin of 1.075% above SONIA (Sterling Overnight Index Average). The loan from bLEND is at a coupon rate of 2.922%, fixed for the life of the loan.

The Bank's and bLEND's lending agreements require compliance with a number of covenants. Ongo Homes' position is monitored on an on-going basis and reported to the Board. Recent reports confirmed that the CBS was compliant with all its loan covenants throughout the year under review and the Board expects to remain compliant in the foreseeable future.

Surplus funds are invested in approved institutions and monitored by the Group Common Board.

The CBS's principal credit risk relates to tenant arrears. This risk is actively managed by providing support and advice to those tenants who are struggling to maintain payments and to closely monitor arrears that do occur whilst still providing support and assistance with the aim of bringing accounts back into credit for those tenants who are able to self-fund some or all of their rent.

### Cash flows

Cash inflows and outflows for the period under review are set out in the statement of cash flows. It details:

- net cash inflows from operating activities of £16.3m which is generated in the main from the management of housing stock;
- outflows on investment and servicing of finance of £28.9m as the CBS continues to invest in its housing portfolio; and
- the net movement in cash.

### Current liquidity

Cash and bank balances at the year-end were £59.7m (2022: £72.2m). Net current assets were £53.0m (2022: £54.9m). At the balance sheet date Ongo Homes had facilities and security in place to borrow a further £45.0m.



# Ongo Homes

## Strategic report for the year ended 31 March 2023

---

The Board does not consider there to be any seasonal effects on borrowing requirements. The main factor influencing the amount and timing of borrowings is the pace of the development programme. Cash flow forecasts are monitored closely to ensure sufficient funds are available to meet liabilities when they fall due, whilst not incurring unnecessary finance costs, by only drawing on loan facilities when required.

### PRINCIPAL RISKS

The principal key risks to Ongo Homes are:

- Health and safety: relating to occupational health and safety and building safety, changes to regulation.
- Legal and regulatory compliance: relating to compliance with legal and regulatory obligations.
- Financial resilience: relating to our income, economy and financial strength.
- Business continuity: relating to cyber security, and wider business disruption.
- People: relating to recruitment, retention and morale
- Quality homes: relating to decent homes standard, data integrity, and providing safe and secure homes.
- Development: relating to the development programme, and growth of our stock profile.
- Decarbonisation: relating to our commitment to reducing our carbon footprint

### FUTURE PLANS

We took the decision via our Board to extend our 2019-2023 Corporate Plan for a further 12 months. We will be working throughout 2023-24 to create a new Corporate Plan. This will be created with involvement from our tenants and colleagues to ensure we are all on the same page and working towards the right priorities as a business.

For the next 12 months we will continue to focus on the three objectives set out in our current plan:

#### **Be a great landlord**

- Involve customers in decision making
- Providing excellent services to customers
- Run an efficient landlord service

#### **Offer quality homes**

- Enhancing our environments that make them places people want to live
- Invest in our existing homes so they meet future demand
- Build new homes to help address housing need

#### **Create opportunities**

- Ongo coaching journey
- Employment and skills
- Business and enterprise
- Community development

We also have our internal objective to become One Ongo.

# Ongo Homes

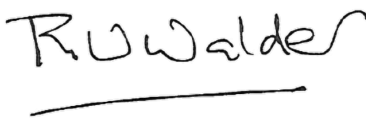
Strategic report  
for the year ended 31 March 2023

---

## STATEMENT OF COMPLIANCE

The Board confirms that the Strategic Report has been prepared in accordance with the principles set out in the SORP for Registered Providers 2018 and the Co-operative and Community Benefit Societies Act 2014.

By Order of the Board

A handwritten signature in black ink that reads "R. Walder". The signature is written in a cursive style and is positioned above a solid horizontal line that serves as a signature line.

R Walder  
Director

Date: 13 September 2023

# Ongo Homes

## Value for Money Statement For the year ended 31 March 2023

---

### Value for Money Statement 2022/23

Ongo Homes Limited is the predominant trading business within the Ongo Group and is a Registered Provider of Social Housing (RP). We currently own and maintain over 10,000 homes across the North Lincolnshire Region and neighbouring areas. As an exempt charitable Community Benefit Society, Ongo Homes does not trade for profit. All the generated income is reinvested back into the organisation for the provision of homes maintenance, improvements in service and the financing of building new homes. We are in business to create and sustain truly vibrant communities which is why we promise that everything we do is put back into local communities.

As detailed in the Directors' Report, at midnight on 31 March 2023 the group structure of Ongo changed. Ongo Partnership Limited undertook a Transfer of Engagements (ToE) to Ongo Homes Limited. A ToE is a statutory process through which Ongo Partnership Limited transferred all its assets and liabilities to Ongo Homes Limited. Following completion of the ToE Ongo Partnership Limited ceased trading.

The Ongo group now comprises Ongo Homes Limited, which is the parent of Ongo Commercial Limited, Ongo Communities Limited, Ongo Home Sales Limited, and Ongo Developments Limited.

Ongo Commercial Limited has two subsidiary companies - Ongo Roofing Limited (trading as Ashbridge Roofing Solutions) and Ongo Heating & Plumbing Limited (trading as Hales & Coultas Heating and Plumbing).

Ongo Communities has two subsidiary companies - Ongo Recruitment Limited and Crosby Brokerage Limited.

Formed in February 2007 following the successful stock transfer of homes away from North Lincolnshire Council, Ongo Homes Limited currently employs over 500 staff across the group dedicated to delivering our core vision and values.

All entities within Ongo have adopted the National Housing Federation (NHF) Code of Governance (2020 edition). This code ensures there are structures, systems, and processes in place to deliver the agreed aims, objectives, and intended outcomes for our customers in an effective, transparent, and accountable way.

For us to meet these requirements, the Group must establish and maintain clear roles, responsibilities, and accountabilities for the Board, Chair and Chief Executive, and report such arrangements annually to the Regulator for Social Housing as the government's regulatory body for social housing providers.

It is Ongo Homes' job to provide homes and services which offer value for money (VFM) for our tenants and customers. Each year we update our tenants and customers on our performance by publishing our Value for Money Statement on our website, within our Annual Statutory Accounts, and within our Annual Report.

This statement includes details of our performance and costs for the 2022/23 financial year, and how we compare with other similar organisations.

For this statement we have selected to compare ourselves against a peer group of 66 housing associations<sup>1</sup> which had a stock size of between 5,000 and 20,000 (we have approximately 10,000) and which are similar to Ongo and located in the Northeast, Northwest, or Yorkshire and Humber regions. These include the Bernicia Group, Believe Housing, Beyond Housing, Broadacres Housing, Lincolnshire Housing Partnership, Living Homes, South Yorkshire Housing, and Yorkshire Housing.

---

<sup>1</sup> A full list of the housing associations included within Ongo's peer benchmarking group is available from Ongo Homes on request.

# Ongo Homes

## Value for Money Statement For the year ended 31 March 2023

---

Throughout the course of the 2022/23 financial year, we have continued to focus our attentions on carbon reduction, sustainability, and our environmental impact as an organisation. As part of this, we have further developed the role of our Carbon Reduction and Sustainability Manager and have continued to incorporate more environmental assessments and due diligence into our procurement processes. As part of this focus, Ongo applied for Wave2 carbon reduction funding and completed an assessment process for the SHIFT environmental accreditation scheme. Unfortunately, our bid for the Wave2 funding was unsuccessful due to many of our properties already having a high standard of energy efficiency due to our past and ongoing investment into the fabric of our buildings.

Throughout much of the course of the 22/23 financial year, Ongo have seen a significant increase in the rise of issues caused by Damp and Mould (D&M). D&M has been a significant issue across the entire Housing sector with increased media focus due to the tragic, and preventable, deaths of several people nationally, including children. As a result of this, Ongo have invested heavily in our D&M detection, treatment, and prevention services including recruiting additional trades staff dedicated to delivering D&M works, engaging with specialist contractors for D&M treatment and remedy works, and appointing an internal D&M co-ordinator role to manage cases, actions, and any complaints received.

### Our Corporate Plan

Ongo is a partnership of companies with one shared vision, “to create and sustain truly vibrant communities.”

In 2018/19, we published our corporate plan which focussed on three key objectives: being a great landlord; providing quality homes; and creating opportunities for people and communities to thrive.

The plan was developed through extensive consultation with tenants, employees, and partners.

Under each objective we have developed several indicators which will drive the activity needed to achieve our aims.

We understand that getting the best value we can from our services and homes means we can invest more in creating opportunities for people in areas such as jobs, training, and neighbourhood services – things our tenants told us are important to them during the most recent corporate planning consultation.

Underpinning everything we do at Ongo are our values, these guide the way we work:

- **Partnership**
- **Drive**
- **Responsibility**

What really makes us different is how we go beyond just being a landlord.

We believe in providing opportunities, as well as homes, and working in true partnership with our tenants, customers, and business partners to make lasting change.

Our vision is to create and sustain truly vibrant communities, and to achieve this, we have three simple aims.

- **Be a great landlord**
  - By... Involving tenants in our decision making.
  - Providing excellent services to tenants.
  - Running an efficient landlord service.
- **Offer quality homes**
  - By... Enhancing our environments to make them places people want to live in.
  - Investing in our existing homes so they meet future demand.
  - Building new homes to help address housing need.

# Ongo Homes

## Value for Money Statement For the year ended 31 March 2023

---

- **Create opportunities**

- By... Increasing the employment potential of people in our communities.
- Raising the aspirations of young people in our communities.
- Investing £1million each year in programmes which improve communities.

### **One Ongo**

In June 2020, we introduced the One Ongo Strategy, with the intention of creating one team across Ongo through which every single person can work together, contributing to achieving our Corporate Objectives.

This strategy brings with it a shift in mind set for some. Many Ongo teams work well in delivering their own piece of the jigsaw but 'One Ongo' is about everyone working together as one team to deliver one goal. It is about making life simple and easy whilst removing barriers and non-value activities.

Ongo are presently reassessing our Corporate Plan which is currently at the engagement and consultation stage. Our new Plan, and therefore our new corporate objectives will go live from 1 April 2024.

### **The switch to digital**

It will be obvious from the tables and graphs included within the following sections of this report that over the last couple of years, Ongo have experienced a significant drop in overall customer satisfaction compared to the previous financial years. The main reason for this decline may be attributed to us switching to a digital only delivery model for our STAR customer surveys from the start of the 21/22 financial year. The digital only model replaced the more traditional 'telephone survey' methodology through which we used to obtain our customer feedback.

It is supported and acknowledged by Housemark that following the introduction of digital methodology, and the subsequent use of SMS and email for the gathering of tenant feedback, providers are likely to see an approximate 15% drop in overall satisfaction scores for both transactional and perception surveys. This is due to the digital platforms allowing us to reach a significantly larger audience than the traditional methods and the anonymity the digital platforms give to the individuals completing the survey responses. This empowers people to be more honest and direct with their feedback and assessments of the provider.

By using the digital platform, Ongo have been able to reach out to a larger customer base with 108,495 contacts made in 2022/23 through a combination of SMS text messaging and email for both perception and transactional surveys. Ongo have had an overall engagement rate of 22%, where customers have started or successfully completed the surveys.

### **Corporate plan objective: Be a great landlord**

To be a great landlord, we will provide excellent services to tenants, run an efficient landlord service, and involve tenants in our decision making.

In our drive to be a great landlord, we have been putting a greater emphasis on changes we can make to improve our services. Over the last year this has included a greater focus on our self-help digital tools (my home) a new digital end-to-end tenancy sign up process, removing the need for paper, as well as the introduction of a new customer resolution team to resolve tenant queries at first contact. We are also looking over the next few months to bring all our landlord functions together to create wider efficiencies across the team.

Below are our VFM metrics against which we measure our performance in delivering a great landlord service. We have compared these with the median scores achieved by those housing associations that reported into HouseMark in 2021/22, which is the latest available comparison data.

# Ongo Homes

## Value for Money Statement For the year ended 31 March 2023

Ongo switched to digital ONLY methodology to obtain customer feedback from April 2021. Inside Housing published an article on 06.06.23 stating those who measure TSMs solely online experienced a heavy negative bias in satisfaction scores. Jonathan Cox, Director of Data at Housemark was also quoted as saying, “collection method has a big impact, with online surveys in particular carrying a heavy negative survey bias, around 15 percentage points”. This applies to all customer satisfaction measures referred to in this document for 2021/22 and 2022/23

Internal performance measures: Be a great landlord						
Indicator	2019/20 actual	2020/21 actual	2021/22 actual	2021/22 sector median <sup>2</sup>	2022/23 actual	2022/23 corporate plan target
% of tenants satisfied with overall landlord services	90.7%	92.5%	74.0%	79.0%	68.0%	No internal target available for 22/23
% of tenants satisfied views are listened to and acted upon	85.8%	88.6%	58.0%	64.0%	60.0%	No internal target available for 22/23
% of tenants satisfied their rent offers value for money	92.4%	94.7%	81.0%	84.7%	76.0%	No internal target available for 22/23
% of tenants satisfied with our repairs service <sup>3</sup>	87.20%	81.50%	86.07%	73.40%	65.00%	No internal target available for 22/23
% of tenants who received a repair in the last 12 months who report they are satisfied with the overall repairs service (TSM) <sup>4</sup>	-	88.0%	76.0%	79.5%	74.0%	No internal target available for 22/23
Current tenant arrears as % of debit (exc. housing benefit)	1.79%	1.62%	1.41%	4.61%	1.57%	2.00%
% of rent loss from lettable empty homes	1.30%	1.12%	1.17%	1.46%	0.97%	1.10%

Our performance against the sector median:

N.B Please note that benchmarking data is not available for 2022/23 at the time of writing.

<sup>2</sup> 2021/22 Sector Median Data is the most recent data available at the time of writing. No sector median data is available for the 2022/23 financial year.

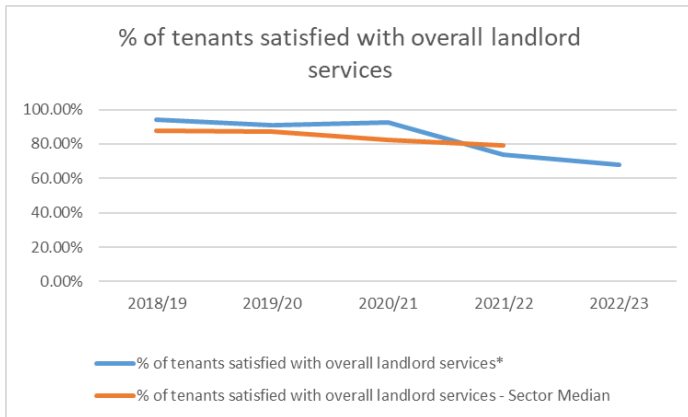
<sup>3</sup> This metric will not be included within our internal performance measures for 2023-24 TSMs.

