Ongo Partnership Limited

Report and Financial Statements

Year Ended

31 March 2023

Ongo Partnership Limited

Report and financial statements
for the year ended 31 March 2023

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for the year ended 31 March 2023

Board of Management Members

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

H Lennon
E Cook (resigned 31 Dec 2022)
R Walder
R Cook
M Finister-Smith
P Warburton
G Oakley (appointed 1 Jan 23)
M Kenyon
J Wright
S Hepworth (ceased 31 March 2023)
N Cresswell
P Gouldthorpe
K Merta (appointed 15 Sept 22)

Executive leadership team:

Chief Executive	S Hepworth
Property Director	P Stones
Director of Resource and Commercial	A Harrison
Director of Corporate and 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
3rd 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

Financial Statements

The Board of Management present their report and audited financial statements of the Group for the year ended 31 March 2023.

Nature of business

The Ongo Group is constituted of the following:

- Ongo Homes Limited is a charitable Community Benefit Society, an exempt charity and a Registered Provider of social housing regulated by the Regulator of Social Housing.
- Ongo Commercial Limited is a private company limited by shares with a role to generate trading income by delivering commercial services.
- Ongo Communities Limited is a not-for-profit company limited by guarantee, a registered charity that delivers community development activities.
- Ongo Roofing Limited (trading as Ashbridge Roofing) is a private company limited by shares and owned by Ongo Commercial Limited delivering roofing services.
- Ongo Heating & Plumbing Limited (trading as Hales & Coultas Heating and Plumbing) is a private company limited by shares and owned by Ongo Commercial Limited, concerned with delivering heating and plumbing services.
- Ongo Recruitment Limited, a wholly owned subsidiary of Ongo Communities Limited, is a social enterprise employment agency supplying temporary and permanent staff.
- Crosby Brokerage Limited is a private company limited by shares and a wholly owned subsidiary of Ongo Recruitment Limited offering business services.
- Ongo Home Sales Limited is a private company limited by shares and wholly owned by Ongo Homes. Its role is to develop properties for the commercial market to enable Ongo Homes to achieve its build programme aspirations in the most efficient and economic manner.
- Ongo Developments Limited is a private company limited by shares which are wholly owned by Ongo Homes. Its role is to help Ongo Homes deliver its new build programme

The directors of Ongo Home Sales Limited and Ongo Commercial Limited have, since 31 March 2023, concluded that the companies should cease trading and be struck off the register at Companies House. The shares held by Ongo Commercial Limited in its subsidiaries will be transferred to Ongo Homes Limited.

At the start of the year Ongo Partnership Limited (the “Entity”) was a private company limited by guarantee incorporated in England and Wales under the Companies Act 2006. On 30 September 2022 it converted to a Community Benefit Society (CBS). The CBS is registered with the Financial Conduct Authority under the Co-operative and Community Benefit Society Act 2014.

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. At that point, Ongo Homes became the parent 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 entity throughout and at the end of the financial year.

Ongo Partnership Limited

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

The role of Ongo Partnership Limited during the year ended 31 March 2023 was to oversee strategic direction and provide corporate services, allowing each subsidiary to focus on delivery and enhancement of its core services. Following the transfer of engagement the Entity ceased to trade and action will be taken to formally close it down.

The corporate structure is clearly defined and the relationship between the Entity and the subsidiaries is set out in Intra-Group agreements which were considered and approved by the each of their Boards.

Board of Management and Executive Management Team

The members of the Board of Management and the Executive Management Team serving during the year re listed on page 3. None of the Board of Management or the Executive Management Team held any interests in the capital of Ongo Partnership Limited.

Executive Management Team members act as executives within the authority delegated by the Board. The Entity's insurance policies indemnify Board of Management Members and Executive Management Team against liability when acting on its behalf.

The Chief Executive is appointed on a permanent contract with a six month notice period. The other Executive Team Members are employed on the same terms as the other staff, except that their notice periods are three months.

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 Entity contributes to the schemes on behalf of its employees.

Results

The Entity made a profit for the year of £60k (2022: loss £50k). The Board of Management consider this to be an acceptable standard of performance.
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The Group made a surplus before taxation and actuarial gains of £5.8m for the year (2022: £7.6m). The Board of Management consider this to be an acceptable performance.

During the year the Entity made a donation to Ongo Homes of £115k.

Reserves

The revenue reserves for the Entity at the year-end are £382k (2022: £322k).

Total reserves for the Group at the year end were £122.4m at the year end (2022: £114.9m). The corporate plan dictates that these reserves will be utilised for the furtherance of 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 Group and entity's business activities, its current financial position and factors likely to affect its future development are set out in this report. Ongo Homes 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 Association 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 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 Group 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 group's ability to continue as a going concern. The group's financial performance in 2022/23 proved resilient and on this basis, the board has a reasonable expectation that the group 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.

Following the Transfer of Engagements Ongo Partnership Limited ceased to trade. An application will be made to strike it off the register at the FCA, at which point it will cease to exist.

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.

Financial instruments

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from rental income. Bearing in mind that rents are payable in advance, it is Group policy, implemented locally, to assess the credit risk of new tenants before entering contracts. Enquiry is made into previous history with the Group and each new tenant is appraised on their ability to meet rental payments from their income.

At a local level, a monthly review of the trade receivables' ageing analysis is undertaken and customers' credit is reassessed periodically in order to recover any outstanding amounts or commence recovery proceedings. Existing customers that become "high risk" as a result of the periodic reassessment are placed on a restricted customer list and future lettings are made only with approval of the local management, otherwise payment in advance is required.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. The institutions comply with the approved treasury policy as overseen by the treasury committee. Outside of the Group's bankers as set out in page 3 of the accounts a significant amount of cash was held with the following institutions:

	Balance at 31 March 2023 £'000	**Balance at 31 March 2022 £'000**
Lloyds Bank	5,000	-
Sumitomo Mitsui Banking Corp	7,000	15,000
QNB	13,000	10,000
First Abu Dhabi Bank	10,000	15,000
Mitsubishi UFJ	15,000	10,000
Standard Chartered	-	10,000

In addition to the above, funds of £1.461m (2022: £1.461m) were held by bLEND on behalf of Ongo Homes. These funds were held at different institutions.

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Board is provided with information around cash position and cash flow projections within the Management Accounting information. At the end of the financial year, these projections indicated that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down on its agreed facilities in the coming financial year. The Group also seeks to reduce liquidity risk by fixing interest rates (and hence cash flows) on a portion of its long-term borrowings, this is further discussed in the 'interest rate risk' section below.

Market risk

Market risk arises from the Group's use of interest bearing and tradable financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), or other market factors (other price risk).

Cash flow interest rate risk

The Group is exposed to cash flow interest rate risk from long-term borrowings at variable rate. It is currently group policy that at least 50% of external group borrowings (excluding short-term overdraft facilities and finance lease payables) are fixed rate borrowings. This policy is managed centrally. Local operations are not permitted to borrow long-term from external sources. The Board accepts that this policy neither protects the Group entirely from the risk of paying rates in excess of current market rates nor eliminates fully cash flow risk associated with variability in interest payments, it considers that it achieves an appropriate balance of exposure to these risks.

During the periods under review, the Group's borrowings were denominated in Sterling.

Likely future developments in the business of the entity

Information on likely future developments in the business of the group and the entity has been included in the Strategic Report.

Employment of disabled persons

The group 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.

Ongo Homes recognises three unions: Unison, GMB and Unite the Union, and the entity holds a Joint Consultative Committee (JCC) on a regular basis, led by the 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.

- **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 group 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^2 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.

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 include 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.

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_2e	1,405	1,328	5%	⬇
Combustion of fuel for transport (Scope 1 – Direct) (tCO_2e)	169.7	178.0	5%	⬆
Purchased electricity (Scope 2, location-based) (tCO_2e)	5	34	580%	⬆
Total gross emissions for which SECR reporting required (tCO_2e)	1,410	1,361	3%	⬇
Intensity ratio – mandatory emissions reporting				
Total gross emissions divided by turnover (tCO_2/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.

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 group which includes 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.

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 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.

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.

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 behaviour (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 appraised 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.

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.

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 Entity's auditors for the purpose of their audit and to establish that the auditors are aware of that information. The current shareholders 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 Group.

