



**ONGO HOMES LTD**  
**(FCA Mutuals Registration No 7639) (the Association)**

**Held at 2.00pm on Tuesday 23 January 2024**  
**Board Room, Ongo House, High Street, Scunthorpe, DN15 6AT and via MS Teams**

**MINUTES**

**Present:**

**Ongo Homes Board:** Bob Walder (Chair), Mike Finister-Smith (Teams), John Wright (Teams), Paul Warburton (Teams), Steve Hepworth, Melvin Kenyon, Natalie Cresswell, Rachel Cook (Senior Independent Director), Gerraint Oakley (Teams), Kacper Merta, Paula Gouldthorpe

**Officers:** Jo Sugden, Fiona Ruddick (Minutes), Ashley Harrison, Pete Stones, Kevin Hornsby, Bev Lewis, Becky Johns, Erica Sanderson, Mo Mathieson, Karen Cowan

**Apologies:** Helen Lennon

**Absence:** None

**Also Present:** Christian James (Board Trainee)

**Observers:** Lorraine Brumby (staff), Heather Robinson (staff) and Judith Tomlinson (Community Voice)

**Time meeting opened:** 2.00pm

Some Members joining by Teams encountered technical issues getting access into the call. Most was resolved and joined the meeting successfully but Lisa Whelan (Board Trainee) was unable to gain access into the call.

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

**Declarations of Interest:** Each Board Member considered whether they were interested for the purposes of rules D15 to D24 of Ongo Homes' Rules, directly or indirectly, in any of the matters to be discussed at the meeting (including interested personally or by virtue of being a director or other officer of a business trading for profit or in any other way whatsoever in any contract or other transactions with Ongo Homes other than as an officer, committee member or employee of the body whose accounts are or ought to be consolidated with Ongo Homes' accounts) and it was noted that any Board Member who disclosed an interest was requested to remain present by the other members of the Board but did not vote upon the matter under discussion. All Board Members declared an interest in confidential item 16.

1. **Augmented Reality Presentation**



- Becky Johns, Customer Experience Manager delivered a presentation on Augmented Reality. This had originally been delivered to Community Voice (CV) which Melvin Kenyon, in his role as Senior Independent Director had attended. He had felt it was an interesting presentation that would benefit Board Members. The presentation has been uploaded into the meeting pack for reference.
- A Member asked how it worked and Becky Johns explained.
- Another Member stated they were cautious of DIY in case anything goes wrong. There are a large volume of calls received due to pressure decreasing in boilers. Customer Advisers could talk tenants through how to re-set the pressure, anything more than that the tenant would not be asked to do.
- A Member asked if there were any customer satisfaction on the system and if tenants were being made aware of the facility so they can see the benefits. This is not something currently done but would be looked into. **Action 1/24**

## 2. **Agenda item 3: Minutes of Previous Meetings and Matters Arising**

Minutes from the meetings held on 21 November 2023 (open and confidential), 29 November 2023 (open and confidential) and 18 December 2023 (confidential) were agreed as a true and accurate record for the Ongo Homes Board and will be signed by the Chair (Senior Independent Director for 18 December 2023). The notes from the group wide Away Day held on 21 November 2023 were confirmed as a true record.

## 3. **Agenda item 4: Action List**

All actions on the list were completed. Element of discussion recorded in confidential minutes.

## 4. **Agenda item 5: Chief Executive's Update**

*Summary: A presentation was given which delivered a high level overview of sector specific issues for the Board to consider.*

Discussion points/questions:

- Steve Hepworth delivered a presentation giving an overview of sector specific issues and work within Ongo.
- The National Housing Federation (NHF) are requesting the existing government extend the current rent settlement so any new settlement is not in the challenge of a new government.
- Members were encouraged to read the consultation on Awaabs Law. There are some challenges in it such as 24 hours response to some repairs and urgent work starting within 7 days. It covers the Housing Health and Safety Rating System (HHSRS) and there are proposals to refine some of those categories.
- There is a damp and mould internal audit happening currently. It is expected the internal auditors will provide low assurance. The Chair of Audit & Risk Committee will be liaised with once the audit is completed.
- Steve Hepworth explained the world has changed and it had to be accepted that how we operated now, is different to five years ago. The increase in demand and expectation from our customers has changed.



