

TERMS OF REFERENCE

J Ongo Developments Board

J1 Functions

- J1.1 Ongo Developments Ltd and Ongo Home Sales Ltd will operate as a common board and will be known as Ongo Developments within the governance structure of Group.
- J1.2 Ongo Developments will report to the Ongo Homes Board.
- J1.3 It will operate as a development committee for all subsidiaries and legal entities within the Group.

J2 Responsibilities

- J2.1 Ongo Developments is responsible for assisting the Board in fulfilling its development responsibilities and shall monitor the performance of such activities across the Group.
- J2.2 To be responsible and accountable to Ongo Homes Board for risk management within the Sales and Development areas and escalating issues to the Ongo Homes Board when necessary, seeking independent advice as relevant.

J3 Authority

- J3.1 Ongo Developments is authorised by Ongo Homes Board to:
 - a) examine any activity within its terms of reference;
 - b) seek any information it requires from any member of staff. All staff will co-operate with any reasonable request made by it; and
 - c) approve investment in projects that form part of a development programme, budget and financial plan that has been approved by Ongo Homes Board and within limits defined by Ongo Homes Board
 - d) review and recommend asset management and development & growth strategies to the Ongo Homes Board as per Delegations Framework
- J3.2 Ongo Homes Board will always retain overall responsibility for agreeing and reviewing the investment strategy in line with relevant policies and for all aspects of financial management, development and investment decisions.

J4 Scope

- J4.1 Subject to all proposals being aligned with strategies approved by Ongo Homes Board and appropriate budgets, and working within the limits defined in the Delegations Framework, Ongo Developments is responsible to Ongo Homes Board as appropriate for the following areas of activity.

J5 Development investment

- J5.1 Scrutinising all investment decisions in respect of development activity and significant opportunities for growth, including but not limited to: new development; acquisitions of housing stock; initial assessment of joint ventures (subject to Ongo Homes Board approval); and other major projects.
- J5.2 Review and approval of investment criteria for new development projects (e.g., sales targets and values) and recommend to Ongo Homes Board for approval.

- J5.3 Review and recommend bids for development grants for approval by Ongo Homes Board in line with the Delegations Framework.
- J5.4 Recommending, or otherwise, such investment and growth projects to Ongo Homes Board for approval.

J6 Development scheme approvals

- J6.1 To receive and evaluate reports on proposed development projects, challenging staff and advisers to achieve assurance that the risks and costs of schemes have been fully and appropriately assessed and that projects align with Ongo Homes Board,s approved strategies.
- J6.2 To receive reports on any anticipated cost over-runs above an agreed percentage of total approved scheme costs, that percentage being determined by Ongo Homes Board and reviewed from time to time.
- J6.3 Where the cost of a proposed scheme is greater than the limit set by Ongo Homes Board for delegated approvals or where the proposed scheme is outside approved strategies, to make recommendations to Ongo Homes Board for approval with such justification as Ongo Developments Board deems appropriate.
- J6.4 Where project or contract values are in excess of the limits defined by Ongo Homes Board, considering and recommending to Ongo Homes Board for approval:
 - a) proposals relating to the development by the Group for sale or for rent;
 - b) new contracts with funding and grant making bodies;
 - c) monitoring subsequent performance of such programmes;
 - d) formal/binding offers and contractual commitments for new sites and development programmes undertaken by the Group;
 - e) proposals relating to acquisition by the Group or any entity of the Group of any interest in land with a view to future development or sale;
 - f) any joint venture or partnership agreements to enable delivery of development schemes, and any material or asset variation to those agreements in the line with the Delegations Framework, e.g.
 - i. Variation to the original Development or Asset Management Contract (cumulative & total) - variation up to 10% of contact sum and up to £0.5m maximum, where the variation takes it out of development scheme parameters
 - ii. Single variation to the original Development or Asset Management Contract - variation up to 5% of contact sum and up to £0.5m maximum where the variation takes it out of development scheme parameters
- J6.5 Monitoring the performance of any joint venture or significant contract related to Ongo Developments, scope of activity and recommending to Ongo Homes Board any actions necessary to ensure that agreed outcomes are delivered.
- J6.6 Considering new tenure models, their applicability to the range of products offered and the likely or estimated return on scheme investment.
- J6.7 Review and authorise recommendation acquisition of completed properties (over £2m), acquisition of land and any associated future letting of development contracts (over £2m), approval of land and property disposal in line with the Delegations Framework.