<sup>4</sup> New metric added in 20/21. One of the Regulator of Social Housing (RSH) Tenant Satisfaction Measures (TSM).

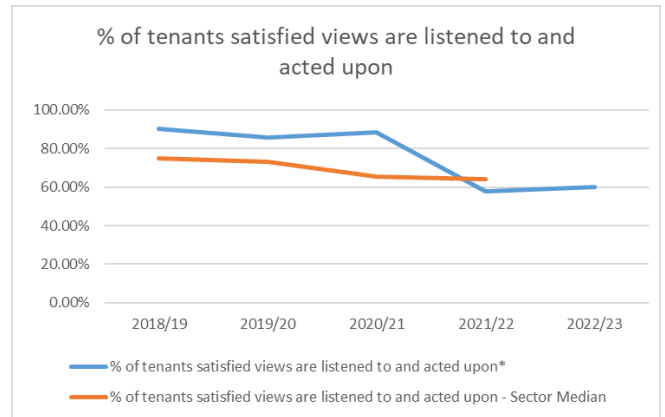
# Ongo Homes

## Value for Money Statement For the year ended 31 March 2023

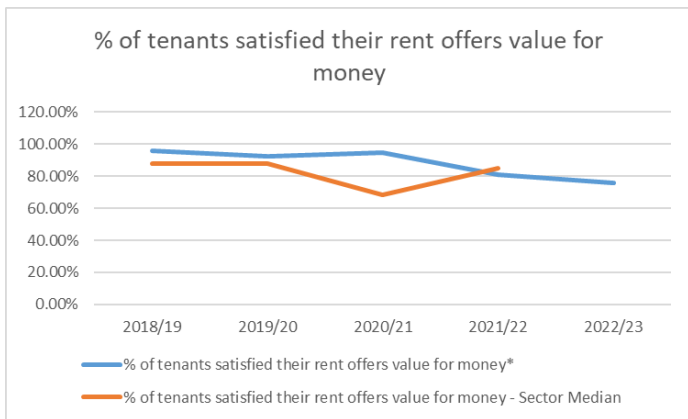
**Graph 1**



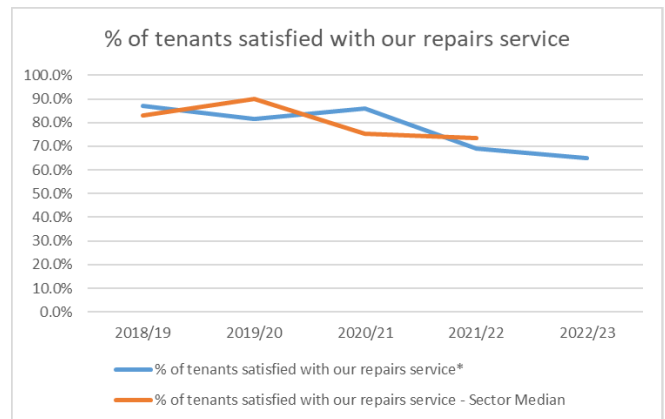
**Graph 2**



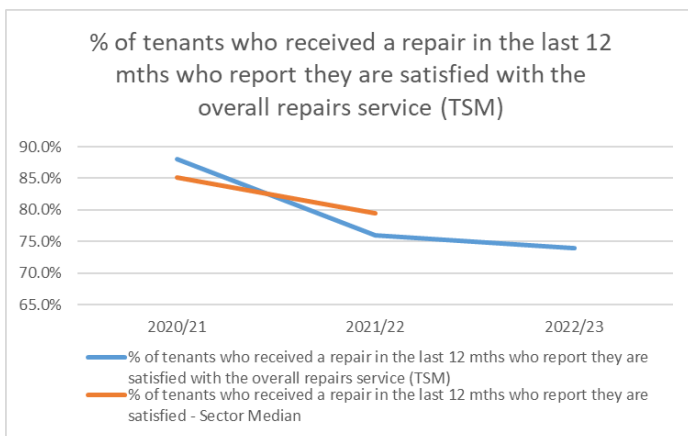
**Graph 3**



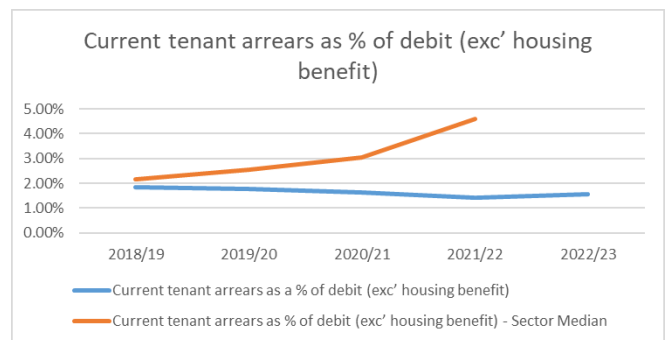
**Graph 4**



**Graph 5**



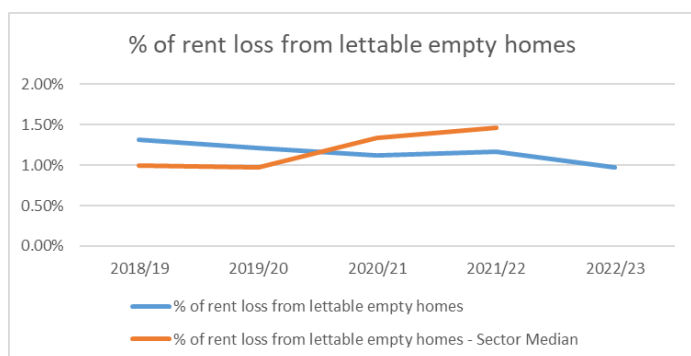
**Graph 6**



# Ongo Homes

## Value for Money Statement For the year ended 31 March 2023

Graph 7



### **Graph 1 – Percentage of Tenants Satisfied with the Overall Landlord Services**

Graph 1 above indicates that we have suffered a further decline (-6%) in our customer satisfaction from 2021/22 to 2022/23. We previously saw a significant drop in Customer Satisfaction in 2021/22 (-18%) following the introduction of digital customer satisfaction surveys, however this further reduction would suggest that Ongo still have a lot of work to do to restore customer satisfaction back to previous levels.

The drop seen in customer satisfaction fits with the pattern we have seen elsewhere across our business with an increased number of customer complaints and reports made to the Ombudsman. To counter this negativity, Ongo have invested heavily into their repairs and maintenance team over the last 12 months, increasing trade personnel by 15 staff, and engaging with several new external contractors to assist with our service delivery. As a result of this investment, Ongo expect to see an improvement to this metric within the forthcoming years.

### **Graph 2 - Percentage of tenants satisfied that their views are listened to and acted upon**

Graph 2 shows that there has been a slight increase in the number of tenants who believe their views are being listened to and acted upon. Although only minor, this does show that our performance has not decreased further since the significant drop in performance we saw last year due to the switch to digital.

Many of the complaints we received from customers are centred on our repairs service. This was primarily because of communication and not listening to them, with the number of days being taken to carry out a repair a particular concern. We engaged our Resident Scrutiny Panel to carry out a review of the average number of days taken and they came back with some excellent actions and thoughts for us to consider, including the investment we have made in resources. This investment is expected to have a positive impact on this metric over the forthcoming years.

### **Graph 3 – Percentage of tenants satisfied their rent offers value for money**

Graphs 3 above also shows that there has been a further decrease to the number of tenants who believe their rent offers Value for Money (VFM). However, the decline over the last 12 months is significantly less than the decline seen for the 21/22 financial year (-5%), which does indicate that we are stable. The pattern of decline fits with the pattern seen for other metrics and fits with the trend of increased complaints received which primarily relate to the delivery of our maintenance services. It is expected that the investments we have made to our repairs and maintenance team over the last 12 months will also have a positive impact on this metric over the forthcoming years.



# Ongo Homes

## Value for Money Statement For the year ended 31 March 2023

---

### **Graph 4 – Percentage of tenants satisfied with our repairs service**

and

### **Graph 5 – Percentage of tenants who received a repair in the last 12 months who report they are satisfied with the overall repairs service (TSM)**

Graphs 4 and 5 indicate that Ongo have seen a further decline in customer satisfaction relating to the standard of the repairs service delivered. However, the trend with both metrics coincides with the pattern for other metric declines that Ongo have seen over the last 12 months with the increase of complaints received and negative reports etc. It is expected that the investments which we have made to our repairs and maintenance team over the last 12 months will have a positive impact on this metric over the forthcoming years.

Graph 4, the metric for 'the percentage of tenants satisfied with our repairs service' will be superseded for the 23/24 VFM statement and replaced solely by the Graph 5 metric for 'the percentage of tenants who received a repair in the last 12 months who report they are satisfied with the overall repairs service'. This metric was introduced in 20/21 as part of the RSH Tenancy Satisfaction Measures (TSM). This is the first year that Ongo have reported against this metric.

Our in-house maintenance team carried out 31,853 jobs in 2022/23 with around 28.5% of those being emergency / urgent repairs.

As stated previously in the 2021/22 VFM statement, it was our objective during the 2022/23 financial year to re-balance the ratio of emergency/urgent jobs versus standard jobs back to a 30/70% split from 38% in 2020/21.

In 2022 our Resident Scrutiny Panel undertook a review of the number of days taken to complete standard repair jobs and the information and recommendations in their report have now been implemented. Improvements implemented since publication of the report include the increase in resources and the way we manage contractors amongst other things. The latest figure of 28.5% for emergency / urgent works, suggests that the measures taken have been successful in helping to achieve this target.

### **Graph 6 - Current tenant arrears as percentage of debit (exc. housing benefit)**

Graph 6 indicates that Ongo have also incurred a slight 'negative' increase in the financial measures of our 'current tenant arrears as a percentage of debit' from 2021/22 to 2022/23. Our performance around tenant arrears has previously been strong and although we have seen a minor increase of just 0.16% for the 22/23 financial year, we are still significantly below our own target, and significantly lower than the peer group median. The increase in arrears has been influenced by the cost-of-living crisis experienced nationally, and the subsequent rise in costs and increased debt for many of our customers.

In 2018 we started to implement a threefold strategy to reduce our arrears, which has seen a gradual incremental adaptation from 2019/20 through to 2022/23. The benefits of our revised strategy have been recognised and the trend of reduced arrears since 2018, as seen in graph 6, presents a clear indication of its success.

The first element of our threefold strategy was to implement a rent first culture with an expectation for tenants to always have credit positions on accounts, mitigating the risks from Universal Credit (UC) 6-week lead-ins and legacy claimant's transfers, whilst also reducing technical arrears carried at different points throughout payment frequencies.

The second element of our strategy was to change the tenant conversation and we shifted from a procedure written to adhere to the pre-court protocol, ending in eviction, to a process that focuses on the sustainability

# Ongo Homes

## Value for Money Statement For the year ended 31 March 2023

---

of tenancies, identifying the root cause of arrears and dealing with that. We have moved away from a parental 'you must, or we will' approach, to a coaching and engaging approach that creates a customer desire to engage, rather than avoid.

The third element of our revised strategy was to use technology and data to identify algorithms and transform the service from a reactive one dealing with arrears to a proactive one preventing arrears from happening in the first place.

This threefold approach together with our early measures to track and mitigate the impact of Universal Credit (UC), our full detailed work at point of claim for UC claimants giving us the lowest UC average arrears in the sector, and our conversations to overcome barriers to engagement have previously led to the continual reduction in arrears presented in this VFM Statement.

The recent 'Financial Crisis' experienced across the country has presented its own problems with our internal algorithms identifying a potential impact that could have resulted in an increase in arrears exceeding 2%. As a result, we created a companywide Financial Crisis action group, to track and mitigate emerging risks focusing on three key areas: the impact on customers, the impact on the organisation, and the impact on colleagues. The group was made up of decision makers from across the business able to make changes and respond quickly to any emerging risks quickly and efficiently.

As a result of risks identified by the group, our Board agreed to put in place a £125k hardship fund which could be used to assist tenants suffering financial hardship. The fund was used throughout the last 12 months alongside access to other external funds to ensure our customers were fully supported as much as possible.

As part our approach to managing the impact of the Financial Crisis on tenants we have: implemented a partnership working program with the Citizens Advice Bureau (CAB) to fund a Debt and benefit advisor role which generated an additional £410k Income for our customers; issued £32,026 in Food vouchers in addition to partnership working with local foodbanks; issued £8,891 worth of support bundles to customers; issued £7,766 in fuel vouchers in addition to accessing grants and joint working with CAB around fuel poverty; issued £44,913 in rent credits to assist customers with financial strains that otherwise could have led to them getting into arrears, helping them to overcome financial difficulties and maintain priority bills until we could work with them to improve long term financial positions; and we gifted £12,577 worth of household items to assist people with unexpected bills and to help prevent debt. The approach has been successful in terms of mitigating the impact on our customers and allowed us to maintain exceptional performance through a period that has seen a much more significant impact across the sector.

### **Graph 7 – Percentage of rent loss from lettable empty homes**

Graph 7 indicates that the percentage of rent lost from empty lettable homes has decreased from 1.17% in 2021/22 to 0.97% for 2022/23. This is the first time our rent loss from empty homes has been less than 1%. This achievement can be credited to the hard work of, and the investments made to, our voids and empty homes teams. We have massively increased the resources for this team over the last 2 years to help us catch up on the back log of empty homes we incurred due to delayed, cancelled, and the slow delivery of works over the Covid pandemic. We had previously seen an increase to the rent lost from lettable empty homes from the 2020/21 financial year to the 2021/22 year, so for us to now see such a significant drop is a real positive.

The investment in both internal and contractor resource in 2022/23 and the embedding of the new working practises and procedures, has seen a steady reduction towards the 25-day target which was recorded as being at 33 days in March 2023. The process to identify work in the properties at the earliest possible opportunity continues to be a real positive in the quest to achieve the targets set out.

# Ongo Homes

## Value for Money Statement For the year ended 31 March 2023

In addition, we have also undertaken a review of the lettings policy to introduce more flexibility in how we let our homes. This should make it easier to access our homes and reach an unmet audience. The review resulted in the development of our own advertising platform, 'My Move' which will be used to advertise and let up to 50% of our available homes outside of choice-based lettings, thereby creating an easier and more flexible approach. Coupled with the development of a digital sign-up process which allows customers to self-serve 24 hours a day, 365 days a year, outside of normal business hours, applicants and potential tenants now have the facility to upload their own documents, complete all lettings checks online (self-service), and track the status of their application and property.

### Corporate plan objective: Offer quality homes

For us to be able to 'offer quality homes,' we need to understand how satisfied our tenants and customers are with the quality of their home and with the standard of their neighbourhood.

We will always seek to enhance our environments to make them places people want to live in, invest in our existing homes so they meet future demand, and build new homes to help address local housing need.

A total of 99 new homes were completed in 2022/23 with a further 111 committed to and under contract at the end of March 2023.