- A Member asked if there was any learning from the potential merger e.g. having 24 hour call handling. There are areas that can be learnt from and different practices adopted, internal 24 hour call handling was not one of those areas.

**Agreed:** Board noted the spoken update provided by the Chief Executive on issues within the sector.

5. **Agenda Item 6: Development Progress Annual Review**

*Summary: The 2021-26 Strategic Development Plan was approved by the Group Common Board at its January 2021 meeting. Accompanying the strategic plan was an action plan and it was agreed that at least annually reports detailing progress against this action plan would be presented to Board.*

Discussion points/questions:

- Members took the opportunity to thank Pete Stones for his work during his tenure at Ongo. Pete will be retiring at the end of March 2023.
- Pete Stones explained the Development Team recently had a strategic day. They are in a position where they can consider what areas to work in and what developers to work with. The team had progressed well and are delivering healthy numbers of new build properties for Ongo Homes.
- A Member stated this was a good position as not many organisations were developing. Ongo Homes has a good pipeline of future developments.
- A Member questioned 50% of development being outside North Lincolnshire. Pete Stones explained this was based on a decision taken by the Board a few years ago. Development in North Lincolnshire is trickier, there is less land available and the local authority are not always supportive of social housing developments. There are lots of opportunities in South Yorkshire, Lincolnshire and Bassetlaw. Ongo will also start developing in North East Lincolnshire.
- The meeting discussed issues with the lack of planning officers within councils, nationwide. A Member added other key professionals, such as Highways Officers, are also in short supply which impacts new developments.
- In some organisations there is a change in shared ownership customers. People who previously would have purchased outright are now taking 60-70% shared ownership.

**Agreed:** Board discussed progress against the Development strategy action plan and confirmed they were satisfied with current progress.

6. **Agenda Item 7: Performance and Financial Reporting**

*Summary: Presents operational and financial performance of Ongo Homes (entity and group) for the period to November 2023 year to date (YTD).*

Discussion points/questions:



- A Member asked how the capital programme was progressing. Ashley Harrison believed it was behind. For next financial year, he has asked Finance staff to increase focus on this within their reporting.
- There is a £1m piece of work due to start in the next month at one of the high rise buildings. Some planned decarbonisation works have been put on hold to be included in the bid for Wave 2 funding. If they had already been completed, there would be no opportunity to receive any grant funding.
- For future reports, there will be more detail included around the capital programme **Action 2/24**.
- The income collected compared to percentage rent debit is influenced by different factors. There are some rent free weeks and Ongo's tenants pay rent in advance. If payments are not made, balances fluctuate but tenants do not always go into arrears due to payments in advance.

**Agreed:** Board noted:

- the contents of this report and associated information and approved the management accounts of Ongo Homes (entity and group) for November 2023;
- the red status of one financial golden rule and the amber status of one business plan stress test indicator for Ongo Homes.

**7. Agenda Item 8: Annual Rent Setting and Service Charges**

*Summary: This report covers recommended increases for annual rent setting, and how we manage the Rent Standard/Legislative requirements in respect of all rent types within our stock. Proposals also include Service Charges for the coming year which relate to actuals collated from a prior 12 month period.*

Discussion points/questions:

- Kevin Hornsby informed Board of an issue around communal electricity charges. Historically they are set on previous annual costs, however, due to the vast increase in costs and the new contract negotiated, this would mean a large under recovery of actual costs.
- Consultation has taken place with tenants – those who will and will not be impacted. The consensus was actual costs should be recovered but capped at a maximum increase of £2 per week per property. This would mean an under recovery of circa £60,000.
- Community Voice received this report last week. They had a constructive discussion about it. They were generally supportive of the recommendations, they felt it was time to increase garage rents and felt recovering some of the electricity charges but capping increases was appropriate.
- CV also felt Ongo could be more creative in its marketing of garages as additional storage areas; and not just the traditional place to park a vehicle.
- Increasing rents was never an easy decision but if the full increase was not taken, Ongo would always be behind, especially as inflation has increased quicker than rents and coupled with increasing costs.