J6.8 Authorisation of letting of asset management contracts (total value £1 to £2m) in line with the Delegations Framework.

J7 Programme monitoring and risk management

J7.1 At regular intervals, to review and monitor the development programme including (but not restricted to): actual costs compared to forecast; total Work in Progress (WIP); sales performance and profitability; cumulative exposure to contractors/suppliers; cost indices and trends; evidence of need; and demand and such other intelligence and data as may be deemed relevant by Ongo Developments.

J7.2 To provide a six monthly review of performance against targets & financial indicators, to Ongo Homes Board.

J7.3 To monitor the effectiveness of internal controls and systems for business assurance within the development and sales programme, referring as appropriate to internal and regulatory audits to ensure compliance and continuous improvement and liaising with the Audit and Risk Committee concerning any findings.

J7.4 To monitor an appropriate operational risk register for the development programme, and how effectively management are mitigating the risks.

J7.5 To provide the Audit and Risk Committee with regular updates on the development risk register to enable it to satisfy the Ongo Homes Board that there is a sufficient and systematic identification, review and management of risks within the organisation.

J8 Composition

J8.1 Ongo Developments shall consist of four people, two of which must be members of Ongo Homes Board, one will be an Executive member of Ongo Group and one will be an independent member.

J8.2 Ongo Homes Board will appoint one of the Ongo Homes Board members as the Ongo Developments, Chair.

J8.3 At least one Non-Executive member of Ongo Developments Board should have significant, recent and relevant development and investment experience.

J8.4 On the recommendation of Ongo Developments and the approval of Ongo Homes Board, one co-optee may be appointed to enhance the skills and experience of Ongo Developments.

J9 Quorum

J9.1 The quorum for meeting shall be two and one must be a non-executive member of Ongo Homes Board. Executive Members should be in the minority for quorum purposes, as required by the NHF Code of Governance.

J10 Frequency of Meetings

J10.1 Ongo Developments will normally meet quarterly and otherwise as necessary.

J11 Skill requirements

J11.1 In addition to those set out in the statement of preferred composition, the specific skill requirements for this Board include:

- Experience of housing development in a public sector or commercial context
- Understanding of the local housing market in which Ongo Developments operates
- Experience of managing or governing procurement and / or project management processes
- Experience of managing or governing investment in growth and development projects
- Demonstrating commitment to and understanding of the values and objectives of Ongo
- Appreciation of executive and non-executive roles and responsibilities
- Ability to dedicate sufficient time and energy
- Confidence to give honest opinions and add value to decision-making
- Inquisitiveness and independent judgement
- Capacity to keep up to date with the operating environment
- Understanding the wider social role of Ongo Group across local communities
- Understanding of legislation and key values of equality, diversity and inclusion

J12 Attendance

J12.1 External advisors may attend all or part of meetings at the invitation of the Ongo Developments, Chair.

J13 Accountability

J13.1 Ongo Developments is accountable to the Ongo Homes Board for the fulfilment of the responsibilities delegated to it as set out in these Terms of Reference.

J13.2 All Ongo Developments Board members share responsibility for the board,s decisions and should act only in the interests of Ongo and not on behalf of any constituency or interest group.

J13.3 Ongo Homes Board will obtain assurance on Ongo Developments, work via minutes and regular feedback from the Chair on all of Ongo Developments, meetings.

J13.4 The Ongo Developments, Chair will ensure that key issues are promptly brought to the attention of the Ongo Homes Board (and subsidiary boards where necessary).

J13.5 Ongo Developments will report formally on its work to the Group Common Board on an annual basis.

J14 Attendance

J14.1 External advisors may attend all or part of meetings at the invitation of the Ongo Developments, Chair.

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