Approval

This Report was approved by the Board on 13 September 2023 and signed on its behalf by:

RWalder

R Walder
Board member

Statement of Board of Management responsibilities for the year ended 31 March 2023

Board of Management responsibilities

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

Co-operative and Community Benefit Society law requires the members, who are the Board of Management, to prepare financial statements for each financial year. Under that law the Board of Management have elected to prepare the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under law the Board of Management must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the CBS and of the profit or loss of the group and CBS for that period.

In preparing these financial statements, the Board of Management 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 have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Board of Management are responsible for keeping adequate accounting records that are sufficient to show and explain Ongo Partnership Limited’s transactions and disclose with reasonable accuracy at any time the financial position of the Entity and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. They are also responsible for safeguarding the assets of the Entity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the Entity’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 Entity’s website is the responsibility of the Board of Management. The Board of Management' responsibility also extends to the ongoing integrity of the financial statements contained therein.

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 Entity was formed on 27 April 2012. The nature of the business during the year was that of a holding company and provision of management services to the group.

The largest component of the Group’s business is the provision of social housing and related services via Ongo Homes. The 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.

Ongo Communities Limited’s role within the Group is to deliver that company’s wider social objectives by co-ordinating community development activity and developing social enterprises. At the end of the financial year Ongo Communities had two wholly owned subsidiaries – Ongo Recruitment Limited and Crosby Brokerage Limited.

Ongo Commercial Limited was set up to develop commercial business opportunities to generate income on a profit basis to enhance the business of the group. At the end of the financial year Ongo Commercial had two wholly owned subsidiaries – Ongo Roofing Limited (trading as Ashbridge Roofing) and Ongo Heating & Plumbing Limited (trading as Hales & Coultas Heating and Plumbing). The directors of Ongo Commercial Limited have, since the 31 March 2023, concluded that the company should cease trading and be struck off the register at Companies House. The shares in the subsidiaries will be transferred to Ongo Homes Limited.

Ongo Home Sales Limited was set up to develop properties for the commercial market to enable Ongo Homes to achieve its build programme aspirations in the most efficient and economic manner. The directors of Ongo Home Sales Limited have, since the 31 March 2023, concluded that the company should cease trading and be struck off the register at Companies House.

Ongo Developments Limited role within the group is to develop properties for sale to Ongo Homes and to the commercial market.

Corporate Governance

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 Entity was governed by a Board of Management comprised of up to eleven non-executive members plus the chief executive officer. The Group 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.

The following non-executive directors received remuneration for their services on the Group Common Board (covering the legal entities of Ongo Partnership Limited and Ongo Homes Limited) in the year.

	£
R Walder	13,250
P Gouldthorpe	6,000
R Cook	7,500
E Cook	5,625
H Lennon	6,000
J Wright	6,000
M Kenyon	8,500
M Finister-Smith	7,500
N Cresswell	6,000
P Warburton	7,500
K Merta	3,000
G Oakley	1,875

In addition, the following received remuneration in the year as independent committee members of the Group Common Board committees:

	£
M Gore	3,500
T O'Neill	3,500

The following received remuneration in the year as independent board trainees on the Group Common Board committees:

	£
C James	750
A Khozad	750
L Whelan	750

The following non-executive received remuneration for their services on the Ongo Developments Limited Common Board in the year

	£
S Jones	3,500

Employees

The group 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 group 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 group 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 group 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 group 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 group'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 Management Team and the Board and appropriate measures are included within the business plan.

OPERATIONAL HIGHLIGHTS

There are a number of positives to take from 2022-23, with the main highlights below, including those achieved by companies within the Ongo group:

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 and targeted Facebook advertising 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 the fund was allocated to fund a specialist advisor from Citizen's Advice who since November 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 9th April 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: We have built 100 homes and started work on 143 more in the last 12 months, 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've progressed with the three trial projects using smart home technology. The projects are;

An air source heat pumps project 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

Damp and mould project 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 you 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 call outs, by empowering tenants to fix issues, or making an effective diagnosis before a visit is needed.

Impact of operations on the community and environment

- £1,053k 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.

- £20k was shared between 18 community groups that actively do work in our area to support tenants and the wider community. Successful groups included tenant committees, sports groups and a colliery band.

New business

- Nearly half a million pounds was achieved through a number of externally funded grants including the Governments Multiply programme to improve numeracy at home and in the workplace, DWP funding to support mental health with a view to supporting people back into employment and UKSPF funds to reconnect people with social activities post pandemic.

- The North Lincolnshire Proud to Care contract is being delivered through our social enterprise employment agency Ongo Recruitment to support an increase in the number of local people employed in the care sector locally. Funded training, DBS checks, childcare, transport and an in-work bonus are all offered to encourage take up of the opportunities to achieve full time and temporary roles with local domiciliary and care home providers.

- Ongo's commercial businesses have been able to support local community projects through donations including the Ongo Community Grants fund.

- Ashbridge Roofing has three significant projects underway with Ongo Homes which will continue through in to March 2024. These include reroofing to 13 blocks of flats and more than 100 new pitched roofs to houses.

- Ashbridge Roofing have continued work at three sites for Barratt/David Wilson and six sites with Cyden Homes, continuing to deliver an excellent service to our clients and have strong working relationships across our entire portfolio.

- Hales & Coultas continue to work on new tenders and has increased its client portfolio- now working with Guinness Housing, Foresight, West Lindsey Council and other local commercial businesses.

- Positive relationships have been developed with new contractors this year including Fulwood, CLS and Rameco and are confident in securing more works from these commercial entities, Our Fulwood carbon zero homes project has just completed, and we are already submitting tenders for two other Fulwood sites following on from this.

- Hales and Coultas tendered for academies in Grimsby and in Scunthorpe, successfully being appointed as a contractor within the sector.

FINANCIAL REVIEW

The principal aim of this section is to explain the Group'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 Entity 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 group

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.

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 44th 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..

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 our 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 Group's turnover increased from £55.2m in the year to 31 March 2022 to £57.0m 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 at 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 and right to buy was £6.4m (2022: £10.5m), with operating margin excluding fixed asset disposals changing from 18.9% last year to 11.2% this year. Ongo Homes, the largest member of the Group, saw an overall increase in costs of social housing, which 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..

Capital structure and treasury policy

The group 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 group 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 group'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 group 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 group'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 of 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 £14.4m which is generated in the main from the management of housing stock;
- outflows on investment and from financing activities of £26.7m due to capital additions net of grants received along with financing costs;
- the net movement in cash.

Current liquidity

Cash and bank balances at the year-end were £63.4m (2022: £75.7m). Group net current assets, which were £55.4m (2022: £57.2m). Ongo Homes has facilities and security in place to borrow a further £45.0m.

The Group's net assets, after accounting for long term liabilities and the pension asset/ liability, at 31 March 2023 totalled £122.4m compared with £114.9m at the previous year end.

The Board does not consider there to be any seasonal effects on borrowing requirements. The main factors influencing the amount and timing of borrowings are the pace of the improvement and development programmes. 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 the Group 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

Assessment of the effectiveness of Ongo Partnership Limited's system of internal control

The Board is ultimately responsible for the group'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 the group's 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 group is exposed and is consistent with good practice and regulatory requirements.

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.

- **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).

- **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 indictors 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
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.

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 assurances 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):

	Directed Risk: Failure to properly direct the service to ensure compliance with the requirements of the organisation.	
Root Cause Indicator	**Governance Framework**	There is a documented process instruction which accords with the relevant regulatory guidance, financial instructions and scheme of delegation.
	Risk Mitigation	The documented process aligns with the mitigating arrangements set out in the strategic risk register.
	Compliance	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.	
Root Cause Indicator	**Performance Monitoring**	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.
	Financial Constraint	The process operates within the agreed financial budget for the year.
	Resilience	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..

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 group. 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.

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.

STATEMENT OF COMPLIANCE

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

This report was approved on 13 September 2023 and signed on its behalf by:

R Walder
Board member

The Regulator for Social Housing requires providers to annually report on their performance against a suite of measures defined by the Regulator and expects a value for money statement to be included within the financial statements of the provider. The following report is a reproduction of the value for money statement included in the financial statements of Ongo Homes for the year ended 31 March 2023 and is included in the Group accounts for information purposes. All values represented below relate solely to Ongo Homes.