- Steve Hepworth was aware of two organisations who were applying CPI increase only, others he knew of were applying the maximum increase.
- A Member asked what support was being provided to self paying customers. Kevin Hornsby explained they would be able to access the same services such as support, coaching, financial advice.
- A Member has requested Ongo be confident the rents charged on the incoming Guinness Properties are legally watertight. Rents are a complex area.
- As part of the due diligence, officers received information from Guinness and calculated rents back to 1999. They did not check whether those rents were documented and notices given correctly. **Action 3/24** Follow up on rents for Guinness properties, specifically housing for older people.

**Agreed:** Board agreed to increase rents in line with the 2020 Rent Standard requirement, and the Government Welfare Reform and Work Act 2016 as follows:

- All existing Social rents and Affordable rents (including all Supported) are increased by the maximum uplift of 7.7% from the 2023/24 weekly rate.
- All social rents continue to be assessed when the property becomes void and will be re-let at the permitted 2024 target rent + full tolerance as per paragraph 3.2 in the report.
- All Affordable rents continue to be rebased when a property becomes void to 80% of Market rent or Formula rent, whichever is the greater, as directed in the Rent Standard.
- For continuing tenancies, all Affordable rents will be reviewed every 5 years to ensure charges are no higher than 80% of Market rent as detailed in 4.3 below.
- Market rents (used to measure/calculate the % of Affordable Rent) for new build properties and re-based properties are increased by 5.3% respectively as advised by our Valuers (Scotts LLP) as detailed in paragraph 4.4 of the report.
- Rents for Rent to Buy properties continue to be increased each year on the renewal date of the fixed term tenancy. The rent applied will be 80% of Market Rent as detailed in paragraph 4.5 of the report.
- Guinness Housing Partnership properties classed as 'Housing for older people' have a 10% tolerance on reletting as detailed in paragraph 4.7 of the report.
- Shared Ownership unsold equity rents increase by the terms specified in each lease and in conjunction with the CFG (Capital Funding Guide) including with the latest shared Ownership rent policy change as detailed in paragraph 4.6 of the report.
- Garage rents increase by 7.7% (cpi+1%) for 2024/25 as per paragraph 4.9 below.
- Approved the proposed range of service charges for 2024/25 shown in Appendix 1 with a proposed decrease of 0.71% across all service charges in line with existing costs.
- Approved the recommendation to apply the full increase to communal electricity service charges with a £2 per week per property cap as per information provided in Appendix 3.
- Rent and Service Charge Setting Policy is updated as necessary to align with these approvals.
- The above increases take effect from the first Monday in April 2024.

## 8. Agenda Item 9: Budget 2024/25



*Summary: Budgets for the organisation must be considered and approved by the board on an annual basis; they form the basis for financial control and reporting. This is the initial budget for Ongo Homes and has been produced in line with year one of the Business Plan for 2024-25. Also included are the budgets for subsidiary entities for any initial observations.*

Discussion points/questions:

- There has been an increase in margin levels but with the increased spend on property the budget is not where it should be.
- Ongo Communities is generating a good amount of external funding. Ongo Recruitment are planning for an improved year following losses this year. The commercial entities have been on a journey and are showing improvements.
- Outside contractors working on voids has contributed to the overspend in property.
- A Member felt these were a healthy set of budgets given the situation.
- Final budgets, including those of the subsidiary companies will be brought to the next meeting for approval.

**Agreed:** Board considered the initial draft of the Ongo Homes budget for 2024-25 and advised of any changes required to allow for finalisation and presentation to the Board for final approval at the March 2024 board meeting. Board considered the initial drafts of the Ongo Communities businesses and Ongo Commercial businesses budgets for 2024-25; there were no required amendments to these.