One shared ownership property was sold (first tranche) during 2022/23 generating £138k of income and a profit of £63k after our costs were deducted. A further £214k was received relating to the staircasing of two shared ownership properties generating profit of £139k after costs.

46 properties are currently being let on a rent-to-buy basis.

Below are our VFM metrics against which we measure our performance in delivering a great landlord service. We have compared these with the median scores achieved by those housing associations that reported into HouseMark in 2021/22, which is the latest available comparison data.

Our targets are the minimum level of service we plan to achieve. Our aim is to exceed these targets as much as we are able, based on the availability of external funding and partnership opportunities year on year.

Internal performance measures: Offer quality homes						
Indicator	2019/20 actual	2020/21 actual	2021/22 actual	2021/22 sector median <sup>5</sup>	2022/23 actual	2022/23 Corp plan target
% of tenants satisfied with their neighbourhood as a place to live <sup>6</sup>	84.2%	87.3%	73.0%	81.0%	75.0%	No internal target available for 22/23
% of tenants satisfied with the quality of their home <sup>7</sup>	91.6%	92.07%	77.0%	78.0%	76.00%	No internal target available for 22/23

<sup>5</sup> 2021/22 sector median data is the most recent data available at the time of writing. No sector median data was yet available for the 2022/23 financial year.

<sup>6</sup> This PI will be replaced in 2023-24 with the new TSM TP11, “% of tenants satisfied that Ongo makes a positive contribution to neighbourhoods”.

<sup>7</sup> This PI will be replaced in 2023-24 with the new TSM TP04, “% of tenants satisfied that Ongo provides a home which is well maintained”.

# Ongo Homes

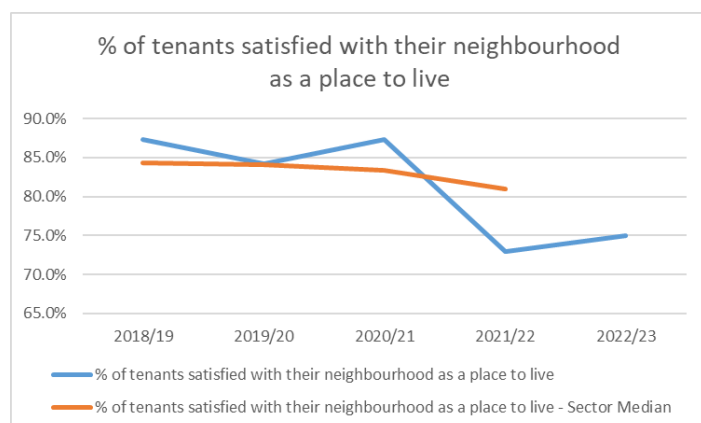
## Value for Money Statement For the year ended 31 March 2023

Internal performance measures: Offer quality homes						
Indicator	2019/20 actual	2020/21 actual	2021/22 actual	2021/22 sector median <sup>5</sup>	2022/23 actual	2022/23 Corp plan target
% of tenants likely to recommend Ongo Homes to family or friends	63.8%	64.4%	21.0%	34.0%	14.0%	No internal target available for 22/23
Investment into existing housing stock	£4,809k	£5,945k	£6,085k	N/A	£6,230k	£143m over 10yrs
Number of new build homes delivered	134	179	213	N/A	99	225

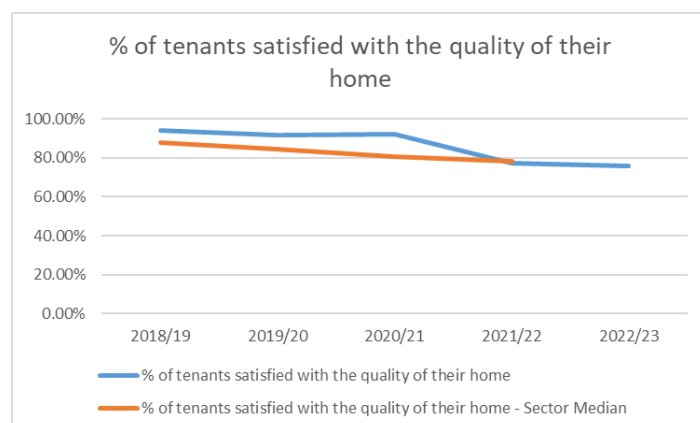
Our performance against the sector median:

N.B. Please note that benchmarking data is not available for 2022/23 at the time of writing.

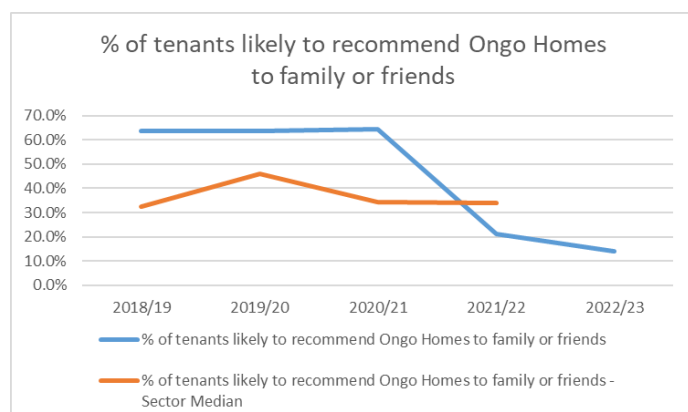
**Graph 8**



**Graph 9**



**Graph 10**



# Ongo Homes

## Value for Money Statement For the year ended 31 March 2023

---

### **Graph 8 - Percentage of tenants satisfied with their neighbourhood as a place to live**

Graph 8 above indicates that we have seen a positive increase to the number of tenants who are satisfied with their neighbourhood as a place to live. This demonstrates the positive impact made by Ongo's investments within our communities over the last couple of years.

Previously, our tenant satisfaction with this metric decreased from 87.27% in 2020/21 to 73.00% in 2021/22. This was partly considered to be an exaggerated decrease impacted by the switch from telephone surveys to digital. However, Ongo have introduced several measures throughout the 2021/22 and 2022/23 financial years, to try and remedy this drop in performance. Our Neighbourhood Services team conduct tasks and services to improve our neighbourhoods, ranging from the cleaning of our internal and external communal areas to improving neighbourhoods through carrying out small and medium environmental works identified through various means, including our tenants. We have seen a significant increase in the work conducted to enhance our neighbourhoods, over and above the normal day to day activities, and this has proven to be seen as a real positive by our tenants living in this area.

The introduction of the new Neighbourhood Standard, following consultation with our tenants has clearly defined the framework for the service provision and gives a clear picture of what our tenants should expect from the service.

### **Graph 9 - Percentage of tenants satisfied with the quality of their home**

Graph 9 indicates that the number of tenants who are satisfied with the quality of their home has again remained consistent over the last few years. Aside from the drop seen in 2021/22 which is credited to the switch to digital surveys, the trend of this metric has remained stable.

In 2021/22, and continued across 2022/23, Ongo's Empty Homes and Lettings team introduced a revised lettable standard following a review by our resident scrutiny panel. The actions from the review have been put in place throughout the past 2 years, and previously the team have seen a progressive decrease in the number of empty properties over this period. However, unfortunately in the last few months we have seen an increase the number of empty properties we have. The number of empty homes at the end of 2022/23 increased by 31 to a total number of 144. This increase may be contributed to by several varied factors including an influx of new developments at year end, an increased number of property decants due to damp and mould issues, or properties taking longer to 'let' due to the ongoing cost-of-living crisis. In addition, we have also seen a significant increase in the number of high priority applicants which take longer to allocate due to requiring multi-agency partnership working.

Ongo's Investment team follow a planned programme which varies year on year. As the agreed programme of works fluctuates, then variations in the levels of expenditure for this area are anticipated year on year. Our asset management system enables us to better plan programmes based on the available data. The implementation of additional modules to this system, together with the constant cleansing of data has meant that the development and utilisation of this new system has progressed well. Having an asset management system covering all areas of property investment including areas such as elemental data is fundamental in ensuring the organisation manages and invests in its properties in a way that continues to represent VFM. It also gives us robust information to determine our short, medium, and long-term plans for the investment related to our net zero targets set out in the carbon reduction action plan.

To support the collection of data, Ongo employ a dedicated internal stock surveying team responsible for conducting surveys on a rolling five-year cycle.

In October 2022 we appointed a new primary contractor dedicated to delivering our internal property improvement works, replacing and installing kitchens, bathrooms, and conducting electrical rewires. During the 2022/23 financial year we carried out the renewal of over 200 kitchens, installed approximately 80

# Ongo Homes

## Value for Money Statement For the year ended 31 March 2023

---

bathrooms, and carried out a total of 50 electrical re-wires. We also renewed all the fire doors in one of our high-rise buildings and conducted an extensive renewal of the heating system in Lincoln Court, one of our retirement living schemes.

### **Graph 10 - Percentage of tenants likely to recommend Ongo Homes to family or friends**

Graph 10 above indicates that we have seen a further significant decrease in the percentage of tenants who are likely to recommend Ongo to family or friends.

Performance for this measure has dropped from 64.43% in 2020/21 to 21.00% in 2021/22. This year, the metric has seen a further decrease of 7 points to just 14%.

Whilst these results are concerning, as described previously, we have instigated some major changes to the service areas that could play a part in this result, i.e. increased resources for and improvements made to our Repairs and Maintenance team, our Empty Homes team, and our Lettings team.

We have also introduced new standards associated with the Empty Homes/Letting service and the Neighbourhood Services team, with significant input from our tenants in both, whilst also asking our resident scrutiny panel to review specific elements of the service areas.

This metric is no longer included in the RSH Tenancy Satisfaction Measures and will therefore not be included in future reporting. However, the measures that we have already taken to improve the standard of our repairs and maintenance service should have a positive impact on overall tenant satisfaction.

### **Corporate plan objective: Create Opportunities**

The more efficient our business is, the more resources we will have to invest in making a real difference to people's lives and futures by creating new opportunities for them. We plan to increase the employment potential of tenants, raise the aspirations of young people, and invest £1m each year in programmes which improve our communities.

The £1m invested during the year ended 31 March 2023 was made to Ongo Communities Limited, part of the Ongo Group of companies and a registered charity delivering programmes of work that provide a social return.

The funding received by Ongo Communities was used to create opportunities to engage customers. Initiatives such as breakfast chat groups, confidence building courses, CV development workshops, plus a range of other activities that were run during the 2022/23 financial year to create a positive outcome for our customers and tenants.

By providing our customers with important 'life' skills such as how to cook a healthy meal at home, or how to manage the household budget, we can help them generate a sense of achievement. By also assisting them with getting a job, finding work, or simply obtaining a training certificate, we can help to promote self-worth and break the cycle of disengagement.

The impact of the Coronavirus pandemic and the high number of our tenants who now 'live in fear of Covid' makes it even more important that we engage with and encourage customers to get involved in activities and become a part of their communities again.

Using the HACT (Housing Associations' Charitable Trust) model, we calculate that for every £1 Ongo Communities invested in community projects, we generated £15.54 worth of value in return. This is an increase on the previous year (£14.44) as approximately 400 more customers have engaged with the range

# Ongo Homes

## Value for Money Statement For the year ended 31 March 2023

of services we provide this year, increasing the score for building confidence that helps individuals to be able to move forward in their lives. More detail on our Social Return on Investment (SROI) for 2022/23 is displayed later in this statement.

The amount of social return by Ongo Communities is attributed to the £1m funds from Ongo Homes plus an additional £470k won through grants and other income received by the charity from several external funders. The excellent outcomes achieved by our teams has meant continuation grants have been awarded on three existing employment support programmes for up to three years, plus a new fund called 'Multiply' from the UK government to support local people to improve their maths.

Raising the aspirations of young people is a key target and we are pleased to report that we have provided one-to-one mentoring to 118 people and appointed 39 onto new apprenticeships.

Our internal budget made up of the contribution from Ongo Homes (£1.05m) and the external grants (£470k) have helped to fund employment support activities and other areas. The combined funds have allowed us to work with 1289 people throughout 2022/23. The skilled staff and facilities in the Arc have enabled us to engage with people on the Westcliff estate, including some people who are disengaged and furthest from the labour market who we are supporting long term to help improve their lives.

Below are our VFM metrics against which we measure our performance, through Ongo Homes funding of Ongo Communities, in *creating opportunities*. As these are unique to Ongo there is no comparable data recorded.

Internal performance measures: Create opportunities					
Indicator	2019/20 actual	2020/21 actual	2021/22 Actual	2022/23 actual	2022/23 Corp plan target
Number of people accessing employment support via Ongo Journey to Work	721	780	888	1289	700
Number of people gaining sustainable employment	188	162	217	125	180
Number of young people engaged in one-to-one mentoring	128	112	116	118	100
Number of new apprenticeships	50	27	35	39	36
Total invested into community/creating opportunities projects	£1.00m	£1.02m	£1.03m	£1.05m	£1.05m

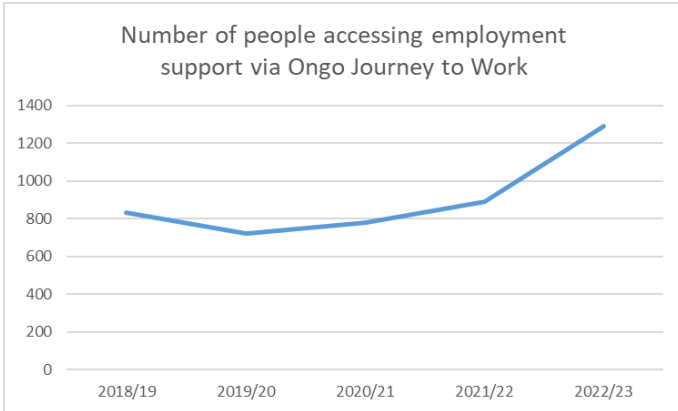
# Ongo Homes

## Value for Money Statement For the year ended 31 March 2023

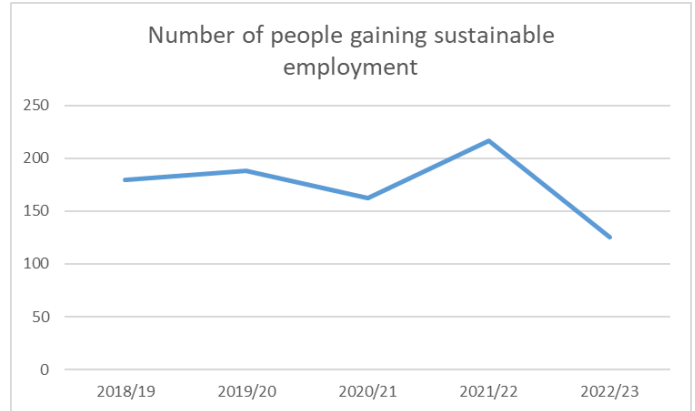
Our performance against the sector median:

N.B. Please note that benchmarking data is not available for 2022/23 at the time of writing.