"**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[1] 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.

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.

[1] A full list of the housing associations included within Ongo's peer benchmarking group is available from Ongo Homes on request.

- **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.
- **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 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[2]**	**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[3]	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)[4]	-	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%

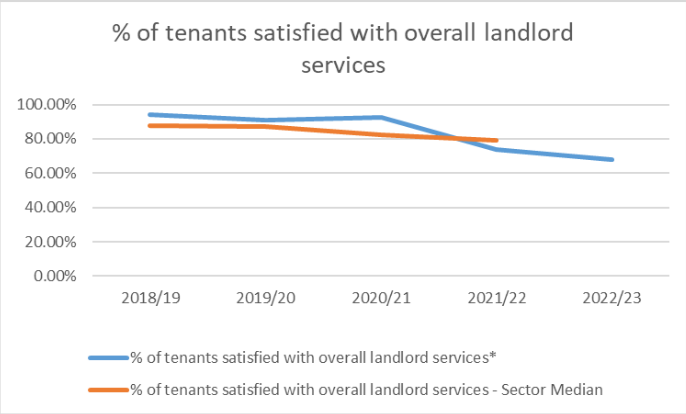
[2] 2021/22 Sector Median Data is the most recent data available at the time of writing. No sector median data is available for the 2022/23 financial year.

[3] This metric will not be included within our internal performance measures for 2023-24 TSMs.

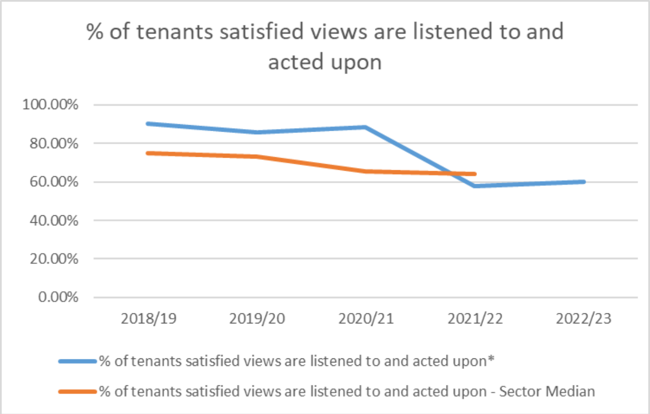
[4] New metric added in 20/21. One of the Regulator of Social Housing (RSH) Tenant Satisfaction Measures (TSM).

Our performance against the sector median:
N.B Please note that benchmarking data is not available for 2022/23 at the time of writing.

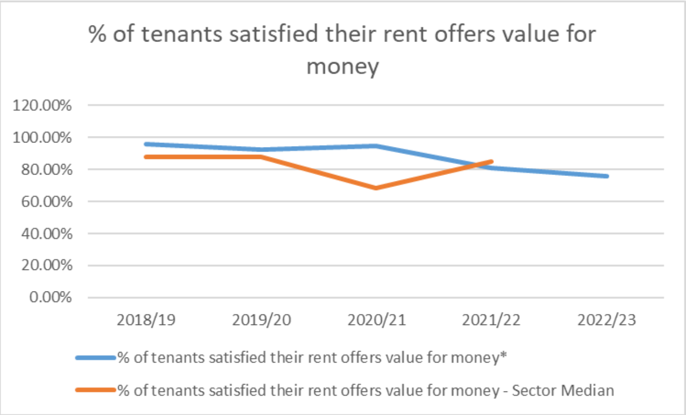
Graph 1



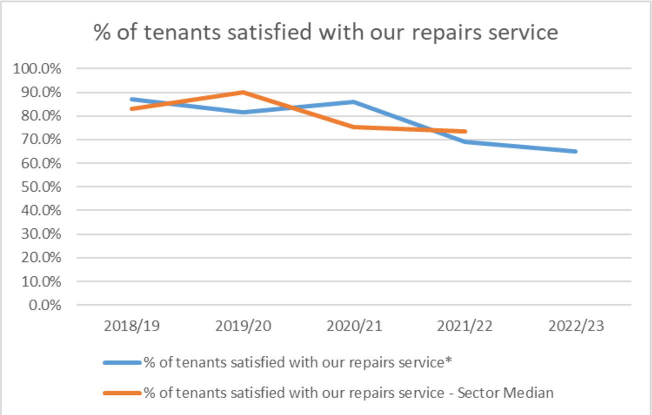
Graph 2



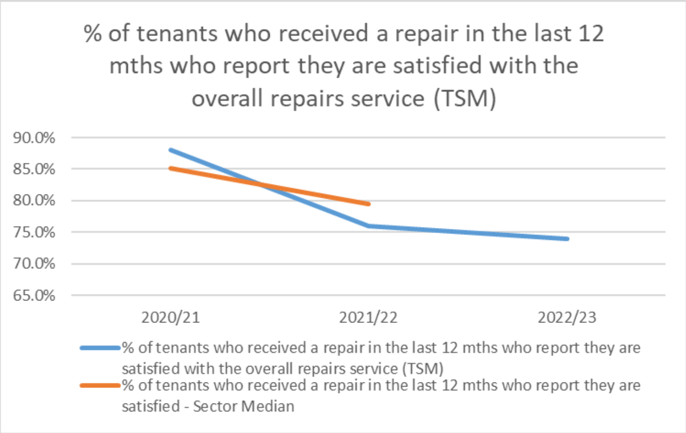
Graph 3



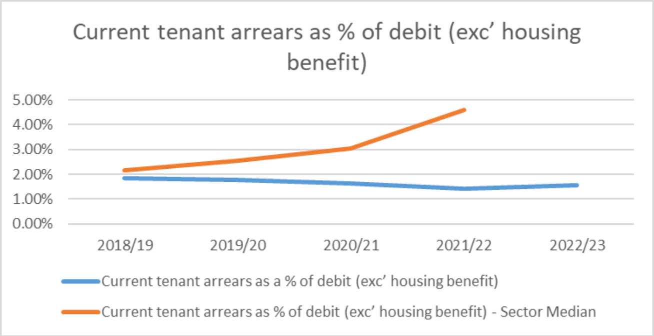
Graph 4



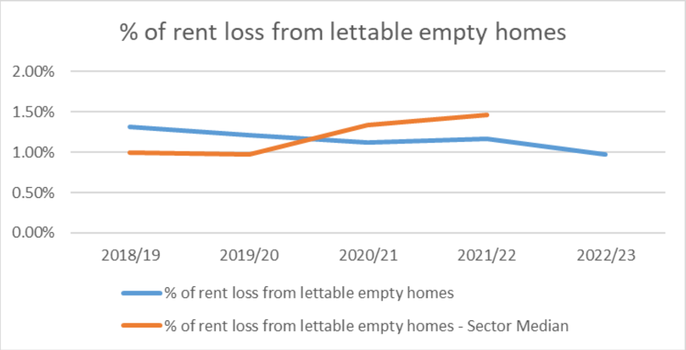
Graph 5



Graph 6



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.

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 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.

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.

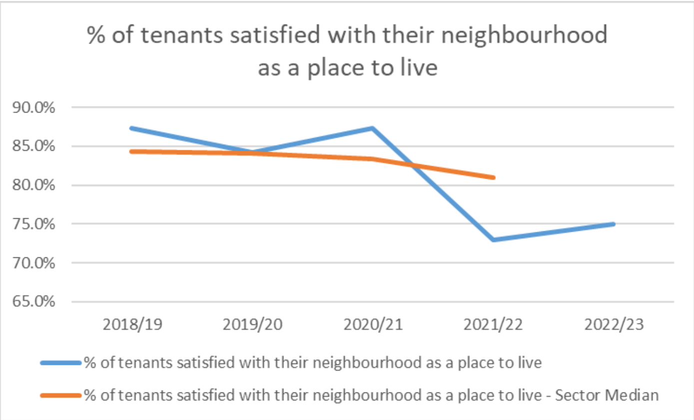
Below are our VFM metrics against which we measure our performance in delivering a great landlord service. We have compared these with the median scores achieved by those housing associations that reported into HouseMark in 2021/22, which is the latest available comparison data.