#### 9. **Agenda item 10: Business Plan 2024-25: Base Plan**

*Summary: The business plan and budgets for the organisation must be considered and approved by the board on an annual basis. This report considers the long-term business plan – as presented provides a compliant business plan with a payback within 30 years (payback in 2050/51).*

Discussion points/questions:

- There are a set of long term assumptions in the plan, these were described by Ashley Harrison as balanced but prudent.
- Short term inflation is mapped for the next two years. Interest rates are now assumed to be higher for longer. This makes a peak debt of £440million which still produces a compliant plan.
- The plan still provides for two further bulk stock acquisitions. Last year's plan allowed for three, in years 3, 6 and 9. The purchase of properties from Guinness brought the first acquisition forward from year 3.
- Members discussed whether it was likely similar acquisition in the local region would arise. The feeling was they would not, especially at the scale of the Guinness deal. Board requested this be re-profiled in the business plan. The two future bulk purchase opportunities should be reduced to two tranches of around 200 homes. This will change the debt curve.



**Agreed:** Board approved the base business plan as presented, noted that further information and analysis, including any necessary amendments to the base plan, will be provided at the meeting in March, and requested re-profiling around future stock acquisitions.

**10. Agenda item 11: Additional Borrowing bLEND**

*Summary: Further to the discussion at the away day in November 2023, work has continued on agreeing further facilities with bLEND since the possibility of merger fell away. We are proposing an additional borrowing facility of £25m to provide the first part of additional funding that the Business Plan identifies as being required.*

Discussion points/questions:

- There is a regulatory expectation money is held to meet all committed expenditure. The acquisition of Guinness properties will increase our borrowing, reducing amounts available. bLEND have implied they do not like to account for more than 50% of an organisation's funding. This deal with take them to just over that for Ongo Homes.
- Yesterday some specific wording was provided for Board to approve. This will be circulated to Board via a written resolution using Convene. The signing of paperwork can then be completed as per any delegations agreed.

**Agreed:** Board approved the completion of work to agree the additional borrowing facilities with bLEND and delegated to the Chair, Chief Executive and Director of Resource and Commercial services the authority to progress and conclude the borrowing agreements on substantially the same terms as those advised in this report.

**11. Agenda Item 12: The Customer Voice**

*Summary: This report provides Board with details of tenant feedback mechanisms and actual tenant feedback, along with how this is being used to influence service improvements. This is a periodic report covering April to November 2023 showing Board how Ongo engages with its tenants, what they are telling us and what we are doing with the feedback.*

Discussion points/questions:

- A Member commented on the Tenant Satisfaction Measures (TSM) that showed dissatisfaction for lettings and asked for further information. Kevin Hornsby explained there had been a push recently to clear voids that were coming back for let and felt the need to do this may have been a contributory factor.
- There are occasions where tenants are waiting a few weeks to hear anything about a property and then get a phone call to tell them they must move in the next day. Communication has been a negative. Enquiries will be made to ascertain the actual reason behind this performance **Action 5/24**.

**12. Agenda Item 13: Complaint Performance and Complaint Handling Code Self-Assessment 2023/24**

*Summary: This report provides an overview to the Board in relation to complaint performance, Housing Ombudsman cases, the code self-assessment and identified learning. We have seen*



*an overall reduction in complaints and positive handling of performance. However it is forecast there will be an increase in Stage two complaints for property and Maintenance in 2023/24, therefore increasing the risk of cases being referred to the Housing Ombudsman.*

Discussion points/questions:

- Kevin Hornsby provided a summary of recent cases with the Housing Ombudsman. There had been one new severe maladministration; two cases are awaiting decision; one maladministration where the tenant has appealed; one maladministration where Ongo has appealed and one newly received case.
- A Member felt it was a good paper, with lots of detail and appreciated the work that would have gone into preparing it. They explained in their day job, their organisation had appealed a case. It had taken seven months but the finding was downgraded by the Housing Ombudsman.
- The Board had previously resisted nominating one person with a specific responsibility for complaints, as they believed it was shared responsibility. Considering the likelihood this would become a requirement, Board agreed the best role to take this on would be the Senior Independent Director.
- Karen Cowan suggested the role could be a customer champion – encompassing other areas such as Equality, Diversity and Inclusion and Complaints.