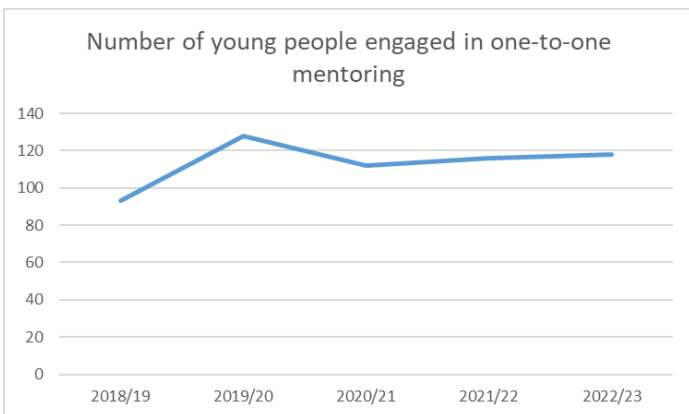
**Graph 11**



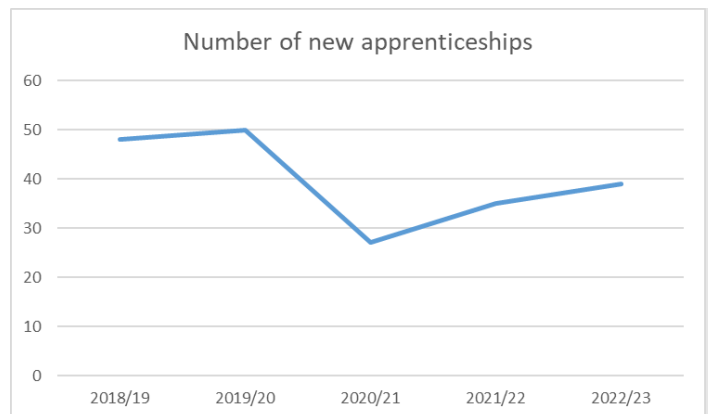
**Graph 12**



**Graph 13**



**Graph 14**



**Graph 15**





# Ongo Homes

## Value for Money Statement For the year ended 31 March 2023

---

### **Graph 11 - Number of people accessing employment support via Ongo Journey to Work**

Graph 11 above clearly demonstrates an increase in performance against the previous year. The number of people who have engaged with us for employment support has increased due to the excellent range of projects and programmes available for our customers. Engagement has vastly improved post-Covid as we continue to change the way we engage with our customers by offering a mix of face to face and telephone support and a digital only programme for customers in rural areas and those who cannot easily access our premises. We have offered a safe warm space for people to access help during the cost-of-living crisis, including food, hot drinks and access to the Internet enabling us to offer further support and opportunities through our projects.

### **Graph 12 - Number of people gaining sustainable employment**

Graph 12 indicates that we have seen a decline in the number of people gaining sustainable employment through Ongo. This is due to the team working with customers furthest from the labour market who require more intense support over a longer period which reduces the number of job outcomes.

### **Graph 13 - Number of young people engaged in one-to-one mentoring**

Graph 13 above clearly demonstrate a consistent performance over the last 3 years. The number of young people who have engaged with us through one-to-one mentoring has been successful due to the relationships the youth mentors have built with individuals and with local schools plus the youth club sessions that are delivered weekly on two of our most disadvantaged estates.

### **Graph 14 - Number of new apprenticeships**

The target for apprenticeships has been overachieved again this year with young and older apprentices taking on the roles available. We have 13 internal Ongo apprenticeships across the business and work with SMEs to employ apprentices on their behalf in a wide range of companies including medical, transport, construction, and accountancy.

### **Graph 15 - Total invested into community/creating opportunities projects**

Graph 15 also demonstrates the continued positive impact of work we do, demonstrating an increase in the amount of money Ongo Homes have invested in creating opportunities and community projects during the 2022/23 financial year.

With our current corporate plan, and a renewed focus on creating more opportunities, we will continue with our Westcliff Development Plan, bringing together the building of new homes and increased community and neighbourhood activities to further improve an important part of Scunthorpe.

In addition our in-house social enterprise Ongo Recruitment has re-invested its £100k surplus to support the creation of a new team, the Skills and Personal Development team which comprises of mental health specialists, life coaches and employment coaches with the aim of continuing to be person centred, coaching 500 individuals per year, focusing on our tenants and their families, to develop the skills they need to move forward in their lives and achieve their aspirations and ambitions.

### **Delivering value**

Integral to delivering our plan is knowing we are doing so in a way which offers us the best value for money.

For us, delivering VFM is understanding the relationship between four things:

- Economy – the price we pay for providing a service.
- Efficiency – how much we get for what we pay.
- Effectiveness – the outcomes we achieve.

# Ongo Homes

## Value for Money Statement For the year ended 31 March 2023

---

- Sustainability – the impact we have on the environment and society.

To provide good value, we always seek to understand our assets, know our customers, track our markets, monitor our performance, and manage risk.

We must always demonstrate that we consider VFM across our whole business. Wherever we invest in non-social housing activity (such as through our commercial and subsidiary businesses), we must still ensure that the returns generated are proportionate to the risk involved and that VFM is still always considered.

Because we want to...

- Ensure we successfully achieve our corporate objectives.
- Ensure that we maximise the value of every £ spent.
- Ensure that we improve our levels of efficiency and the benefits we bring to others when intended.
- Ensure our approach is consistent and effective across the Ongo Group.
- Ensure all our decisions help us comply with any relevant guidance set out by regulatory bodies or legislation.

In embedding VFM across our group, we have set out the key principles which form the basis of our VFM framework. We will:

- Maximise our return on and protect and understand our assets.
- Consider VFM in everything we do and set targets to achieve it.
- Understand what customers want and deliver objectives to meet this.
- Be transparent and inclusive.
- Have effective governance and VFM structures.

### **Changes to the way we manage VFM**

The way Ongo manages VFM has changed over the past three years. This regulated aspect of our business now commands a significantly greater level of focus than ever before, and as such we have several practices in place to assist us with ensuring that we not only meet but exceed our regulatory expectations.

- **VFM Framework**

Ongo maintain a VFM framework which was revised in 2022 with input from two third party specialist consultancies. This framework replaced Ongo's previous model of policy and strategy and ensures compliance with the VFM Regulatory Standard and the accompanying Code of Practice. The purpose of the framework is to set out our strategic approach to VFM and provide guidance on how we identify, deliver, manage, and embed VFM across all aspects of the Group.

- **VFM Reports to Board**

VFM progress reports are presented to Ongo's Group Common Board (GCB) at least every six months, and then generally at least one more report is produced each year to propose the VFM savings targets and other documentation (e.g. VFM Framework, RSH VFM standard self-assessment etc.).

- **VFM Savings target**

Annually Ongo set a VFM savings target ahead of commencing the new financial year. The VFM savings target is based on actual forthcoming procurement projects scheduled for delivery over the course of the year. The figure is calculated by assessing which procurement contracts are due to expire and/or be re-procured over the course of the forthcoming year, combined with the 'none' procurement-based savings recorded during

# Ongo Homes

## Value for Money Statement For the year ended 31 March 2023

---

the previous financial year. These are typically made up of staffing changes, efficiency savings, and other similar gains, and together equate to approximately 50% of all savings recorded. Once calculated, the VFM savings target is presented to Ongo GCB for their approval ahead of being utilised as an operational target.

- **VFM Statement**

Annually, Ongo produces a VFM Statement. This document presents VFM performance against our value for money targets and any metrics set out by the regulator and demonstrates how our performance compares to that of our peers. The statement is presented within the annual statutory accounts to board in line with the requirements of the 2018 VFM Standard.

- **VFM Steering Group**

Ongo has an organisational wide cross cutting VFM Steering Group. Its purpose is to create a VFM culture across Ongo, oversee the delivery of the VFM Framework, and identify cost and efficiency gains that can be made from every day working practices. The steering group is made up of representatives from across the business who act as VFM champions.

- **VFM Action Plan**

Ongo's VFM action plan is monitored by the VFM Steering Group and shared with GCB for comment and challenge.

- **VFM Report It Button**

In 2021, Ongo introduced a VFM 'Report It' button on our intranet. This provides all individuals across the business with a platform to log VFM savings, or ideas and suggestions for potential VFM savings to the attention of their manager or head of service. People often have ideas about how to save money or improve the efficiency of a process but the 'Report It' button allows them to bring these suggestions into focus allowing them to be discussed and investigated further.

- **VFM Savings Register**

Ongo maintain a VFM Savings register against which all operational VFM gains are recorded. Performance of savings is tracked against the annual savings target and broken down by internal operational teams. The total annual savings figure is presented in the VFM statement each year.

- **VFM Training**

New board members and staff complete VFM eLearning as part of the induction process. Refresher training is also carried out, e.g. externally facilitated training to board members and managers, or the Procurement and VFM Manager delivering VFM refresher awareness training to teams across the business.

- **Team Meetings**

VFM has become a standard agenda item for all team meetings across all departments of our business. This is to aid with keeping VFM in focus, and to always ensure VFM is considered by all staff members and for all business functions and decisions, and to ensure that VFM is obtained from all transactions made across the Ongo Group.

- **Personal Development Reviews (PDR)**

VFM should now be a standard item on all individual staff members annual PDR's. This may just be a request for them to identify a single VFM saving or make a proposal for consideration, or it may be to achieve a minimum value of savings for their department or business area. But by having VFM considered by all staff on an operation level, means that it becomes part of the Ongo culture and not just a requirement we have to do to 'tick a box.'

# Ongo Homes

## Value for Money Statement For the year ended 31 March 2023

---

### Cash flow

We need to maintain and protect our financial strength if we are to deliver our corporate objectives. The Regulator of Social Housing judges us to be V1 compliant for financial viability.

Ongo Homes recorded a statutory surplus (before actuarial gains/losses and revaluation of investment properties) of £6,762k for the year, £264k adverse to budget. Net operating margin was 13.1%, against a budget of 19.5%. Rent payments from social housing account for 88.7% of income.

The bank balance at the year-end stood at £59,705k, which included the receipt in 2020/21 of the proceeds of bonds issued by bLEND to provide funding for the CBS's future development programme. To ensure funds are being fully utilised we manage cash requirements by use of short and long-term forecasting, which are regularly reviewed and updated where necessary. This ensures that funds held are used to support our tenants effectively, whether that is to invest in the houses in which they live or the communities within which they reside, building more quality homes, or any other areas where the Board or executive leadership team consider that funds should be directed. Assets are managed to ensure funds are held for a purpose. The bLEND funding was secured to enable Ongo Homes to carry out its long-term plans to build additional residential properties.

### The Value for Money Standard

In April 2018, the Regulator of Social Housing (RSH) published its new Value for Money Standard requiring all registered housing providers to:

- Clearly articulate their strategic objectives.
- Have an approach agreed by their board to achieving value for money in achieving these objectives and demonstrate their delivery of VFM to stakeholders.
- Through their strategic objectives, articulate their strategy for delivering homes that meet a range of needs.
- Ensure that optimal benefit is derived from resources and assets and optimise economy, efficiency, and effectiveness in the delivery of their strategic objectives.

Specifically, seven metrics were agreed as the most appropriate set of measures to capture performance across the sector in a fair and comparable way.

### Our comparative performance and future budget

Our benchmarking information is taken from HouseMark, Housing Quality Network and the Global Accounts, published by the Regulator of Social Housing in June 2022. The latest figures available at the time this statement was written were from 2021/22. Our comparisons are listed below:

# Ongo Homes

## Value for Money Statement For the year ended 31 March 2023

Metric 1	2021/2022						
	Global Accounts median	Benchmark group median	Sector scorecard median	Our actual 21/22	Our actual 22/23	Our budget 23/24	Business plan 24/25
<b>Reinvestment VFM theme:</b> outcomes delivered <b>Risk theme:</b> Effective asset management <b>Corporate objective:</b> Offering quality homes, creating opportunities	6.50%	7.80%	6.99%	9.07%	9.59%	18.60%	13.60%
<b>What is it telling us?</b>	<p>Reinvestment considers what we spend on new developments and improvements to existing properties as a percentage of our housing properties at cost.</p> <p>In our corporate plan we have made a commitment to tenants to reinvest in our existing homes and neighbourhoods. In 2022/23 we reinvested £6.2m in our current housing stock and £15.8m in the development of new homes. We are expecting to reinvest a further £20.9m in current stock and £68.5m in new development over the next two years, including £1.1m in decarbonisation works. These investments are in line with our corporate plan objectives, with new properties delivered through our development company, Ongo Developments Limited.</p> <p>We compare well against the sector and our peers, with the sector averaging 7.0% reinvestment in 2021/22 compared to our 9.1% in that year.</p>						

# Ongo Homes

## Value for Money Statement For the year ended 31 March 2023

Metric 2	2021/2022				Our actual 22/23	Our budget 23/24	Business plan 24/25
	Global Accounts median	Benchmark group median	Sector scorecard median	Our actual 21/22			
<b>2a. New supply (social)</b> <b>VFM theme:</b> development capacity <b>Risk theme:</b> development <b>Corporate objective:</b> Offering quality homes	1.40%	1.10%	1.62%	0.97%	0.94%	1.70%	2.16%
<b>2b. New supply (non-social)</b> <b>VFM theme:</b> development capacity <b>Risk theme:</b> development <b>Corporate objective:</b> Offering quality homes	0%	0%	0%	0%	0%	0%	0%
<b>What is it telling us?</b>	<p>New supply is the number of new housing units we have acquired or developed as a percentage of the total housing we own.</p> <p>During 2022/23 we delivered 99 new homes which is broadly consistent with 2021/22. Our development programme has a healthy building pipeline of schemes in progress and in the planning stages. We are increasing our development programme in the coming years and plan to deliver an average of 224 new homes per year over the next decade, with 417 of these coming in the next two years.</p>						

# Ongo Homes

## Value for Money Statement For the year ended 31 March 2023

Metric 3	2021/2022						
	Global Accounts median	Benchmark group median	Sector scorecard median	Our actual 21/22	Our actual 22/23	Our budget 23/24	Business plan 24/25
<b>Gearing</b> <b>VFM theme:</b> development capacity <b>Risk theme:</b> development <b>Corporate objective:</b> Offering quality homes	44.10%	43.30%	48.66%	16.61%	17.03%	24.94%	28.49%
<b>What is it telling us?</b>	<p>Gearing is the long and short-term borrowing as a percentage of the homes we own, at cost.</p> <p>Not only do we reinvest into our existing homes, but we have also described above how we are developing new homes too. Our development levels are comparable with others in our benchmarking group and the wider sector. As our development plans grow, we will require additional funding for these investments. This will impact our gearing performance.</p> <p>Currently our gearing is low compared to our peers and the sector averages due to sound financial management in the years since the housing stock was transferred to us in 2007, resulting in low levels of borrowing and prominent levels of cash held.</p> <p>However, as we borrow more and spend our cash balances to fund the development of new homes, as agreed in our corporate plan, gearing will increase.</p>						