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.

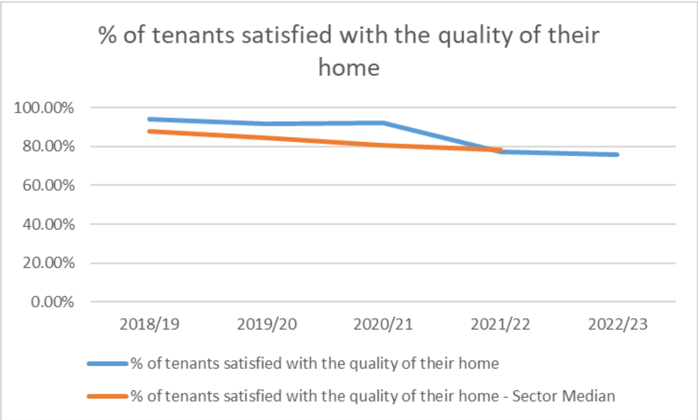
Internal performance measures: Offer quality homes						
Indicator	2019/20 actual	2020/21 actual	2021/22 actual	**2021/22 sector median[5]**	**2022/23 actual**	**2022/23 Corp plan target**
% of tenants satisfied with their neighbourhood as a place to live[6]	84.2%	87.3%	73.0%	81.0%	75.0%	No internal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

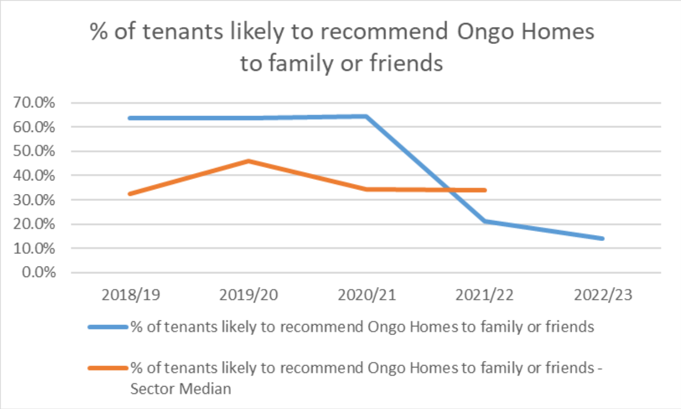


Graph 9



[5] 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.
[6] This PI will be replaced in 2023-24 with the new TSM TP11, "% of tenants satisfied that Ongo makes a positive contribution to neighbourhoods".
[7] 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".

Graph 10



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 bathrooms, and carried out a total of 50 electrical rewires. 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 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.

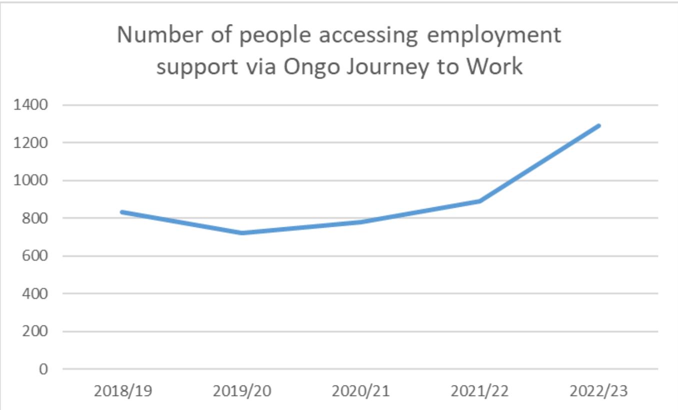
Our internal budget made up of the contribution from Ongo Homes (£1.05m) and the external grants (£470k) have helped to fund employment support activities and other areas. The combined funds have allowed us to work with 1289 people throughout 2022/23. The skilled staff and facilities in the Arc have 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.

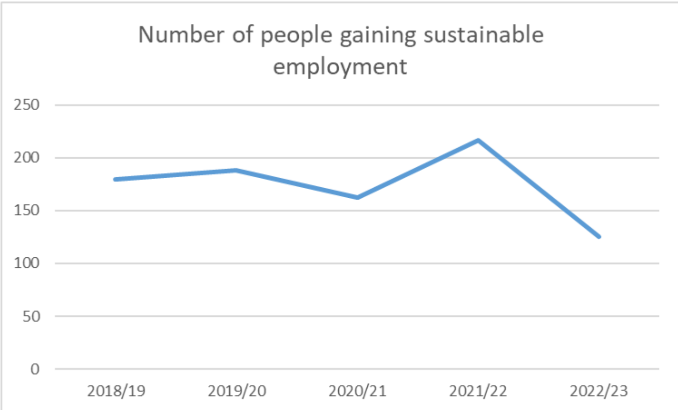
Internal performance measures: Create opportunities					
Indicator	**2019/20 actual**	**2020/21 actual**	**2021/22 Actual**	**2022/23 actual**	**2022/23 Corp plan target**
Number of people accessing employment support via Ongo Journey to Work	721	780	888	1289	700
Number of people gaining sustainable 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

Our performance against the sector median:
N.B. Please note that benchmarking data is not available for 2022/23 at the time of writing.

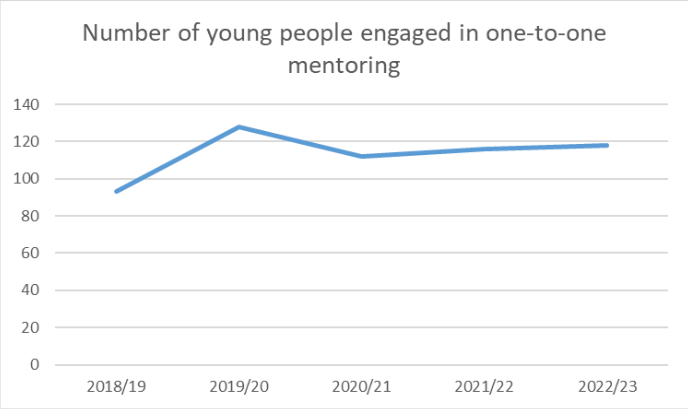
Graph 11



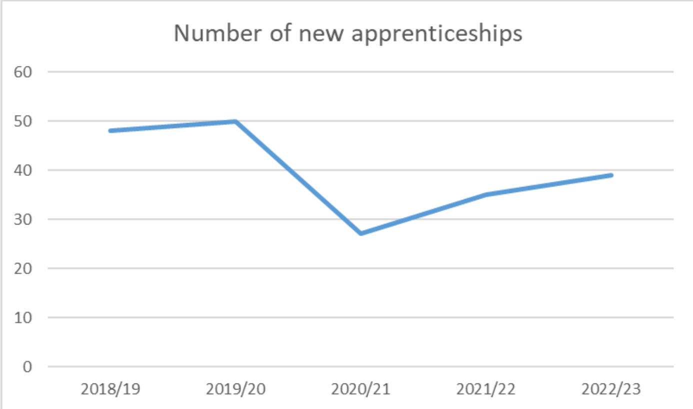
Graph 12



Graph 13



Graph 14



Graph 15

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.
- 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 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.'

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:

	2021/2022						
Metric 1	**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**
Reinvestment **VFM theme:** outcomes delivered **Risk theme:** Effective asset management **Corporate objective:** Offering quality homes, creating opportunities	6.50%	7.80%	6.99%	9.07%	9.59%	18.60%	13.60%
What is it telling us?	Reinvestment considers what we spend on new developments and improvements to existing properties as a percentage of our housing properties at cost. 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. 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.						

	2021/2022						
Metric 2	**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**
2a. New supply (social) **VFM theme:** development capacity **Risk theme:** development **Corporate objective:** Offering quality homes	1.40%	1.10%	1.62%	0.97%	0.94%	1.70%	2.16%
2b. New supply (non-social) **VFM theme:** development capacity **Risk theme:** development **Corporate objective:** Offering quality homes	0%	0%	0%	0%	0%	0%	0%
What is it telling us?	New supply is the number of new housing units we have acquired or developed as a percentage of the total housing we own. 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.						

	2021/2022						
Metric 3	**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**
Gearing **VFM theme:** development capacity **Risk theme:** development **Corporate objective:** Offering quality homes	44.10%	43.30%	48.66%	16.61%	17.03%	24.94%	28.49%
What is it telling us?	Gearing is the long and short-term borrowing as a percentage of the homes we own, at cost. 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. 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. 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.						