**Agreed:** Board:

- noted the contents of the complaint performance report and agreed the report provided assurance in relation to regulatory compliance on complaints.
- considered the Housing Ombudsman determinations and actions provided assurance that we are recovering well and learning to prevent future cases like these.
- reviewed the Self-Assessment and confirmed it provided assurance of statutory compliance to the complaint handling code.
- considered the pending instruction from the Housing Ombudsman and appointed the Senior Independent Director role as the a member responsible for complaints within its governance structure.

### 13. **Agenda Item 14: Governance Update**

*Summary: Provides an update on any recent regulatory judgements and gradings to ensure the Board is fully aware of any recent changes in the sector, including any other updates from the Regulator of Social Housing (RSH). It also covers other areas of governance which require board approval or discussion.*

Discussion points/questions:

- On 17 January the Regulator for Social Housing (RSH) published its findings on Ongo Homes and confirmed it retained its existing gradings of G1/V1.
- Future reports will include an overview of Housing Ombudsman cases in a similar way to the RSH cases.
- There is work to be done on recruitment and succession planning which will be considered by the Governance & Remuneration Committee initially.





**Agreed: Board**

- noted the sector update on regulatory findings by the RSH
- confirmed future RSH updates only include those entities that have been given a regulatory notice or their gradings have been changed.
- noted two features on Inside Housing which Board Members can use to help keep themselves up to date with sector issues.
- noted Ongo Homes' subsidiary companies have all submitted their year-end accounts as required to the Registrar of Companies (Companies House) and Charity Commission (for Ongo Communities Ltd).
- noted the in depth self-assessment review of the Tenant Involvement and Empowerment Standard finds us fully compliant and note the work officers are doing in readiness for the changes to the consumer standards.
- noted the update on planned recruitment for two imminent vacancies and further work required around further succession planning of the Board to be taken to Governance & Remuneration Committee initially.
- received the latest regulatory judgement from the RSH for Ongo Homes (published 17 January 2024). Ongo Homes retains the ratings of **G1/V1**
- noted future reports will include an overview of severe maladministration cases and learning points from Housing Ombudsman cases.

Bev Lewis, Judith Tomlinson, Heather Robinson, Lorraine Brumby and Becky Johns left the meeting at 4.07pm.

14. **Agenda Item 15: Confidential**

15. **Agenda Item 15.1: Confidential**

Discussions recorded confidentially.

15. **Agenda Item 16: Confidential**

Discussions recorded confidentially.

16. **Agenda Item 17: Other Board and Committee Updates**

Minutes from all other Board and Committee meetings are available for Members to view within the Document Library in Convene. The Chairs Updates from the Ongo Commercial meetings on 1 August and 16 November 2023 had not yet been provided so were not included in the meeting pack.

17. **Agenda Item 18: Confirmation of items via Convene in advance**

*Summary: Items were circulated on Convene with a request for members to consider them in advance and the approval decisions to be ratified at the meeting.*

Discussion points/questions:

- The reports circulated in advance were confirmed as approved.



**Agreed:** Board confirmed via Convene they had

- approved the Board Member Code of Conduct.
- approved the LGPS Discretions Policy.

18. **Agenda Item 19: Attendance List**

The attendance list was noted.

19. **Agenda Item 20: Time for Reflection**

The Chair apologised for the overrun on timings. Board agreed there had been a substantial amount of business which had been covered well.

With no further business the meeting closed at 5.23pm.

Signed by Chair: ..... Date: .....  
As a true and correct record of the Ongo Homes Board meeting held on 23 January 2024