# Ongo Homes

## Value for Money Statement For the year ended 31 March 2023

Metric 4	2021/2022				Our actual 22/23	Our budget 23/24	Business plan 24/25
	Global Accounts median	Benchmark group median	Sector scorecard median	Our actual 21/22			
<b>EBITDA MRI interest cover</b>  <b>VFM theme:</b> business health <b>Risk theme:</b> reduced income  <b>Corporate objective:</b> Be a great landlord	145.7%	140.5%	134.7%	256.8%	228.6%	232.1%	250.5%
<b>What is it telling us?</b>	<p>The EBITDA MRI measure demonstrates business health and our capacity to support borrowing costs.</p> <p>Our performance in this metric in recent years has been good and has continued to give us capacity to support further borrowing. A slightly modified version of EBITDA MRI also forms one of our key borrowing covenants and performance provides adequate headroom to this. Having agreed an additional £50m borrowing arrangement in 2020/21 (therefore increasing our interest costs), we have seen a reduction in this metric during 2021/22 and 2022/23. However, following the repayment of a £10m loan during 2022/23 interest costs have reduced and combined with the underlying financial performance of our business remaining strong, we expect to continue to compare well against our peers.</p>						



# Ongo Homes

## Value for Money Statement For the year ended 31 March 2023

Metric 5	2021/2022						
	Global Accounts median £	Benchmark group median £	Sector scorecard median £	Our actual 21/22 £	Our actual 22/23 £	Our budget 23/24 £	Business plan 24/25 £
<b>Headline social housing cost per unit</b>  <b>VFM theme:</b> operating efficiencies <b>Risk theme:</b> asset management  <b>Corporate objective:</b> Be a great landlord	4,150	3,806	3958	3,168	3,631	4,133	4,320
<b>What is it telling us?</b>	<p>This metric represents social housing costs divided by the number of social housing homes we own.</p> <p>In 2022/23 we saw our overall related costs increase. This was due to a combination of increased maintenance costs caused by additional works following the impact of the Coronavirus pandemic in 2020/21, an increase in all costs because of inflation and a rise in depreciation charge arising from our further investments in our property stock. These increased costs have been partially offset by an increased property base delivered by our investment programme, but still lead to an increase in cost per property.</p> <p>Our cost per property is comparable with our peers and the sector median.</p> <p>We have budgeted and planned for costs to rise in future years under inflationary pressure and from continuing investment in the business and have stress tested the business plan to ensure that this is within our financial capacity.</p> <p>In summary, we recognise we are operating efficiently because our costs continue to remain comparable with our peers. We are, however, planning to increase our spending to meet our commitments in the corporate plan.</p>						

# Ongo Homes

## Value for Money Statement For the year ended 31 March 2023

Metric 6	2021/2022				Our actual 22/23	Our budget 23/24	Business plan 24/25
	Global Accounts median	Benchmark group median	Sector scorecard median	Our actual 21/22			
<b>6a. Operating margin (SHL)</b> VFM theme: business health Risk theme: reduced income Corporate objective: Be a great landlord	23.3%	21.6%	24.0%	19.4%	11.8%	14.3%	17.8%
<b>6b. Operating margin (overall)</b> VFM theme: business health Risk theme: reduced income Corporate objective: Create opportunities	20.5%	20.0%	21.0%	21.0%	13.9%	15.4%	18.7%
<b>What is it telling us?</b>	<p>This measures the amount of surplus generated from turnover, first for social housing activities and then overall. It shows profitability before exceptional expenses are considered.</p> <p>As expected, our operating margin decreased in 2022/23, largely because of the increased activity in the year following a period of reduced activity in 2020/21 due to the Covid-19 lockdown combined with cost increases due to inflation.</p> <p>We expect our operating margins to improve during 2023/24 and further in 2024/25 as we benefit from a rise in income from more rental homes, recognise the effect of the 2023/24 rent settlement of 7% and continue to improve our efficiency. We will continue to deliver our corporate plan, particularly investing in communities and new homes whilst allowing for increased costs during a period of inflationary pressure.</p>						

# Ongo Homes

## Value for Money Statement For the year ended 31 March 2023

Metric 7	2021/2022				Our actual 22/23	Our budget 23/24	Business plan 24/25
	Global Accounts median	Benchmark group median	Sector scorecard median	Our actual 21/22			
<b>ROCE</b> VFM theme: asset management Risk theme: asset management Corporate objective: Be a great landlord	3.20%	3.50%	3.28%	4.30%	3.40%	3.50%	4.50%
<b>What is it telling us?</b>	ROCE stands for return on capital employed. It compares the operating surplus to total assets, less current liabilities and is a common measure in the commercial sector to assess the efficient investment of capital resources.  We have historically shown an elevated level of ROCE due to the low net value of assets. We have reasonable levels of cash balances, and our asset values are low due to no transfer value being included in our asset valuations. The measure declined during 2020/21 primarily because of the increase in assets due to the additional £50m funding secured and as expected we saw further falls in 2021/22 and 2022/23 in line with the reducing margin levels identified in metric 6 and our increasing capital base through our continuing investment programme. However, we compare well to the sector and expect this to continue to be the case even accounting for the planned changes brought about by our current corporate and business plans.						

# Ongo Homes

## Value for Money Statement For the year ended 31 March 2023

---

### Value for money savings

Each year we set a target for VFM savings and measure the efficiencies we have achieved through our VFM register, which is reported annually to board members.

For the 2022/23 financial year, the Ongo Group savings target was set at £869k. This was a theoretical target saving based on anticipated savings from procurement contracts due for renewal in the period, plus the average 'non-procurement' savings taken from across the previous couple of years.

The actual total savings recorded for the 12-month period from 1 April 2022 through to 31 March 2023 is £1.417m, with £777k regarded as 'cashable' gains, and £640k in 'non-cashable' gains.

Cashable savings are recorded when money is saved which can then be spent elsewhere, whereas non-cashable savings are made up of efficiency and time savings, external funding and/or external finance for our tenants, and other gains which are deemed to add value but do not give us money to spend on other services.

One of the main reasons that we have exceeded our annual VFM savings target for this financial year can be attributed to one major spend area: Ongo's housing management and income team. This team have recorded almost £600k in 'non-cashable' savings due to their work with obtaining investment of a hardship fund with the Citizens Advice Bureau (CAB) with many of our customers receiving additional payments and/or contributions to rent costs during the cost-of-living crisis because of our work done.

Our staff are encouraged to regularly seek and record all savings, regardless of value, and so large and small gains are recorded.

Showing how different teams contributed to this saving indicates the efforts we have gone to in order to embed a VFM culture across the organisation.

# Ongo Homes

## Value for Money Statement For the year ended 31 March 2023

A breakdown of the revenue savings across Ongo's different departments is provided below. These exclude all recurring savings for contracts in year 2 or more.

### Cashable Savings

Department	Cashable Savings 2022/23
Communities	£2,090
Human resources	£64,400
Finance	£95,568
Corporate Services	£42,539
Development	£316,334
PR and marketing	£350
Customer services	£5,528
ICT	£54,821
Maintenance	£40,004
Regeneration	£109,413
Neighbourhood Services	£45,405
<b>Ongo Homes Total</b>	<b>£776,452</b>

### Non-Cashable (Efficiency) Savings

Department	Non-Cashable Savings 2022/23
Finance	£14,427
Housing & Income	£595,440
Customer services	£30,184
<b>Ongo Homes Total</b>	<b>£640,051</b>

# Ongo Homes

## Value for Money Statement For the year ended 31 March 2023

In addition to the headline savings made by our housing and income team, other significant savings made over the course of the financial year include £310k saved on the capital costs of a main contractor appointment for one of our new development projects, and £100k saving recorded following the appointment of our internal improvement works (formerly Decent Homes) contractor achieved by competitively tendering the contract requirement.

### How we invest our savings

All the monies we save each year are reinvested into our communities. A proportion of the savings recorded will be invested into our extensive development program, thereby allowing us to build more homes, and the balance will be invested with our Ongo Communities team and will help to increase our social value and improve the lives of our customers and tenants.

In addition to making both cashable and non-cashable financial and efficiency gains, Ongo also generate social value returns on the investments we make. These gains are referred to as our Social Return on Investment (SROI) and are calculated in social value £'s gain against every £ spent. Our activity here is through our investment in Ongo Communities; all our calculations for social value gains are made using the HACT social bank calculator specifically designed for Housing Associations. <https://www.hact.org.uk/value-calculator>

Our SROI for 2022/23 has been calculated to be £15.54 for every £1 we have spent. This is slightly higher than the previous year (£14.44) as 400 more customers have engaged with the range of services we provide, increasing the score for confidence building that helps them to be able to move forward in their lives.

Activity	Overall budget spent	Overall social impact returned	Analysis of benefit	
			Budget: social impact	Net benefit
Ongo Communities	£1,625k	£25,251k	1: 15.54	£23,626k

### Reviewing our assets and liabilities

Assets, which are mainly housing stock, and liabilities, mostly made up of bank loans, are recorded in a register and regularly reviewed to make sure that when taking decisions or managing risks, it is done so with a clear understanding of our financial viability.

At the end of 2022/23, we had 10,273 homes in our portfolio. These included 89 homes classified as supported housing, 988 charged at affordable rent including 55 Rent to Buy, and 51 shared ownership properties.

During 2022/23, we sold a total of 62 properties including 39 right to buy sales and 23 right to acquire sales, and generated a total income in sales receipts £3,361k.

In 2020 Ongo Homes replaced their Asset Management Strategy with an Offering Quality Homes strategy. Our 'Offering Quality Homes' strategy 2020-2023 details key areas that have the greatest impact on the lives of people that live in our homes and neighbourhoods, namely:

- Enhancing our environments that make them places people want to live in.
- Investing in our existing homes so that they meet future demand.
- Building new homes to help address housing need.

# Ongo Homes

## Value for Money Statement For the year ended 31 March 2023

---

During 2022/23 Ongo have continued to operate in line with our 2021/22 asset management plan which sits under our Offering Quality Homes strategy. The plan intended to address the changing environment, and how the organisation needs to plan for it whilst still carrying on and trying to improve the traditional things that previous asset management strategies covered such as elemental replacement programmes (kitchens, bathrooms etc.), and effective and efficient repairs services. The Asset Management Plan lays out the actions needed to allow us to continue to invest intelligently in our assets; to continue to adhere to building legislation and regulatory standards; and progress with our carbon reduction plans; all whilst still ensuring value for money, still looking to improve through innovation and still meeting customer expectations and achieving elevated levels of satisfaction.

Our strategy for Offering Quality Homes also sets out our approach to understanding our assets by using several tools:

### **Asset and liability register**

An asset and liability register (ALR) is a key document that provides central access to all assets, liabilities, and governance arrangements. Access to this information supports a wider understanding of our financial position for decision making and risk management.

Compliance against the information held in the ALR is checked on a quarterly basis and the findings are reported to our Group Audit and Risk Committee.

### **Asset management system**

We have further implemented elements of the asset management system which continues to give us the ability to collect and maintain comprehensive stock data and will further enhance our management of decent homes investment, asset compliance, monitor the sustainability of our stock, cost forecasting, manage health and safety compliance, SAP ratings, energy efficiency and stock condition.

### **Sustainability Index**

Our Sustainability Index assesses the ongoing viability of properties and estates against several indicators, including cost, income projections, management activity, performance, and environmental information.

### **Net present value (NPV)**

Using information from the Sustainability Index, we calculate the NPV of properties before any major investment decisions are made. This includes where we should invest, disinvest, dispose, or convert properties.

### **Sustainability Working Group**

To ensure low demand stock is actively assessed by the organisation, this group, which includes representatives from across the business, meets to determine how we maximise the life of our assets.

### **External audits**

Asset management data is essential in informing the business plan and ensuring the business has enough financial resources to manage and maintain its assets to the necessary standards. To satisfy lenders, an annual stock valuation survey is carried out.

### **Keeping tenants updated**

We will update tenants on our progress in delivering our corporate objectives and how we offer value for money through our quarterly tenants' magazine, at monthly tenant meetings, in our next VFM statement and using our digital channels such as our website and social media.

# Ongo Homes

## Independent Auditor's Report to the Members of Ongo Homes for the year ended 31 March 2023

---

### Opinion

We have audited the financial statements of Ongo Homes (the "Association") for the year ended 31 March 2023 which comprise the balance sheet as at 31 March 2023; the statement of comprehensive income for the year then ended, the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Board with respect to going concern are described in the relevant sections of this report.

### Other information

The Board are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



# Ongo Homes

## Independent Auditor's Report to the Members of Ongo Homes for the year ended 31 March 2023

---

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- a satisfactory system of controls over transactions has not been maintained; or
- the Association has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of the Board**

As explained more fully in the Board's responsibilities statement set out on page 6, the Board are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Association and determined the most significant are the appropriate accounting standards in conformity with the requirements of the Companies Act 2006 and the Financial Services legislation;

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience, through discussion with the Board, and from inspection of the Association's board minutes and legal and regulatory correspondence. We discussed the policies and procedures regarding compliance with laws and regulations with the Chief Financial Officer;

We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur, by meeting with management from relevant parts of the business to understand where management considered there was a susceptibility to fraud. We also considered the potential for management to manage earnings and influence the perceptions of the financial statements.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and the timing of recognition of income.

# Ongo Homes

## Independent Auditor's Report to the Members of Ongo Homes for the year ended 31 March 2023

Audit procedures performed by the engagement team included:

- Evaluation of the design of controls established to address the risks related to material irregularities in the financial statements; Testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to non-routine transactions.
- Evaluation of income recognition policies and any judgements made around income recognition; reviewing the income system for significant deficiencies or susceptibility to fraud;
- Challenging assumptions and judgements made by management in their significant accounting estimates;
- Agreement of the financial statement disclosures to underlying supporting documentation;
- Making enquiries of management;
- Review of minutes of board meetings throughout the period;

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

Owing to the inherent limitations of an audit there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations. These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of our report

This report is made solely to the Association's members, as a body, in accordance with Section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Crowe U.K. LLP**  
Statutory Auditor  
The Lexicon  
Mount Street  
**Manchester**  
M2 5NT

20th September 2023

# Ongo Homes Ltd

## Statement of comprehensive income for the year ended 31 March 2023

	Note	2023 £'000	2022 £'000
<b>Turnover</b>	3	<b>51,978</b>	49,156
Cost of sales	3	(75)	(103)
Operating costs	3	(45,109)	(38,967)
Surplus on sale of fixed asset housing properties	3, 10	3,075	1,991
<b>Operating surplus</b>	3, 6	<b>9,869</b>	12,077
Other interest receivable and similar income	11	1,268	102
Interest payable and similar charges	12	(4,762)	(4,629)
Other finance costs	12	(48)	(243)
Gift aid		430	191
Movement in fair value of investment properties	16	(130)	15
<b>Surplus on ordinary activities before taxation</b>		<b>6,627</b>	7,513
Taxation on surplus on ordinary activities	13	5	(44)
<b>Surplus for the financial year</b>		<b>6,632</b>	7,469
Actuarial (losses)/gains on defined benefit pension scheme	26	1,769	10,459
<b>Total comprehensive income for year</b>		<b>8,401</b>	17,928

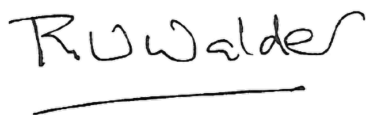
The notes on pages 67 to 91 form part of these financial statements.