<table>
<tr><th></th><th colspan="4">2021/2022</th><th></th><th></th><th></th></tr>
<tr><th>Metric 4</th><th>Global Accounts median</th><th>Benchmark group median</th><th>Sector scorecard median</th><th>Our actual 21/22</th><th>Our actual 22/23</th><th>Our budget 23/24</th><th>Business plan 24/25</th></tr>
<tr><td>EBITDA MRI interest cover
VFM theme: business health
Risk theme: reduced income
Corporate objective: Be a great landlord</td><td>145.7%</td><td>140.5%</td><td>134.7%</td><td>256.8%</td><td>228.6%</td><td>232.1%</td><td>250.5%</td></tr>
<tr><td>What is it telling us?</td><td colspan="7">The EBITDA MRI measure demonstrates business health and our capacity to support borrowing costs.

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.</td></tr>
</table>

	2021/2022						
Metric 5	**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 £**
Headline social housing cost per unit **VFM theme:** operating efficiencies **Risk theme:** asset management **Corporate objective:** Be a great landlord	4,150	3,806	3958	3,168	3,631	4,133	4,320
What is it telling us?	This metric represents social housing costs divided by the number of social housing homes we own. 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. Our cost per property is comparable with our peers and the sector median. 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. 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.						

	2021/2022						
Metric 6	**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**
6a. Operating margin (SHL) 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%
6b. Operating margin (overall) 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%
What is it telling us?	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. 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. 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.						

	2021/2022						
Metric 7	**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**
ROCE 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%
What is it telling us?	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.						

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.

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
Ongo Homes Total	**£776,452**

Non-Cashable (Efficiency) Savings

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

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 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.

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."

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 Entity's 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 Entity's financial statements.
- Monitoring compliance with applicable legal and regulatory requirements.
- Agreeing the scope of the internal auditor's annual audit plan.
- Agreeing the scope of the external auditor's 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.

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 the Ongo 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 Entity 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 Entity 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 Entity 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

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

Opinion

We have audited the financial statements of Ongo Partnership Limited (the "parent company") and its subsidiaries (the "group") for the year ended 31 March 2023 which comprise the consolidated and company statement of comprehensive income, the consolidated and company statement of financial position, the consolidated and company statement of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including 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 group's and of the parent association's affairs as at 31 March 2023 and of the group and parent association's 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 and the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969

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 Company 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.

Emphasis of matter

We draw attention to Note 1 to the financial statements which explains that the directors intend to liquidate the association and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a basis other than going concern as described in Note 1. Our opinion is not modified in respect of this matter.

Other information

The Board is 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.

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:

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

Responsibilities of Directors
As explained more fully in the Board's responsibilities statement set out on page 18, 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 determines 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 is responsible for assessing the group and parent 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 intends to liquidate the group or parent 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 group and parent association operates, and determined the most significant are the appropriate accounting standards in conformity with the requirements of the Co-operative and Community Benefit Societies Act 2014 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.

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. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent Association's members as a body in accordance with the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Parent 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 Parent Association and the Parent Association's members as a body, for our audit work, for this report, or for the opinions we have formed

Crowe UK LLP

Crowe U.K. LLP

Statutory Auditor

The Lexicon

Mount Street

Manchester

20th September 2023

Ongo Partnership Limited

Consolidated statement of comprehensive income
for the year ended 31 March 2023

	Note	2023 £'000	2022 £'000
Turnover	3	**56,961**	55,220
Cost of sales		**(3,901)**	(4,134)
Operating costs		**(46,678)**	(40,633)
Surplus on sale of fixed asset housing properties	10	**3,075**	1,991
Operating surplus	6	**9,457**	12,444
Other interest receivable and similar income	11	**1,236**	54
Interest payable and similar charges	12	**(4,762)**	(4,629)
Other finance costs	27	**(48)**	(243)
Movement in fair value of investment properties	17	**(130)**	15
Surplus on ordinary activities before taxation		**5,753**	7,641
Taxation on ordinary activities before taxation	13	**8**	(172)
Surplus for the financial year		**5,761**	7,469
Actuarial gains/(losses) on defined benefit pension scheme	27	**1,769**	10,459
Total comprehensive income for year		**7,530**	17,928

The notes on pages 80 to 103 form part of these financial statements

Ongo Partnership Limited

Consolidated statement of financial position
at 31 March 2023

	Note	2023 £'000	2022 £'000
Fixed Assets			
Intangible assets	14	**20**	31
Tangible fixed assets - housing properties	15	**224,307**	216,562
Tangible fixed assets - other	16	**2,517**	2,706
Investment properties	17	**1,395**	1,525
Investments - other	18	**30**	30
		228,269	220,854
Current assets			
Stocks	19	**2,401**	927
Debtors - receivable within one year	20	**3,710**	2,987
Cash and cash equivalents		**63,418**	75,660
		69,529	79,574
Creditors: amounts falling due within one year	21	**(13,304)**	(22,424)
Net current assets		**56,225**	57,150
Total assets less current liabilities		**284,494**	278,004
Creditors: amounts falling due after more than one year	22	**(162,050)**	(161,324)
Net assets excluding pension liability		**122,444**	116,680
Pension liability	27	**-**	(1,766)
Net assets		**122,444**	114,914
Capital and reserves			
Income and expenditure reserves		**122,444**	114,914
		122,444	114,914

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

R Walder
Board member

M Kenyon
Board member

The notes on pages 80 to 103 form part of these financial statements

Ongo Partnership Limited

Consolidated Statement of Changes in Equity
for the year ended 31 March 2023

	Income and expenditure reserve £'000	Total £'000
Balance at 1 April 2022	114,914	114,914
Surplus for the year	5,761	5,761
Actuarial gains/(losses) on defined benefit pension scheme	1,769	1,769
Other comprehensive income for the year	1,769	1,769
Balance at 31 March 2023	122,444	122,444

	Income and expenditure reserve £'000	Total £'000
Balance at 1 April 2021	96,986	96,986
Surplus for the year	7,469	7,469
Actuarial gains/(losses) on defined benefit pension scheme	10,459	10,459
Other comprehensive income for the year	10,459	10,459
Balance at 31 March 2022	114,914	114,914

The notes on pages 80 to 103 form part of these financial statements

Ongo Partnership Limited

Consolidated statement of cash flows
for the year ended 31 March 2023

	Note	2023 £'000	2022 £'000
Cash flows from operating activities			
Surplus for the financial year		**5,761**	7,469
Adjustments for:			
Depreciation of fixed assets - housing properties	15	**11,468**	10,602
Depreciation of fixed assets - other	16	**200**	207
Amortisation	14	**11**	12
Amortised grant	24	**(3,165)**	(2,796)
Net fair value losses/ (gains) recognised in statement of comprehensive income	17	**130**	(15)
Interest payable and finance costs	12	**4,894**	4,750
Interest received	11	**(1,236)**	(54)
Taxation expense	13	**(8)**	172
Difference between net pension expense and cash contribution	27	**3**	487
Surplus on the sale of fixed assets - housing properties	10	**(2,698)**	(1,574)
(Increase)/decrease in stocks		**(1,262)**	709
(Increase)/decrease in trade and other debtors		**87**	274
Increase/(decrease) in trade and other creditors		**378**	539
Cash from operations		**14,563**	20,782
Taxation paid		**(131)**	(173)
Net cash generated from operating activities		**14,432**	20,609
Cash flows from investing activities			
Proceeds from sale of fixed assets - housing properties		**3,732**	2,463
Purchase of fixed assets - housing properties		**(20,246)**	(26,169)
Purchase of fixed assets - other		**(11)**	(44)
Receipt of grant		**3,793**	2,836
Interest received		**1,236**	54
Net cash used in investing activities		**(11,496)**	(20,860)
Cash flows from financing activities			
Interest paid		**(4,998)**	(4,865)
Repayment of bank loan		**(10,000)**	-
Debt issue costs incurred		**(180)**	-
Net cash used in financing activities		**(15,178)**	(4,865)
Net increase / (decrease) in cash and cash equivalents		**(12,242)**	(5,116)
Cash and cash equivalents at beginning of year		**75,660**	80,776
Cash and cash equivalents at end of year		**63,418**	75,660
Cash and cash equivalents comprise:			
Cash at bank and in hand		**63,418**	75,660
		63,418	75,660

The notes on pages 80 to 103 form part of these financial statements

Ongo Partnership Limited

Entity Statement of Comprehensive Income
for the year ended 31 March 2023

	Note	2023 £'000	2022 £'000
Turnover	3	**8,185**	7,352
Administration expenses		**(8,135)**	(7,195)
Operating profit / (loss)	6	**50**	157
Other interest receivable and similar income	11	**10**	19
Impairment of loan	6	**-**	(199)
Profit / (loss) on ordinary activities before taxation		**60**	(23)
Taxation on ordinary activities before taxation	13	**-**	(27)
Total comprehensive income for year		**60**	(50)

The notes on pages 80 to 103 form part of these financial statements

Ongo Partnership Limited

Entity Statement of Financial Position
at 31 March 2023

	Note	2023 £'000	2022 £'000
Current assets			
Debtors - receivable within one year	20	**466**	480
Debtors - receivable after one year	20	**66**	180
Cash and cash equivalents		**243**	207
		775	867
Creditors: amounts falling due within one year	21	**(393)**	(545)
Net current assets / (liabilities)		**382**	322
Total assets less current liabilities		**382**	322
Provision for liabilities		**-**	-
Net assets / (liabilities)		**382**	322
Capital and reserves			
Income and expenditure reserves		**382**	322
		382	322

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

R Walder
Board member

M Kenyon
Board member

The notes on pages 80 to 103 form part of these financial statements

Ongo Partnership Limited

Entity Statement of Changes in Equity
for the year ended 31 March 2023

	Income and expenditure reserve £'000	Total £'000
Balance at 1 April 2022	322	322
Profit/(loss) for the year	60	60
Other comprehensive income for the year	-	-
Balance at 31 March 2023	382	382

	Income and expenditure reserve £'000	Total £'000
Balance at 1 April 2021	372	372
Profit/(loss) for the year	(50)	(50)
Other comprehensive income for the year	-	-
Balance at 31 March 2022	322	322

The notes on pages 80 to 103 form part of these financial statements

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1 Significant accounting policies

At the start of the year Ongo Partnership Limited was a private company limited by guarantee incorporated in England and Wales under the Companies Act 2006. During the year it converted to a Community Benefit Society (CBS). The CBS is registered with the Financial Conduct Authority under the Co-operative and Community Benefit Society Act 2014.

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

The financial statements have been prepared under the historical cost convention 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 the financial statements is in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Co-operative and Community Benefit Societies Act 2014

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies which are set out in note 2.

Parent entity disclosure exemptions

In preparing the separate financial statements of the parent entity, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the parent entity;
- The parent entity disclosures relating to financial instruments have not been presented on the basis that these are included within the consolidated financial instrument disclosures.
- The parent entity does not operate any share-based payment arrangements; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent entity as their remuneration is included in the totals for the group as a whole.

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

The following principal accounting policies have been applied:

Basis of consolidation

The consolidated financial statements present the results of Ongo Partnership Limited and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group entities are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

Going concern

The Group's business activities, its current financial position and factors likely to affect its future development are set out within the Strategic Report. The Group 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 has meant that the Executive Leadership Team and Board have been reviewing financial plans for the period to 31 March 2025. The Group has modelled a number of scenarios based on current estimates of rent collection, property sales and expenditure in Ongo Homes as well as the projected trading position of the subsidiary companies. 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 Group'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 Group 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.

Following the Transfer of Engagements Ongo Partnership Limited ceased to trade. An application will be made to strike it off the register at the FCA, at which point it will cease to exist. Therefore, the accounts in respect of this entity have been prepared on a basis other than as a going concern.

The directors of two other entities within the group have determined that the businesses should cease to trade and be struck off the register at Companies House or the FCA as appropriate. These are Ongo Home Sales Limited and Ongo Commercial Limited. The closure of these businesses will have no effect on the Group's business activities or its financial position.

1 Significant accounting policies (continued)

Turnover

Turnover comprises rents, service charges and support charge income receivable in the year and other income and revenue grants received in the year. Rental income is recognised from the point where properties are formally let. Property sale income is recognised on legal completion.

The group contains a number of subsidiaries concerned with commercial activities and these recognise turnover from activities such as roofing works and heating and plumbing works. This income is recognised when the goods are delivered to the buyer and when the services are provided. Revenue is recognised on construction contracts undertaken on the basis of the assessed completion of works at the accounting date. Revenue from the sale of properties is recognised on legal completion of the sales.

The group contains a charitable company where incoming resources are accounted for when receivable. Grants are recognised when the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

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 group 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 group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation

Land is not depreciated.

Housing properties held by the group 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:

Freehold buildings	40 years
Leasehold land and buildings	The term of the lease
Plant, machinery and vehicles	2 – 10 years
Fixtures, fittings, tools and equipment	4 – 20 years
Computers	2 – 3 years

Computers are included within fixture, fittings, tools and equipment

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.

1 Significant accounting policies (continued)

Works to existing housing properties

The Group 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, excluding the estimated cost of the element of shared ownership properties expected to be sold in first tranche, 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.

Shared ownership accommodation that the Association is responsible for, it is the policy 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.

Impairment of fixed assets and goodwill

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.

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

Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

Work in progress is valued at the cost of work performed plus attributable overheads less progress payments received.

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

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

1 Significant accounting policies (continued)

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.

Intangible assets - Goodwill

Goodwill represents the excess of the cost of a business combination over the fair value of the group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is carried at cost less accumulated amortisation and accumulated impairment losses. Goodwill amortisation is calculated by applying the straight-line method to its estimated useful life. If a reliable estimate cannot be made, the useful life of goodwill is presumed to be 10 years. Goodwill is being amortised to 'administrative expenses' over periods ranging from 3 to 10 years.

Estimates of the useful economic life of goodwill are based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

Current and deferred taxation

The tax expense for the period comprises only current, and not, deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the entity's subsidiaries operate and generate taxable income.

Value added tax

The Entity is registered for VAT and reclaims VAT on most inputs using a special partial exemption method. The majority of the Group income is derived from rental income which is "exempt output" for VAT purposes and restricts the group's 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.

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.

Some of the subsidiaries of the group participate in the multi employer Local Government Pension Scheme (LGPS) '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.

However, as Ongo Partnership Limited is not itself a party to the scheme, although some of its own employees are members of that scheme, no proportion of the scheme is recognised in its individual entity financial statements except to the extent of employer contributions to the scheme.

The difference between the fair value of the assets held in the group's defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the group'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 group 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.

1 Significant accounting policies (continued)

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 Group's tangible and intangible assets, including goodwill. 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

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

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.

3 Analysis of turnover

	2023 £'000	2022 £'000
Registered social landlord		
Social Housing Lettings (Note 4)	50,499	47,837
Other Social Housing Activities	392	359
Activities other than Social Housing Activities	946	934
	51,837	49,130
Charitable entity	608	986
Trading companies	4,516	5,104
	56,961	55,220

The above turnover is after intra-group eliminations.

Entity

All of the entity's turnover related to the provision of management services to the group and arose entirely within the UK.