# Ongo Homes Ltd

## Statement of financial position at 31 March 2023

	Note	2023 £'000	2022 £'000
<b>Fixed Assets</b>			
Tangible fixed assets - housing properties	14	229,576	220,877
Tangible fixed assets - other	15	2,495	2,679
Investment properties	16	1,395	1,525
Investments - other	17	30	30
Investments - subsidiaries	17	77	77
		<b>233,573</b>	<b>225,188</b>
<b>Current assets</b>			
Stock	18	271	20
Debtors - receivable within one year	19	3,000	2,740
Debtors - receivable after one year	19	1,551	-
Cash and cash equivalents		59,705	72,216
		<b>64,527</b>	<b>74,976</b>
Creditors: amounts falling due within one year	20	(10,690)	(20,115)
<b>Net current assets</b>		<b>53,837</b>	<b>54,861</b>
<b>Total assets less current liabilities</b>			
		<b>287,410</b>	<b>280,049</b>
Creditors: amounts falling due after more than one year	21	(162,050)	(161,324)
Net assets excluding pension liability		<b>125,360</b>	<b>118,725</b>
Pension asset/(liability)	26	-	(1,766)
<b>Net assets</b>		<b>125,360</b>	<b>116,959</b>
<b>Capital and reserves</b>			
Income and expenditure reserve		<b>125,360</b>	<b>116,959</b>
		<b>125,360</b>	<b>116,959</b>

The financial statements were approved by the Board of Directors and authorised for issue on 13 September 2023



R Walder  
Director



M Kenya  
Director



S Hepworth  
Chief Executive



J Sugden  
Company secretary

The notes on pages 67 to 91 form part of these financial statements.

# Ongo Homes Ltd

## Statement of Changes in Reserves for the year ended 31 March 2023

	Income and expenditure reserve £'000	Total equity £'000
Balance at 1 April 2022	116,959	116,959
Surplus for the year	6,632	6,632
Actuarial gains/(losses) on defined benefit pension scheme	1,769	1,769
<b>Other comprehensive income for the year</b>	<b>1,769</b>	<b>1,769</b>
<b>Balance at 31 March 2023</b>	<b>125,360</b>	<b>125,360</b>

## Statement of Changes in Reserves for the year ended 31 March 2022

	Income and expenditure reserve £'000	Total equity £'000
Balance at 1 April 2021	99,031	99,031
Surplus for the year	7,469	7,469
Actuarial gains/(losses) on defined benefit pension scheme	10,459	10,459
<b>Other comprehensive income for the year</b>	<b>10,459</b>	<b>10,459</b>
<b>Balance at 31 March 2022</b>	<b>116,959</b>	<b>116,959</b>

The notes on pages 67 to 91 form part of these financial statements.

# Ongo Homes Ltd

## Statement of cash flows for the year ended 31 March 2023

	Note	2023 £'000	2022 £'000
<b>Cash flows from operating activities</b>			
<b>Surplus for the financial year</b>		<b>6,632</b>	<b>7,469</b>
Adjustments for:			
Depreciation of fixed assets - housing properties	14	11,681	10,752
Depreciation of fixed assets - other	15	195	202
Impairment of investments	17	-	23
Amortised grant	23	(3,165)	(2,796)
Net fair value losses/ (gains) recognised in statement of comprehensive income	16	130	(15)
Interest payable and finance costs		4,894	4,750
Interest received	11	(1,268)	(102)
Taxation expense	13	(5)	44
Difference between net pension expense and cash contribution	26	3	487
Surplus on the disposal of fixed assets - housing properties		(2,698)	(1,574)
Decrease/(increase) in stock		(39)	(8)
Decrease/(increase) in trade and other debtors		(350)	881
Increase/(decrease) in trade and other creditors		353	309
<b>Cash from operations</b>		<b>16,363</b>	<b>20,422</b>
Taxation paid		(22)	(43)
<b>Net cash generated from operating activities</b>		<b>16,341</b>	<b>20,379</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of fixed assets - housing properties		3,732	2,463
Purchase of fixed assets - housing properties		(21,805)	(27,173)
Purchase of fixed assets - other		(11)	(31)
Receipt of grant		3,793	2,836
Interest received	11	1,268	102
Loans repaid by group companies		900	1,000
Loans to group companies		(1,551)	-
<b>Net cash from investing activities</b>		<b>(13,674)</b>	<b>(20,803)</b>
<b>Cash flows from financing activities</b>			
Interest paid	12	(4,998)	(4,865)
Repayment of bank loan	24	(10,000)	-
Debt issue costs incurred	24	(180)	-
<b>Net cash used in financing activities</b>		<b>(15,178)</b>	<b>(4,865)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(12,511)</b>	<b>(5,289)</b>
Cash and cash equivalents at beginning of year		72,216	77,505
<b>Cash and cash equivalents at end of year</b>		<b>59,705</b>	<b>72,216</b>
<b>Cash and cash equivalents comprise:</b>			
Cash at bank and in hand		59,705	72,216
		<b>59,705</b>	<b>72,216</b>

The notes on pages 67 to 91 form part of these financial statements.

# Ongo Homes Ltd

Notes forming part of the financial statements  
for the year ended 31 March 2023

---

## INDEX OF NOTES

### General notes

- 1 Significant accounting policies
- 2 Judgements in applying accounting policies and key sources of estimation uncertainty

### Statement of comprehensive income related notes

- 3 Analysis of turnover, cost of sales, operating costs and operating surplus
- 4 Income and expenditure from social housing lettings
- 5 Units of housing stock
- 6 Operating surplus
- 7 Employees
- 8 Directors' remuneration
- 9 Board members
- 10 Surplus on disposal of fixed assets
- 11 Interest receivable
- 12 Interest payable and similar charges
- 13 Taxation on surplus on ordinary activities

### Statement of financial position related notes

- 14 Tangible fixed assets – housing properties
- 15 Other tangible fixed assets
- 16 Investment properties
- 17 Fixed asset investments
- 18 Stock
- 19 Debtors
- 20 Creditors: amounts falling due within one year
- 21 Creditors: amounts falling due after one year
- 22 Recycled capital grant fund
- 23 Deferred capital grant
- 24 Loans and borrowings
- 25 Financial instruments
- 26 Pensions
- 27 Share capital
- 28 Operating leases
- 29 Capital commitments
- 30 Contingent assets
- 31 Related party disclosures
- 32 Net debt reconciliation

# Ongo Homes Ltd

## Notes forming part of the financial statements for the year ended 31 March 2023

### 1 Significant accounting policies

The CBS is registered with the Financial Conduct Authority under the Co-operative and Community Benefit Society Act 2014, and is registered with the Regulator of Social Housing as a social housing provider. The CBS, which is classed as a public benefit entity, was incorporated in England.

The address of the registered office is given on the contents page and the nature of the CBS's operations and its principal activities are set out in the strategic report.

The presentation currency of the financial statements is the Pound Sterling (£), rounded to the nearest £1,000.

The financial statements have been prepared in accordance with applicable law and UK accounting standards (United Kingdom Generally Accepted Accounting Practice) which for Ongo Homes includes the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, FRS 102 "the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" the Statement of Recommended Practice (SORP) for Registered Social Housing Providers 2018, "Accounting by registered social housing providers" 2014, the Accounting Direction for Private Registered Providers of Social Housing 2022.

The accounts are prepared under the historical cost basis except for the modification to a fair value basis for certain financial instruments and investment properties as specified in the accounting policies below. The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires CBS management to exercise judgement in applying the accounting policies.

#### Going concern

The Association's business activities, its current financial position and factors likely to affect its future development are set out within the Strategic Report. The Association has in place long-term debt facilities which provide adequate resources to finance committed reinvestment and development programmes, along with the Group's day-to-day operations. The Group also has a long-term business plan which shows that it is able to service these debt facilities whilst continuing to comply with lenders' covenants.

However, the increase in inflation and impact on cost of living, along with rising interest rates has meant that the Executive Leadership Team and Board have been reviewing financial plans for the period to 31 March 2025. The Association has modelled a number of scenarios based on current estimates of rent collection, property sales and expenditure. The board will continue to review plans with management to make the necessary changes to continue to work with our customers and stakeholders to deliver exceptional services in a friendly, solution-focused way.

Whilst there are no certainties with regards to a further outbreak of Covid-19, previous Government's decisions on social distancing did not have a significant effect on our financial situation. The length of any COVID-19 outbreak and the measures that may be (re)introduced by the Government to contain it may continue into the future and are outside of our control. We have put processes in place to manage cash flow and review financial stability as matters progress.

Given the strength of the balance sheet and availability and liquidity of undrawn loan facilities, the board believe that, while uncertainty exists, this does not pose a material uncertainty that would cast doubt on the Association's ability to continue as a going concern. The board, therefore, consider it appropriate for the accounts to be prepared on a going concern basis. On this basis, the Board has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future, being a period of twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

#### Turnover

Turnover comprises rental, service charge and support charge income receivable in the year and other income and revenue grants receivable in the year.

Rental income is recognised from the point where properties are formally let.

Property sale income is recognised on legal completion.

#### Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The CBS adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the CBS. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the statement of comprehensive income during the period in which they are incurred.



# Ongo Homes Ltd

Notes forming part of the financial statements  
for the year ended 31 March 2023 (continued)

## 1 Significant accounting policies (continued)

### Depreciation

Land is not depreciated.

Housing properties are split between the structure and the major components which require periodic replacement. The costs of replacement or restoration of these components are capitalised and depreciated over the determined average useful economic life as follows:

Description	Economic useful life (years)
Housing improvements	5 - 60
Structure	125
Kitchen	20
Bathroom	30
Roofs (pitched)	70
Roofs (flat)	20
External doors	30
Boiler	15
Electrics	40
External windows	40
Mechanical systems	20
Communal (including lifts)	20

Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Plant, machinery and vehicles	2 - 10
Fixtures, fittings, tools and equipment	4 - 20
Computers	2 - 3

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

Computers are included within fixtures, fittings, tools and equipment.

### Works to existing housing properties

The CBS capitalises expenditure on housing properties which increases the net rental stream over the life of the property. An increase in the net rental stream may arise through an increase in the rental income, a reduction in future maintenance costs, or a significant extension of the life of the property.

### Development expenditure

Housing properties in the course of construction are included in assets in the course of construction and held at cost less any impairment, and are transferred to completed properties when ready for letting. Assets in the course of construction are not depreciated until they are completed and ready for use to ensure that they are depreciated only in periods in which economic benefits are expected to be consumed.

### Shared ownership properties and staircasing

Under low cost home ownership arrangements, the Association disposes of a long lease on low cost home ownership housing units for a share ranging between 25% and 75% of value. The Buyer has the right to purchase further proportions up to 100% based on the market valuation of the property at the time each purchase transaction is completed.

Low cost home ownership properties are split proportionately between current and fixed assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as a current asset and related sales proceeds included in turnover. The remaining element, "staircasing element", is classed as tangible fixed assets; tranches are treated as a part disposal of fixed assets. Such staircasing sales may result in capital grant being deferred or abated and any abatement is credited in the sale account in arriving at the surplus or deficit.

Where the Association is responsible for shared ownership accommodation the policy is to maintain them in a continuous state of sound repair. Maintenance of other shared ownership properties is the responsibility of the shared owner. Any impairment in the value of such properties is charged to the Statement of Comprehensive Income.

# Ongo Homes Ltd

## Notes forming part of the financial statements for the year ended 31 March 2023 (continued)

### 1 Significant accounting policies (continued)

#### *Impairment of fixed assets*

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

#### *Government grants*

Grants are accounted for under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of comprehensive income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

On the occurrence of certain relevant events, primarily the sale of dwellings, the RSH can direct the Association to recycle capital grants or to make repayments of the recoverable amount. The Group adopts a policy of recycling, for which a separate fund is maintained. If unused within a three year period, it will be repayable to the RSH with interest. Any unused recycled capital grant held within the recycled capital grant fund, which it is anticipated will not be used within one year is disclosed in the balance sheet under "creditors due after more than one year". The remainder is disclosed under "creditors due within one year".

Grants of a revenue nature are recognised in 'turnover' within Statement of comprehensive income in the same period as the related expenditure.

The CBS has not directly benefited from any other forms of government assistance.

#### *Financial assets*

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

#### *Financial liabilities and equity*

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

#### *Finance costs*

Finance costs are charged to profit or loss over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

#### *Current and deferred taxation*

The tax expense for the period comprises only current, and not, deferred tax.

#### *Value Added Tax*

The CBS is registered for VAT and reclaims VAT on most inputs using a special partial exemption method. The majority of the CBS income is derived from rental income which is "exempt output" for VAT purposes which restricts the ability to reclaim VAT input tax in full.

#### *Leases*

All leases are classed as operating leases. Their annual rentals are credited to profit or loss on a straight-line basis over the term of the lease.

# Ongo Homes Ltd

## Notes forming part of the financial statements for the year ended 31 March 2023 (continued)

### 1 Significant accounting policies (continued)

#### *Pension costs*

Contributions to the group's defined contribution pension scheme are charged to profit or loss in the year in which they become payable.

The CBS participates in the multi-employer Local Government Pension Scheme 'East Riding Pension Fund', a group defined benefit pension plan. There is a stated policy for charging the net defined benefit scheme between those group companies that are a party to the scheme and hence a proportion of the defined benefit scheme assets, liabilities, income and costs are recognised by individual group companies in accordance with that policy.

The difference between the fair value of the assets held in the CBS's defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the CBS's balance sheet as a pension asset or liability as appropriate. The carrying value of any resulting pension scheme asset is restricted to the extent that the CBS is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

#### *Holiday pay accrual*

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

#### *Service charge sinking funds*

Service charge sinking funds are dealt with as creditors due within one year.

#### *Investment property*

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in profit or loss.

### 2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether there are indicators of impairment of the CBS's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- The critical underlying assumptions in relation to the estimate of the pension defined benefit scheme obligation, such as standard rates of inflation, mortality, discount rates and anticipated future salary increases. Variations in these assumptions have the ability to significantly influence the value of the liability recorded and annual defined benefit expense.

Other key sources of estimation uncertainty

- Tangible fixed assets (see notes 14, 15 and 16)

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

For housing property assets, the assets are broken down into components based on the management's assessment of the properties. Individual useful economic lives are assigned to these components.

- Rental and other trade receivables (see note 18)

The estimate for receivables relates to the recoverability of balances outstanding at year end, with provisions for doubtful debt made in accordance with agreed policy.

# Ongo Homes Ltd

Notes forming part of the financial statements  
for the year ended 31 March 2023 (continued)

## 3 Analysis of turnover, cost of sales, operating costs and operating surplus

	Turnover 2023 £'000	Cost of sales 2023 £'000	Operating costs 2023 £'000	Surplus/(deficit) on disposal of fixed assets 2023 £'000	Operating surplus / (deficit) 2023 £'000
<b>Social Housing Lettings (note 4)</b>	50,499	-	(44,525)	-	5,974
<b>Other Social Housing Activities</b>					
First tranche shared ownership sales	138	(75)	-	-	63
Surplus on sale of fixed asset housing properties (note 10)	-	-	-	3,075	3,075
Supporting People	123	-	(123)	-	-
Other	131	-	(175)	-	(44)
	<b>392</b>	<b>(75)</b>	<b>(298)</b>	<b>3,075</b>	<b>3,094</b>
<b>Activities other than Social Housing Activities</b>					
Lettings	313	-	(107)	-	206
Donations received	115	-	-	-	115
Other	659	-	(179)	-	480
	<b>1,087</b>	<b>-</b>	<b>(286)</b>	<b>-</b>	<b>801</b>
	<b>51,978</b>	<b>(75)</b>	<b>(45,109)</b>	<b>3,075</b>	<b>9,869</b>

	Turnover 2022 £'000	Cost of sales 2022 £'000	Operating costs 2022 £'000	Surplus/(deficit) on disposal of fixed assets 2022 £'000	Operating surplus / (deficit) 2022 £'000
<b>Social Housing Lettings</b>	47,837	-	(38,442)	-	9,395
<b>Other Social Housing Activities</b>					
First tranche shared ownership sales	131	(103)	-	-	28
Surplus on sale of fixed asset housing properties	-	-	-	1,991	1,991
Supporting People	98	-	(98)	-	-
Other	130	-	(130)	-	-
	<b>359</b>	<b>(103)</b>	<b>(228)</b>	<b>1,991</b>	<b>2,019</b>
<b>Activities other than Social Housing Activities</b>					
Lettings	401	-	(175)	-	226
Other	559	-	(122)	-	437
	<b>960</b>	<b>-</b>	<b>(297)</b>	<b>-</b>	<b>663</b>
	<b>49,156</b>	<b>(103)</b>	<b>(38,967)</b>	<b>1,991</b>	<b>12,077</b>

# Ongo Homes Ltd

Notes forming part of the financial statements  
for the year ended 31 March 2023 (continued)

## 4 Income and expenditure from social housing lettings

	General needs £'000	Supported housing £'000	Affordable housing £'000	Low cost home ownership £'000	Rent to buy £'000	Total 2023 £'000
<b>Income</b>						
Rents net of identifiable service charges	40,765	139	4,882	90	243	46,119
Service charge income	891	305	-	19	-	1,215
Amortised government grants	2,197	-	906	36	26	3,165
Turnover from social housing lettings	43,853	444	5,788	145	269	50,499
<b>Expenditure</b>						
Management	14,468	187	1,556	80	70	16,361
Service charge costs	1,444	295	-	31	-	1,770
Routine maintenance	8,876	3	336	1	-	9,216
Planned maintenance	3,345	2	196	1	-	3,544
Major repairs expenditure	1,357	3	-	-	-	1,360
Bad debts	84	5	30	9	10	138
Depreciation of housing properties	8,845	30	2,534	175	97	11,681
Other costs	406	1	48	-	-	455
Operating expenditure on social housing lettings	38,825	526	4,700	297	177	44,525
<b>Operating surplus/(deficit) on social housing lettings</b>	5,028	(82)	1,088	(152)	92	5,974
Void losses	440	68	43	-	2	553

	Total 2023 £'000	Total 2022 £'000
<b>Income</b>		
Rents net of identifiable service charges	46,119	43,862
Service charge income	1,215	1,179
Amortised government grants	3,165	2,796
Turnover from social housing lettings	50,499	47,837
<b>Expenditure</b>		
Management	16,361	14,447
Service charge costs	1,770	1,829
Routine maintenance	9,216	6,596
Planned maintenance	3,544	2,744
Major repairs expenditure	1,360	1,680
Bad debts	138	111
Depreciation of housing properties	11,681	10,752
Other costs	455	283
Operating expenditure on social housing lettings	44,525	38,442
<b>Operating surplus/(deficit) on social housing lettings</b>	5,974	9,395
Void losses	553	692

# Ongo Homes Ltd

Notes forming part of the financial statements  
for the year ended 31 March 2023 (continued)

5 Units of housing stock	2023 Number	2022 Number
General needs housing		
- social	9,236	9,307
- affordable	921	835
- rent to buy	45	43
Low cost home ownership	51	46
Supported housing	36	32
<b>Total social housing units owned</b>	<b>10,289</b>	<b>10,263</b>
Residential leasehold	296	291
Accommodation managed for others	13	13
<b>Total managed accommodation</b>	<b>309</b>	<b>304</b>
<b>Total owned and managed accommodation</b>	<b>10,598</b>	<b>10,567</b>
Units under construction	273	137

Total owned	General needs housing - social	General needs housing - affordable	Supported housing - affordable	Rent to buy
At start of the year	9,307	783	52	43
Additions in the year	-	84	-	4
Transfers	(4)	2	-	(2)
Categorisation adjustment	-	(25)	25	-
Disposals in the year	(62)	-	-	-
Off debit (pending demolition)	(5)	-	-	-
At the end of the year	9,236	844	77	45

Total owned	Low cost home ownership	Supported housing - social	Total owned
At start of the year	46	32	10,263
Additions in the year	6	-	94
Transfers	-	4	-
Disposals in the year	(1)	-	(63)
Off debit (pending demolition)	-	-	(5)
At the end of the year	51	36	10,289

Total managed accommodation	Residential leasehold	Accommodation managed for others - social	Total managed accommodation
At start of the year	291	13	304
Additions in the year	5	-	5
Transfers	-	-	-
Disposals in the year	-	-	-
Off debit (pending demolition)	-	-	-
At the end of the year	296	13	309

# Ongo Homes Ltd

Notes forming part of the financial statements  
for the year ended 31 March 2023 (continued)

## 6 Operating surplus

	2023 £'000	2022 £'000
This is arrived at after charging:		
Depreciation of housing properties	11,681	10,752
Depreciation of other tangible fixed assets	195	202
Impairment of investments	-	23
Operating lease charges - land & buildings	37	32
Operating lease charges - other	364	319
	<u>364</u>	<u>319</u>

All fees for the audit of the company's annual accounts are paid by the ultimate parent company of the group

The CBS has operating leases for which the costs are recharged to other group entities. The above costs represent the net cost to Ongo Homes

## 7 Employees

	2023 £'000	2022 £'000
Staff costs consist of:		
Wages and salaries	6,929	6,059
Social security costs	699	553
Cost of defined benefit scheme	1,477	1,719
Cost of defined contribution scheme	295	229
	<u>9,400</u>	<u>8,560</u>

The costs of the defined benefit scheme include the adjustments required as a result of the year end actuarial calculation. The pensions note below provides further details on employer's contributions during the year.

The Association employs staff that work for other group companies, recharging the appropriate costs of labour to those companies. The above table represent the net cost incurred as this best reflects the cost of staff undertaking work on behalf of Ongo Homes. The total cost of the defined benefit scheme across all group companies is disclosed in the note to the accounts headed "Pensions".

The average number of employees expressed as full time equivalents (calculated based on a standard working week of 37 hours) during the year was as follows:

	2023	2022
Housing, support and care	175.5	164.6
Development	28.9	22.7
Administration	33.1	34.6
	<u>237.5</u>	<u>221.9</u>

A defined contribution pension scheme is operated by Ongo Partnership Limited on behalf of the employees of all the Ongo group subsidiary undertakings.

# Ongo Homes Ltd

Notes forming part of the financial statements  
for the year ended 31 March 2023 (continued)

## 8 Directors and senior executive remuneration

The directors are defined as members of the Board of Management, the Chief Executive and the Executive Management Team disclosed on page 3

	2020 £'000	2019 £'000
Directors' emoluments (paid by Ongo Partnership Limited)	724	699
Contributions to defined contribution pension scheme	21	21
Contributions to defined benefit pension scheme	118	114

Note 9 details the amount paid to board members included in the above.

Directors' costs are paid by Ongo Partnership Limited and the relevant portion is recharged to Ongo Homes (with mark-up) through their management fee. Where directors, as defined above, work across the group the table above reflects the cost to Ongo Partnership Limited.

The total amount payable to the Chief Executive, who was the highest paid director in respect of emoluments, was £169,887 (2022: £165,000). Pension contributions of £49,220 (2022: £47,740) were made to a defined benefit pension scheme on his behalf.

As a member of the LGPS pension scheme, the pension entitlement of the Chief Executive is identical to those of other members with no enhanced or special terms applying.

There were two directors in the group's defined contribution pension scheme (2022: two) and three (2022: three) of the directors accrued benefits under the group's defined benefit pension scheme during the year

The remuneration paid to staff earning over £60,000 (excluding the Executive Management Team who are recharged by Ongo Partnership Limited through the management fee) was:

	2023 No.	2022 No.
£60,000 - £69,999	4	2
£70,000 - £79,999	2	2

## 9 Board members

Board member	Remuneration £	Member of Audit and Risk Committee
E Cook	5,625	
M Kenyon	8,500	
H Lennon	6,000	
J Wright	6,000	□
M Finister-Smith	7,500	□
N Cresswell	6,000	
P Gouldthorpe	6,000	
R Walder	13,250	
R Cook	7,500	□
P Warburton	7,500	
K Merta	3,000	
G Oakley	1,875	

The above members receive remuneration for their roles as directors on the Ongo Group Common Board. The remuneration detailed above represents the total value paid in the year of which 50% was charged to Ongo Homes. The directors received expenses during the period of £2,976 relating to reimbursement of travel costs.



# Ongo Homes Ltd

Notes forming part of the financial statements  
for the year ended 31 March 2023 (continued)

## 10 Surplus on disposal of fixed assets

	Other Housing Properties 2023 £'000	Total 2022 £'000
<i>Housing properties:</i>		
Disposal proceeds	3,972	2,493
Cost of disposals	(897)	(502)
Surplus on disposal of tangible fixed assets	3,075	1,991

In addition to the above, fixed assets - other housing properties components valued at £454k were written off to operating costs as a result of components being replaced or properties demolished.

## 11 Interest receivable

	2023 £'000	2022 £'000
Interest receivable from group undertakings	37	49
Interest receivable and similar income	1,231	53
	1,268	102

## 12 Interest payable and similar charges

	2023 £'000	2022 £'000
Bank loans and overdrafts	3,537	3,507
Other interest	1,225	1,122
Net interest on net defined benefit liability (note 26)	48	243
	4,810	4,872

## 13 Taxation on surplus on ordinary activities

Ongo Homes Limited is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore meets the definition of a charitable company for UK corporation tax purposes. Accordingly, this CBS has 'charitable status' and is potentially exempt from taxation in respect of income and capital gains arising from certain categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

	2023 £'000	2022 £'000
UK corporation tax		
Current tax on surplus for the year	(5)	44
<b>Total current tax</b>	<b>(5)</b>	<b>44</b>
Taxation on surplus on ordinary activities	(5)	44

The tax assessed for the year differs to the standard rate of corporation tax in the UK applied to surplus before tax. The differences are explained below:

Surplus on ordinary activities before tax	6,627	7,513
Surplus on ordinary activities at the standard rate of corporation tax in the UK of 19% (2022: 19%)	1,259	1,427
Income not taxable	(1,264)	(1,383)
<b>Total tax charge for period</b>	<b>(5)</b>	<b>44</b>

# Ongo Homes Ltd

Notes forming part of the financial statements  
for the year ended 31 March 2023 (continued)

## 14 Tangible fixed assets - Housing properties

	General needs completed £'000	General needs under construction £'000	Shared ownership completed £'000	Total £'000
Cost:				
At 1 April 2022	314,090	9,360	2,399	325,849
Additions:				
- construction costs	-	15,786	-	15,786
- replaced components	6,230	-	-	6,230
- transfers on completion	2,235	(2,848)	613	-
- outright purchases	-	-	-	-
Disposals:				
- replaced components	(1,097)	-	-	(1,097)
- other	(1,487)	-	(162)	(1,649)
Transfer from/(to) stock	-	-	(212)	(212)
At 31 March 2023	319,971	22,298	2,638	344,907
Depreciation:				
At 1 April 2022	(104,862)	-	(110)	(104,972)
Charge for the year	(11,506)	-	(175)	(11,681)
Eliminated on disposals:				
- replaced components	643	-	-	643
- other	667	-	12	679
At 31 March 2023	(115,058)	-	(273)	(115,331)
Net book value 31 March 2022	209,228	9,360	2,289	220,877
Net book value 31 March 2023	204,913	22,298	2,365	229,576

The net book value of housing properties may be further analysed as:

	2020 £'000	2019 £'000
Freehold	229,576	220,877

### Works to properties

Improvements to existing properties capitalised	6,230	6,085
Major repairs expenditure charged to statement of comprehensive income	1,360	1,680
	7,590	7,765

# Ongo Homes Ltd

Notes forming part of the financial statements  
for the year ended 31 March 2023 (continued)

## 15 Other tangible fixed assets

	Office buildings £'000	Fixture, fittings, tools and equipment £'000	Total £'000
Cost			
At 1 April 2022	2,817	1,533	4,350
Additions	-	11	11
At 31 March 2023	2,817	1,544	4,361
Depreciation			
At 1 April 2022	(426)	(1,245)	(1,671)
Charge for year	(100)	(95)	(195)
At 31 March 2023	(526)	(1,340)	(1,866)
Net book value			
At 31 March 2022	2,391	288	2,679
At 31 March 2023	2,291	204	2,495

The net book value of office buildings may be further analysed as:

	2023 £'000	2022 £'000
Freehold		1,860
Long leasehold		431
	2,291	2,391

## 16 Investment properties

	Commercial £'000
Cost	
At 1 April 2022	1,525
Revaluations	(130)
At 31 March 2023	1,395

The investment properties are valued annually on 31 March at fair value, determined by an independent, professionally qualified valuer. The valuations were carried out by a RICS registered surveyor and were calculated on market value subject to tenancy, based on his knowledge of our commercial stock, recent valuations of similar properties and extensive knowledge of the local market.

The deficit on revaluation of investment property arising of £130k has been debited to the Statement of Comprehensive Income.