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	2023 £'000
Income						
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**
Expenditure						
Management	12,997	181	1,409	72	63	**14,722**
Service charge costs	1,444	295	-	31	-	**1,770**
Routine maintenance	8,360	3	317	1	-	**8,681**
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	8,654	29	2,515	174	96	**11,468**
Other costs	406	1	48	-	-	**455**
Operating expenditure on social housing lettings	36,647	519	4,515	288	169	**42,138**
Operating surplus/(deficit) on social housing lettings	7,206	(75)	1,273	(143)	100	**8,361**
Void losses	440	68	43	-	2	**553**

	Total 2023 £'000	Total 2022 £'000
Income		
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
Expenditure		
Management	14,722	12,748
Service charge costs	1,770	1,829
Routine maintenance	8,681	6,318
Planned maintenance	3,544	2,744
Major repairs expenditure	1,360	1,680
Bad debts	138	111
Depreciation of housing properties	11,468	10,602
Other costs	455	283
Operating expenditure on social housing lettings	42,138	36,315
Operating surplus/(deficit) on social housing lettings	8,361	11,522
Void losses	553	692

5 Units of housing stock

	2023 Number	2022 Number
General needs housings		
- social	9,236	9,307
- affordable	921	835
- rent to buy	45	43
Low cost home ownership	51	46
Supported housing	36	32
Total social housing units	10,289	10,263
Total owned	10,289	10,263
Residential leasehold	296	291
Accommodation managed for others	13	13
Total managed accommodation	309	304
Total owned and managed accommodation	10,598	10,567
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	-
Categorisation adjustment	-	-	-
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**	**Accommodat-ion 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

6 Operating surplus

	Group 2023 £'000	Group 2022 £'000	Entity 2023 £'000	Entity 2022 £'000
This is arrived at after charging/(crediting):				
Depreciation of housing properties	11,468	10,602	-	-
Depreciation of other tangible fixed assets	200	207	-	-
Management fee to subsidiaries	-	-	(8,185)	(7,352)
Amortisation of intangible assets	11	12	-	-
Operating lease charges - land and buildings	52	47	-	-
Operating lease charges - other	370	323	6	4
Auditors' remuneration:				
- fees payable for the audit of the group's annual accounts				
. current auditors	96	94	96	94
. previous auditors	-	10	-	10
- fees for tax advice	29	41	29	41
- fees for other advice	6	-	6	-

All fees for the audit of the entities' annual accounts are paid by the ultimate parent entity of the group

7 Employees

	Group 2023 £'000	Group 2022 £'000	Entity 2023 £'000	Entity 2022 £'000
Staff costs consist of:				
Wages and salaries	14,473	12,823	3,691	3,327
Social security costs	1,433	1,157	407	343
Cost of defined benefit scheme (see note 26)	2,213	2,432	715	690
Cost of defined contribution scheme	720	575	171	138
	18,839	16,987	4,984	4,498

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

	Group 2023	Group 2022	Entity 2023	Entity 2022
Administration	155.1	149.8	94.7	87.1
Development	28.9	22.7	-	-
Housing, support and care	269.8	252.5	-	-
Craft	32.0	27.0	-	-
	485.8	452.0	94.7	87.1

A defined contribution pension scheme is operated by Ongo Partnership Limited on behalf of the employees of all the Ongo group subsidiary undertakings. The assets of the scheme are held separately from those of the group in an independently administered fund.

The pension charge represents contributions payable by the group to the fund and amounted to £720k (2022: £575k). Contributions amounting to £35k (2022: £33k) were payable to the fund by Ongo Partnership Limited and £95k (2022: £81k) by the group at the year end and are included in creditors. Also included in creditors is £10k (2022: £9k) payable to the fund by Ongo Partnership Limited in respect of the defined benefit scheme and £157k (2022: £152k) by the group.

8 Directors' and senior executive remuneration

The directors are defined as the members of the Board of Management, the Chief Executive and the executive leadership team disclosed on page 3. Where board members work across the group the table below reflects the cost to Ongo Partnership Limited. The full cost of the Chief Executive and executive leadership team are reflected:

	2023 £'000	2022 £'000
Directors' emoluments	724	699
Contributions to defined contribution pension scheme	21	21
Contributions to defined benefit pension scheme	118	114

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, including the executive leadership team, earning over £60,000 upwards:

	2023 No.	2022 No.
£60,000 - £69,999	6	4
£70,000 - £79,999	4	3
£110,000 - £119,999	2	3
£120,000 - £129,999	2	1
£160,000 - £169,999	1	1

9 Board members

Board member - Ongo Group Common Board	Remuneration £	Member of Audit 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. The directors received expenses during the period of £2,976 relating to reimbursement of travel costs.

The Chief Executive Officer is a board member. Details of their salary can be found above

10 Surplus on disposal of fixed assets

	Other housing properties 2023 £'000	Other tangible fixed assets 2023 £'000	Total 2023 £'000	Total 2022 £'000
Housing properties:				
Disposal proceeds	3,972	-	3,972	2,493
Cost of disposals	(897)	-	(897)	(502)
Surplus on disposal of fixed assets	3,075	-	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

	Group 2023 £'000	Group 2022 £'000	Entity 2023 £'000	Entity 2022 £'000
Interest receivable and similar income	1,236	54	10	19

12 Interest payable and similar charges

	Group 2023 £'000	Group 2022 £'000
Bank loans and overdrafts	3,537	3,507
Other interest	1,225	1,122
Net interest on net defined benefit liability (note 27)	48	243
	4,810	4,872

13 Taxation on surplus on ordinary activities

Deferred tax balances are not recognised.

	Group 2023 £'000	Group 2022 £'000	Entity 2023 £'000	Entity 2022 £'000
UK corporation tax				
Current tax on surplus for the year	(8)	172	-	27
Total current tax	(8)	172	-	27
Taxation charge/(credit) on surplus on ordinary activities	(8)	172	-	27

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:

	Group 2023 £'000	Group 2022 £'000	Entity 2023 £'000	Entity 2022 £'000
Surplus/(loss) on ordinary activities before tax	5,753	7,641	60	(23)
Surplus on ordinary activities at the standard rate of corporation tax in the UK of 19% (2022 - 19%)	1,093	1,452	11	(4)
Expenses not deductible for tax purposes	4	6	1	5
Income not taxable	(1,237)	(1,406)	-	37
Adjustments to prior periods	(19)	-	-	-
Tax adjustments, reliefs and transfers - net	151	131	(12)	-
Deferred tax not recognised	-	(11)	-	(11)
Total tax charge for period	(8)	172	-	27

14 Intangible assets

Group	Goodwill £'000
Cost or valuation	
At 1 April 2022	112
Additions	-
At 31 March 2023	112
Amortisation	
At 1 April 2022	(81)
For the year	(11)
At 31 March 2023	(92)
Net book value	
At 31 March 2022	31
At 31 March 2023	20

15 Tangible fixed assets - Housing properties

Group	**General needs completed £'000**	**General needs under construction £'000**	**Shared ownership completed £'000**	**Total £'000**
Cost:				
At 1 April 2022	310,425	8,476	2,399	321,300
Additions:				
- construction costs	-	15,452	-	15,452
- replaced components	5,397	-	-	5,397
- transfers on completion	1,973	(2,514)	541	-
- outright purchase	-	-	-	-
Disposals:				
- replaced components	(1,097)	-	-	(1,097)
- other	(1,487)	-	(162)	(1,649)
- transfer from/(to) stock	-	-	(212)	(212)
At 31 March 2023	315,211	21,414	2,566	339,191
Depreciation:				
At 1 April 2022	(104,628)	-	(110)	(104,738)
Charge for the year	(11,293)	-	(175)	(11,468)
Eliminated on disposals:				
- replaced components	643	-	-	643
- other	667	-	12	679
At 31 March 2023	(114,611)	-	(273)	(114,884)
Net Book Value				
At 31 March 2022	205,797	8,476	2,289	216,562
At 31 March 2023	200,600	21,414	2,293	224,307

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

	2023 £'000	**2022 £'000**
Freehold	224,307	216,562

Works to properties

Improvements to existing properties capitalised	5,397	4,334
Major repairs expenditure to statement of comprehensive income	1,360	1,680
	6,757	6,014

16 Other tangible fixed assets

Group	Office buildings £'000	Plant, machinery and vehicles £'000	Fixtures, fittings, tools and equipment £'000	Total £'000
Cost				
At 1 April 2022	2,817	1	1,571	4,389
Additions	-	-	11	11
Disposals	-	-	-	-
At 31 March 2023	2,817	1	1,582	4,400
Depreciation				
At 1 April 2022	(426)	(1)	(1,256)	(1,683)
Charge for year	(100)	-	(100)	(200)
At 31 March 2023	(526)	(1)	(1,356)	(1,883)
Net Book Value				
At 31 March 2022	2,391	-	315	2,706
At 31 March 2023	2,291	-	226	2,517

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

	2023 £'000	2022 £'000
Freehold	1,860	1,922
Long leasehold	431	469
	2,291	2,391

17 Investment properties

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

18 Fixed asset investments

Group	**Other £'000**	**Total £'000**
Cost		
At 1 April 2022	30	30
Additions	-	-
At 31 March 2023	30	30

Other investments relate to the following:

Name	**Country of incorporation**	**Proportion of ordinary share capital held**	**Nature of business**	**Nature of entity**
MORhomes PLC	England	0.64%	Funding vehicle for social housing	Incorporated company

18 Fixed asset investments (continued)

Details of subsidiary undertakings and other investments

The principle undertakings in which the entity had an interest at the year end were as follows:

Name	Country of incorporation	Proportion of voting rights and ordinary share capital held	Nature of business	Nature of entity
Ongo Homes Limited	England	100%	Registered provider of social housing	Charitable CBS
Ongo Home Sales Limited	England	100%	Property sales	Incorporated company
Ongo Developments Limited	England	100%	Development company	Incorporated company
Ongo Communities Limited	England	100%	Community investment	Incorporated charity
Ongo Recruitment Limited	England	100%	Employment services	Incorporated company
Crosby Brokerage Limited	England	100%	Business services	Incorporated company
Ongo Commercial Limited	England	100%	Locksmiths	Incorporated company
Ongo Roofing Limited	England	100%	Roofing business	Incorporated company
Ongo Heating & Plumbing Limited	England	100%	Heating and pumbing business	Incorporated company
MORhomes	England	0.64%	Funding vehicle for social housing	Incorporated company

At the year end Ongo Homes was a wholly owned subsidiary of Ongo Partnership Limited, and the proportion of voting rights at that date was as follows:

Tenant shareholders	55%
Independent shareholders	43%
Ongo Partnership Limited	2%

See note 31 for further details on the group structure.

19 Stocks

	Group 2023 £'000	Group 2022 £'000
Raw materials and consumables	212	268
Property for resale - work in progress	1,735	162
Property for resale - stock	242	497
Properties - shared ownership first tranche	212	-
	2,401	927

Replacement cost

Included in the amount shown for stocks of raw materials and consumables are items valued at cost on a first in, first out basis. The replacement cost of these items at 31 March 2023 was equivalent to the amount at which they are included in the accounts.

20 Debtors

	Group 2023 £'000	Group 2022 £'000	Entity 2023 £'000	Entity 2022 £'000
Due within one year				
Rent and service charge arrears	1,360	1,277	**-**	-
Less: Provision for doubtful debts	(784)	(719)	**-**	-
	576	558	-	-
Trade debtors	525	650	9	-
Amounts owed by group undertakings	-	-	-	16
Other debtors	1,289	690	17	16
Prepayments and accrued income	1,320	1,089	440	448
	3,710	2,987	466	480

	Group 2023 £'000	Group 2022 £'000	Entity 2023 £'000	Entity 2022 £'000
Due after one year				
Amounts owed by group undertakings	-	-	**66**	180
	-	-	**66**	180

Included in debtors are loans to group companies totalling £66k. At the year end these loans were due for repayment in full by 31 March 2025.

These loans were transferred to Ongo Homes in the next financial year as part of the Transfer of Engagements noted in the Directors' Report.

21 Creditors: amounts falling due within one year

	Group 2023 £'000	Group 2022 £'000	Entity 2023 £'000	Entity 2022 £'000
Loans and borrowings (note 25)	-	9,985	**-**	-
Trade creditors	1,252	865	**-**	111
Rent and service charges received in advance	2,573	2,403	**-**	-
Taxation and social security	542	615	**77**	101
Other creditors	947	937	**45**	42
Recycled capital grant fund (note 23)	-	-	**-**	-
Deferred capital grants (note 24)	3,060	3,025	**-**	-
Accruals and deferred income	4,930	4,594	**271**	291
	13,304	22,424	**393**	545

The amounts owed to group undertakings relate to balances owed in respect of intra-company trading. Interest is not charged.

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

22 Creditors: amounts falling due after more than one year

	Group 2023 £'000	Group 2022 £'000
Loans and borrowings (note 25)	98,813	98,877
Premium on bLEND loan issue	7,303	7,538
Recycled capital grant fund (note 23)	19	8
Deferred capital grants (note 24)	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.

23 Recycled capital grant fund (RCGF)

	Group 2023 £'000	Group 2022 £'000
At 1 April 2022	8	130
Inputs: grants to recycle	11	(122)
Interest accrued	-	-
Recycling: grants recycled	-	-
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	-	-

24 Deferred capital grant

	Group 2023 £'000	Group 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

25 Loans and borrowings

Maturity of debt:

Group	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

Group	Other loans 2022 £'000	Bank loans 2022 £'000	Total 2022 £'000
In one year, or on demand	-	9,985	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 is carrying loans as detailed below:

Bank loans	Interest rate	Group 2023 £'000	Group 2022 £'000
Repayable October 2022	4.25%	-	10,000
Repayable October 2029	6.02%	12,000	12,000
Repayable October 2030	6.33%	10,000	10,000
Repayable October 2031	6.19%	10,000	10,000
Repayable October 2033	6.04%	18,000	18,000
bLend			
Repayable March 2054	2.92%	50,000	50,000
		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)

26 Financial instruments

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

	Group 2023 £'000	Group 2022 £'000
Financial assets		
Financial assets measured at historical cost		
- Trade receivables	1,101	1,208
- Other receivables	2,609	1,779
- Cash and cash equivalents	63,418	75,660
Total financial assets	67,128	78,647
Financial liabilities		
Financial liabilities measured at amortised cost		
- Loans payable	98,813	108,862
Financial liabilities measured at historical cost		
- Trade creditors	1,252	865
- Other creditors	8,992	8,549
Total financial liabilities	109,057	118,276

27 Pensions

Two pension schemes are operated by the group.

Defined contribution pension scheme (Aviva)

This scheme, which commenced in 2012 is open to all staff employed by the group. The assets are held independently in a separately administered fund.

Defined benefit pension scheme (LGPS)

The Group 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.

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 the group 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.

27 Pensions (continued)

	2023 £'000	2022 £'000
Reconciliation of present value of plan liabilities		
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)
Past service costs	-	-
Changes in demographic assumptions	(1,359)	(381)
Other experience	1,970	171
At the end of the year	48,231	70,161
Reconciliation of fair value of plan assets		
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)
At the end of the year	69,809	68,395
Net pension scheme liability	21,578	(1,766)

In line with the requirements of section 28 of FRS102, and in accordance with the group'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

Amounts recognised in statement of comprehensive income are as follows:

	2023 £'000	2022 £'000
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

27 Pensions (continued)

	2023 £'000	2022 £'000
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)	-
	1,769	10,459

	2023 £'000	2022 £'000
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	2023	2022
Discount rates	4.75%	2.75%
Future salary increases	2.95%	2.21%
Future pension increases	2.95%	3.15%
Inflation assumption	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

28 Share capital

At the start of the year the entity was limited by guarantee and had not issued any shares. During the year the entity converted to a Community Benefit Society.

29 Operating leases

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

	Group 2023 £'000	Group 2022 £'000	Entity 2023 £'000	Entity 2022 £'000
Not later than 1 year	393	313	7	4
Later than 1 year and not later than 5 years	205	314	-	-
Later than 5 years	11	14	-	-
	609	641	7	4

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.

30 Capital commitments

	Group 2023 £'000	Group 2022 £'000
Contracted but not provided for	22,603	17,593
Approved by the Board but not contracted for	18,463	25,551
	41,066	43,144

Capital commitments for the group will be funded as follows:

	2023 £'000
Social Housing Grant	2,557
Current undrawn loan facilities	-
Existing and future reserves	38,509
	41,066

31 Related party disclosures

The ultimate controlling party of the group at 31 March 2023 was Ongo Partnership Limited.

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 and Ongo Partnership Limited ceased to trade. It is the intention that Ongo Partnership Limited will submit form s126 to the Financial Conduct Authority (FCA) to cancel its registration with the FCA, at which point it will cease to exist.

The directors of both Ongo Commercial Limited and Ongo Homes Sales Limited have, since 31 March 2023, independently determined that the companies should cease to trade and be struck off the register at Companies House.

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	75,660	(12,242)	63,418
Borrowings	(108,862)	10,049	(98,813)
Net debt	(33,202)	(2,193)	(35,395)

33 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.