If investment property had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2023 £'000	2022 £'000
Historic cost	1,197	1,197
Accumulated depreciation	(110)	(88)
	1,087	1,109

# Ongo Homes Ltd

Notes forming part of the financial statements  
for the year ended 31 March 2023 (continued)

17 Fixed asset investments	Subsidiaries £'000	Other £'000	Total £'000
Cost			
At 1 April 2022	77	30	107
At 31 March 2023	77	30	107

## Details of subsidiary undertakings and other investments

The principle undertakings in which the Association has an interest are as follows:

Name	Country of incorporation	Proportion of ordinary share capital held	Nature of business	Nature of entity
<i>Subsidiary undertakings</i>				
Ongo Developments Limited	England and Wales	100%	Property development	Incorporated company
Ongo Home Sales Limited	England and Wales	100%	Property sales	Incorporated company
<i>Other investments</i>				
MORhomes PLC	England and Wales	0.64%	Funding vehicle for social housing	Incorporated company

The board of Directors of Ongo Homes Sales have, since the 31 March 2023, decided that that company should cease to trade and will be struck off the register at Companies House.

18 Stock	2023 £'000	2022 £'000
Materials stock	59	20
Properties - shared ownership first tranche	212	-
	271	20

# Ongo Homes Ltd

Notes forming part of the financial statements  
for the year ended 31 March 2023 (continued)

19 Debtors	2023 £'000	2022 £'000
<b>Due within one year</b>		
Rent and service charge arrears	1,360	1,277
Less: Provision for doubtful debts	(784)	(719)
	576	558
Trade debtors	89	96
Amounts owed by group undertakings	569	1,193
Other debtors	1,108	425
Prepayments and accrued income	658	468
	3,000	2,740
<b>Due after one year</b>		
Amounts owed by group undertakings	1,551	-
	4,551	2,740

The amounts owed by group undertakings relates to a loan . The repayment of this loan is determined by future trading and as such there is no definitive repayment date. Interest is charged on this loan.

20 Creditors: amounts falling due within one year	2023 £'000	2022 £'000
Loans and borrowings (note 24)	-	9,985
Trade creditors	316	283
Rent and service charges received in advance	2,573	2,403
Amounts owed to group undertakings	-	50
Taxation and social security	207	219
Other creditors	328	280
Deferred capital grants (note 23)	3,060	3,025
Accruals and deferred income	4,206	3,870
	10,690	20,115

The loans and borrowings are secured by charges over a number of properties included within tangible fixed assets.

21 Creditors: amounts falling due after more than one year	2023 £'000	2022 £'000
Loans and borrowings (note 24)	98,813	98,877
Premium on bLEND loan issue	7,303	7,538
Recycled capital grant fund (note 22)	19	8
Deferred capital grants (note 23)	55,915	54,901
	162,050	161,324

The loans and borrowings are secured by charges over a number of properties included within tangible fixed assets.

In a previous year the CBS received the proceeds of bonds issued by bLEND at a premium to par. These premiums are amortised to the Statement of Comprehensive Income over the life of the loan to offset the interest paid.

# Ongo Homes Ltd

Notes forming part of the financial statements  
for the year ended 31 March 2023 (continued)

## 22 Recycled capital grant fund (RCGF)

	2023 £'000	2022 £'000
At 1 April 2022	8	8
Inputs: grants to recycle	11	-
Interest accrued	-	-
At 31 March 2023	19	8
RCGF creditor falling due within one year	-	-
RCGF creditor falling due after one year	19	8
	19	8
Amount three years or older where repayment may be required	-	-

## 23 Deferred capital grant

	2023 £'000	2022 £'000
At 1 April 2022	57,926	54,332
Grants received during the year	4,225	6,398
Movement in recycled capital grant fund	(11)	(8)
Released to income during the year	(3,165)	(2,796)
At 31 March 2023	58,975	57,926

## 24 Loans and borrowings

Maturity of debt:	Other loans 2023 £'000	Bank loans 2023 £'000	Total 2023 £'000
	In one year, or on demand	-	-
In more than one year but not more than two years	-	-	-
In more than two years but not more than five years	-	-	-
In more than five years	49,422	49,391	98,813
	49,422	49,391	98,813
	Other loans 2022 £'000	Bank loans 2022 £'000	Total 2022 £'000
	In one year, or on demand	-	9,985
In more than one year but not more than two years	-	-	-
In more than two years but not more than five years	-	-	-
In more than five years	49,404	49,473	98,877
	49,404	59,458	108,862

# Ongo Homes Ltd

Notes forming part of the financial statements  
for the year ended 31 March 2023 (continued)

## 24 Loans and borrowings (continued)

The association is carrying loans as detailed below:

	2023 £'000	2022 £'000	Interest rate
<b>Bank loans</b>			
Repayable October 2022	-	10,000	4.25%
Repayable October 2029	12,000	12,000	6.02%
Repayable October 2030	10,000	10,000	6.33%
Repayable October 2031	10,000	10,000	6.19%
Repayable October 2033	18,000	18,000	6.04%
<b>bLEND</b>			
Repayable March 2054	50,000	50,000	2.92%
	100,000	110,000	

Issue costs of the loans were incurred in previous years. These were deducted from the initial carrying value of the loans and are being charged to profit or loss as part of the interest charge calculated using the amortised cost method. Additional costs were incurred this year, which are being amortised on the same basis

The bank loans are secured by specific charges over the Association's housing properties and floating charges on all of the Association's assets. They are repayable at varying rates of interest as detailed above.

The loan from bLEND is secured by specific charges over the Association's housing properties. The coupon rate of the bond issued by bLEND was 2.922%, however due to the bond premium received the effective rate for the CBS is 2.251%

At 31 March 2023 the Association had undrawn facilities of £45m (2022: £45m)

## 25 Financial instruments

The Association's financial instruments may be analysed as follows:

	2023 £'000	2022 £'000
<b>Financial assets</b>		
Financial assets measured at historical cost		
- Trade receivables	665	654
- Other receivables	3,886	2,086
- Cash and cash equivalents	59,705	72,216
Total financial assets	64,256	74,956
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost		
- Loans payable	98,813	108,862
Financial liabilities measured at historical cost		
- Trade creditors	2,889	2,686
- Other creditors	4,741	4,419
Total financial liabilities	106,443	115,967

# Ongo Homes Ltd

## Notes forming part of the financial statements for the year ended 31 March 2023 (continued)

### 26 Pensions

Two pension schemes are operated by the CBS.

#### Defined contribution pension scheme (Aviva)

This scheme, which commenced in 2012 is open to all staff employed by the Association. The assets are held independently in a separately administered fund. The pension cost for this scheme, which reflects contributions payable at rates specified in the rules of the plan, was £295k (2022: £229k). Contributions totalling £43k (2022 - £33k) were payable to the fund at the year end and are included in creditors.

#### Defined benefit pension scheme (LGPS)

The Association participates in the multi employer Local Government Pension Scheme, 'East Riding Pension Fund', a final salary scheme, which was established under an irrevocable Deed of Trust. The Deed determines the appointment of trustees to the fund. The scheme is managed by a corporate trustee accountable to the pension scheme members. The trustees of the fund are required to act in the best interests of the beneficiaries.

At 31 March 2023 there were 143 active employees in the LGPS. This scheme is only offered to new employees who are already members of the scheme through previous employment.

Pension benefits depend upon age, length of service and salary level. There were no changes to the scheme during the year.

A full actuarial valuation of the defined benefit scheme was carried out at 31 March 2022 and updated to 31 March 2023 by a qualified independent actuary. Contributions to the scheme are made by the CBS based on the advice of the actuary and with the aim of making good any deficit over the remaining working life of the employees.

The employer's contribution to the scheme during the year was £2,258k (2022 £2,188k) at a contribution rate of 43% of pensionable salaries.

Following the year end Ongo Homes has entered into a pooled arrangement with North Lincolnshire Council. As a result the employer contribution rate has decreased from an effective date of 1 April 2023. Prior to this agreement the estimated employer contributions for the year ended 31 March 2024, as calculated by the actuary, were £2,746k. Using a formula of converting this value from the original contribution rate to the new rate shows this figure to be approximately £1,017k.

Contributions totalling £147k (2022 - £144k) were payable to the fund at the year end and are included in creditors.

	2023 £'000	2022 £'000
<b>Reconciliation of present value of plan liabilities</b>		
At the beginning of the year	70,161	73,144
Current service cost	2,213	2,432
Interest cost	1,947	1,515
Benefits paid	(1,170)	(1,135)
Participant contributions	353	338
Changes in financial assumptions	(25,884)	(5,923)
Changes in demographic assumptions	(1,359)	(381)
Other experience	1,970	171
<b>At the end of the year</b>	<b>48,231</b>	<b>70,161</b>
<b>Reconciliation of fair value of plan assets</b>		
At the beginning of the year	68,395	61,406
Interest income on plan assets	1,899	1,272
Contributions by employer	2,258	2,188
Participant contributions	353	338
Other experience	(6)	-
Return on assets (excluding amounts included in net interest)	(1,920)	4,326
Benefits paid	(1,170)	(1,135)
<b>At the end of the year</b>	<b>69,809</b>	<b>68,395</b>
<b>Net pension scheme asset/(liability)</b>	<b>21,578</b>	<b>(1,766)</b>

In line with the requirements of section 28 of FRS102, and in accordance with the company's accounting policy, the plan surplus has not been recognised as a defined benefit asset. The balance sheet represents a nil asset/nil liability position



# Ongo Homes Ltd

Notes forming part of the financial statements  
for the year ended 31 March 2023 (continued)

## 26 Pensions (continued)

Amounts recognised in statement of comprehensive income are as follows:

Included in administrative expenses:

Current service cost	2,213	2,432
	2,213	2,432

Amounts included in other finance costs

Net interest cost	48	243
-------------------	----	-----

Analysis of actuarial (gain)/losses recognised in other comprehensive income:

Actual return less interest included in net interest income	(1,920)	4,326
Changes in assumptions underlying the present value of the scheme liabilities	25,884	5,923
Changes in demographic assumptions	1,359	381
Other experience	(1,976)	(171)
Restrict net asset position, as detailed above	(21,578)	-

Actuarial (losses)/gains on defined benefit pension scheme	1,769	10,459
--	-------	--------

<b>2023</b>	<b>2022</b>
<b>£'000</b>	<b>£'000</b>

Composition of plan assets

European equities	50,262	49,928
European bonds	11,868	11,627
Property	6,283	6,156
Cash	1,396	684

69,809	68,395
--------	--------

The actual return on plan assets during the year was 17.5%.

Principal actuarial assumptions used at the balance sheet date	<b>2023</b>	<b>2022</b>
Discount rates	4.75%	2.75%
Future salary increases	2.95%	2.21%
Future pension increases	2.95%	3.15%
Inflation assumption (CPI)	2.95%	3.15%
Mortality rates		
for a male aged 65 now	20.8 yrs	20.8 yrs
at 65 for a male aged 45 now	21.5 yrs	22.0 yrs
for a female aged 65 now	23.7 yrs	23.5 yrs
at 65 for a female aged 45 now	25.2 yrs	25.3 yrs

## 27 Share capital

The Association is limited by guarantee and does not issue shares.

# Ongo Homes Ltd

Notes forming part of the financial statements  
for the year ended 31 March 2023 (continued)

## 28 Operating leases

The association had minimum lease payables under non-cancellable operating leases as set out below:

	Land & buildings £'000	Vehicles £'000	2023 Total £'000	2022 Total £'000
Not later than 1 year	17	347	364	277
Later than 1 year and not later than 5 years	12	182	194	281
Later than 5 years	6	-	6	-
	35	529	564	558

The CBS operates from a building under a licence to occupy. There was no formal lease in place at the year end and therefore no amounts have been included in the above table, nor any shown as operating lease payments made during the year.

## 29 Capital commitments

	2023 £'000	2022 £'000
Contracted but not provided for	24,292	18,147
Approved by the Board but not contracted for	19,277	26,429
	43,569	44,576

Capital commitments for the Association will be funded as follows:

	2023 £'000
Social Housing Grant	2,557
Current undrawn loan facilities	-
Existing and future reserves	41,012
	43,569

## 30 Contingent assets

Under the Right to Acquire and Right to Buy schemes a discount is provided to the tenant/home owner. As part of the conditions of sale this discount becomes repayable if the property is sold within five years from the date of purchase.

# Ongo Homes Ltd

## Notes forming part of the financial statements for the year ended 31 March 2023 (continued)

### 31 Related party disclosures

At the 31 March 2023 the ultimate controlling party was Ongo Partnership Limited and its consolidated accounts are available to the public from [www.ongo.co.uk](http://www.ongo.co.uk).

At midnight on 31 March 2023 Ongo Partnership Limited transferred its engagements to Ongo Homes Limited in accordance with section 110 of the Co-operative and Community Benefit Societies Act 2014. A transfer of engagements is a statutory process whereby all of the assets and liabilities of Ongo Partnership Limited automatically transferred to Ongo Homes Limited without the need for a formal conveyance or agreement. At that point Ongo Homes became the ultimate controlling party of the Ongo Group.

Other than transactions with the group parent and other group subsidiaries, the Association does not believe that there were any related party transactions during the year.

The following transactions took place between the Association and its other group members during the year:

	Parent 2023 £'000	Parent 2022 £'000	Fellow group Companies 2023 £'000	Fellow group Companies 2022 £'000
<b>Summary of transactions in the year</b>				
Interest received on loans	-	-	37	49
Sales of goods and services	-	-	26	26
Purchase of goods and services, including capital costs	-	-	15,417	15,732
Community investment expended	-	-	1,053	1,034
Gift aid income	-	-	430	191
Donation	115	-	-	-
Management fees paid	7,812	6,981	-	-
<b>Summary of balances at the year end</b>				
Intercompany loans to group members	-	-	2,120	1,193
Intercompany loans from group members	-	(9)	-	(41)
Other creditors	-	-	(1,551)	(1,388)
Other debtors	-	-	-	31

Fellow group companies comprises: Ongo Roofing Limited, Ongo Heating and Plumbing Limited, Ongo Commercial Limited, Ongo Recruitment Limited, Ongo Developments Limited and Ongo Communities Limited.

The board includes one tenant member. Tenant Board Members have a standard tenancy agreement and they are required to fulfil the same obligations and receive the same benefits as other residents. They cannot use their position to their advantage. The rent charged for the period since appointment was £3,412 and the tenant had a credit balance of £131 at the year end.

The board includes one tenant member. Tenant Board Members have a standard tenancy agreement and they are required to fulfil the same obligations and receive the same benefits as other residents. They cannot use their position to their advantage. The rent charged for the period since appointment was £3,412 and the tenant had a credit balance of £131 at the year end.

### 32 Net debt reconciliation

	At 1 April 2022 £'000	Cash flows £'000	At 31 March 2023 £'000
Cash at bank and in hand	72,216	(12,511)	59,705
Borrowings	(108,862)	10,049	(98,813)
Net debt	(36,646)	(2,462)	(39,108)