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ONGO HOMES LTD

(FCA Mutuals Registration No 7639) (the Association)

Held at 2.00pm on Tuesday 21 January 2025

Board Room, Ongo House, High Street, Scunthorpe, DN15 6AT and via MS Teams

MINUTES

Present:

**Board:** Bob Walder (Chair), Steve Hepworth, John Wright (Teams), Rachel Cook (Teams), Mike Finister-Smith (Teams), Matt Sugden, Nicola Haywood-Cleverly, Judith Tomlinson, Tracy O’Neill (Teams)

**Officers:** Jo Sugden, Ashley Harrison, Bev Lewis (Minutes), Louise Usher, Gemma Willey, Steve Ellard, Kevin Hornsby

**Apologies:** Paul Warburton, Kacper Merta, Gerraint Oakley, Charmaine Mande

**Absence:**

**Also Present:** Angela Lomax from DTP (2.10-2.56pm)

**Observers:** None

**Time meeting opened:** 2.00pm

**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:** No declarations were made. It was noted the item on Board Membership involved several Board Members.

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

Minutes of the open meeting on 8 October 2024 were agreed as a true and accurate record for the Ongo Homes Board and will be signed by the Chair.

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

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

3. **Agenda item 5 - Chief Executive’s Update and Board Discussion**

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

Discussion points/questions:

* Steve Hepworth gave an update on what is happening in the sector and around Ongo.
* The National Planning Policy Framework (NPPF) has been finalised. Key elements are increased mandatory targets for each Local Authority (LA), generally about 20% with the need for each authority to evidence they have the land to support this.
* There is some recognition that the target of 1.5 million new homes will not be met, even with changes made, however work will continue to try to reach the target. There is a shortage of planners at the moment which is hampering development progress and some ringfenced funds have been allocated by Government to recruit.
* Devolution in Lincolnshire is still a hot topic and area of interest. There could be some local Government reorganisations take place and the elections could be delayed to allow for this. What these changes will mean for our strategy plan remains to be seen but the CEO assured members that Ongo has good relationships with the main candidates and is in a good position to keep up to date with developments and will keep the board updated.
* Around Ongo we welcomed a new Head of Maintenance and an Operations Manager with adverts out for additional maintenance roles. There will be a slight reshuffle of the Heads of Service Team at the end of March when Karen Cowan retires with the creation of the position of Head of Assets and Sustainability. We will be welcoming North East Lincolnshire Council (NELC) on 28 February to discuss their temporary and homeless accommodation needs.

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| **Agreed:** Board noted thepresentation provided by the Chief Executive on issues within the sector and within Ongo. |

4. **Agenda Item 6 – DTP Inspection Support Report**

*Summary : DTP was commissioned in November 2024 to support Ongo Homes in its preparation for the Regulator of Social Housing (RSH) inspection. This was an external challenge piece of work whilst with the aim of further improving and strengthening Ongo’s response to the inspection process, the key driver ultimately is to ensure Ongo is providing the best possible service to its tenants and customers and listens and acts upon customer voice. Ongo Homes Board approved the scope for the piece of work and 3 quotes were sought in line with procurement rules. The contract for the work was awarded to DTP.*

Discussion points/questions:

* Jo Sugden updated the Board with what was discussed at the Customer Voice meeting that took place prior, saying that the feedback from DTP observing their last meeting was welcomed by the group and would be recognised going forward.
* The report provided by DTP was positive showing strong foundations. There were no significant gaps found. There were some areas with room for strengthening although some of these already had plans in place.
* More work could be done to provide Board with clarity around progress against plans by providing information on milestones achieved or if not achieved what options are there going forward.
* An action plan will be in place shortly, some have already begun to work on these, and progress against the action plan will be reported back to the Governance and Remuneration Committee and a milestones report will be brought to Ongo Homes Board. **ACTION 1/25**
* Service outcome assurance for Board could come in the form of an Assurance Framework.
* Data usage is a developing area and there will be a data strategy item on the next Board meeting agenda which will aid with a strategic plan going forward.
* A suggestion was made that members get out in the community and participate in the numerous activities and projects we facilitate for the best measure of assurance.

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| **Agreed:** Board:   * discussed the outcome report following DTP’s Inspection Support assessment of Ongo’s current position in relation to Governance, Financial Stability and Consumer Standards. * considered the recommended action plan to further improve Ongo’s service to its tenants and overall Governance position. * delegated the work and monitoring of the action plan to the CEO and Executive Team, with a quarterly update to Board on progress to be included in the Governance report. |

5. **Agenda item 7 – Existing Homes Update**

*Summary: The percentage of our homes that don’t meet the Decent Homes Standard continues to reduce, now at 0.4% as of 31 December 2024. This has been driven by, among other things, an improved response to addressing Housing, Health and Safety Rating System (HHSRS) hazards. This also illustrates strengths to our approach as we plan for the introduction of Awaab’s Law. A continued focus on our maintenance service is proving effective, with improvements in workforce efficiency and investment in growing our in-house workforce further. There remains no significant repairs backlog of note, but outstanding job numbers will continue to reduce as a result of this increase in workforce size and improved efficiency.*

Discussion points/questions:

* Stock condition survey is on track and emphasis on Housing, Health and Safety Rating System (HHSRS) hazards has resulted in having no live actions at this time.
* A new updated Asset Management Plan will be created during 2025 to incorporate the new Corporate Plan published in 2024.
* Board should be assured that the repairs backlog is not significant when compared to other companies in the sector. The Work in Progress (WIP) numbers are steadily rising which will be mitigated by the creation of 10 new roles in the Maintenance Team and it’s thought this figure could be lowered again by working on data cleansing.
* A Member asked if there could be a more holistic report around repairs and sub-contractor usage and Steve Ellard agreed with this approach for the next report brought to Board. Steve Hepworth stated that we are looking at the ways data is presented to Board and will come to the next meeting with some suggestions to improve the quality of performance information to Board. **ACTION 2/25**

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| **Agreed:** Board   * acknowledged the current position in terms of the maintenance service and the decency of our existing homes, noting the regulatory importance of each. * debated whether progress in each of these key areas is sufficient or whether additional measures are required. Members also suggested any additional content of this report in future meetings. |

6. **Agenda Item 8 –** **Customer Services**

**6a) Customer Services Update**

*Summary: This report provides an overview to Board on Customer Services, complaint and contact handling as well as the latest updates around Housing Ombudsman (HO) determinations and future spot-light reports. The report also shines a light on our newly branded ‘Sport, Health and Housing’ Initiative and provides some examples of how we are engaging our customers in improvements to the services we provide in line with our Customer Focus strategy and the regulatory standards.*

Discussion points/questions:

* Matt Sugden (new Member for Complaints (MRC)) thanked Kevin Hornsby, Becky Johns and Rachel Cook for the smooth handover of position.
* A Member asked if the handing over of information about our processes, policies and procedures, as stated in 4.5 of the report, to the HO could cause repercussions in the future? Steve Hepworth assured that this was becoming normal practice and envisioned no issues.

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| **Agreed:** Board:   * considered the content of this report, noted the most recent Housing Ombudsman determinations and confirmed they are assured that Ongo is learning from complaints and making changes to services based on customer feedback. Board also noted the update around Sport, Health and Housing and that a deep dive will be presented to the Ongo Communities Board. * have an awareness of how Ongo is shaping its services around customer feedback. |

**6b) Customer Voice Update**

*Summary: This report is intended to provide 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 2024. Members were asked to note that complaints are not referred to as they are included in the Customer Services Update report at this meeting.*

Discussion points/questions:

* Karen Cowan presented the report detailing the actions and decisions the group have been involved in and the ways we are aiming to engage more tenants going forward, particularly young people under 30.
* Karen highlighted the ways in which we collect data and the need to gather information from other service areas too.

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| **Agreed:** Board   * that Ongo once again signs up to the National Housing Federation Tenants Charter. * received the in-depth self-assessment carried out on the Transparency, Influence and Accountability Standard which concludes that Ongo Homes is compliant. * determined this report provides the assurance it needs in relation to how the customer voice is facilitated and utilised. |

**7. Agenda item 9 – Performance and Financial Report**

*Summary: The following report presents the operational and financial performance of Ongo Homes (and subsidiaries) for the period to November 2024. We continue to see additional property costs incurred to resolve increased repairs demand and damp and mould issues. Measures to reduce the volume of jobs and spend, particularly with contractors are underway. As a result, year to date (YTD) net operating surplus of £8.1m is £0.4m adverse to budget, and at current levels of activity is projected to be £0.8m adverse to budget for the full year. This leads to a red status of the related financial golden rule. Covenant compliance remains green, aided by lower than budgeted borrowing to November, with anticipated interest cover headroom expected to be £3.2m and therefore broadly in line with budget.*

Discussion points/questions:

* Ashley Harrison took the report as read and stated that performance is following the usual trends. Steve Ellard pointed out that the Air Source Heat Pump delivery scheme may be underdelivering and that works other works could be brought forward to mitigate this. This is a common theme with other companies delivering this scheme.
* The Annual Operating Margin showing a red status and it is not looking like it will improve. A Member asked if it was time to review the Golden Rules and KPI’s? Ashley Harrison confirmed that this would be reviewed at end of the current financial year when budgets etc have been finalised.

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| **Agreed:** Board:   * approved the management accounts of Ongo Homes (entity and group) for November 2024 and noted the contents of this report and associated information. * noted the red status of one financial golden rule, and the red status of one business plan stress test indicator and amber status of one business plan stress test indicator for Ongo Homes. |

8. **Agenda Item 10 – 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:

* Jo Sugden gave a verbal update from the recent CV meeting saying the Tenant Consultation was well received. After detailed discussions tenants voted unanimously for the 2.7% rent increase and the service charge cap of £5 which will be applied after 1 April 2025. Ongo Homes Board agreed.

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| **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 2.7% from the 2024/25 weekly rate. * All social rents continue to be assessed when the property becomes void and will be re-let at the permitted 2025 target rent + full tolerance. * 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.      * That we remove our current policy of reviewing affordable rents at the 5-year anniversary of the tenancy. Affordable rents will have the standard rent settlement applied throughout the life of the tenancy and only be rebased to 80% of market rents on void, as per the requirements of the rent standard. This change is required due to the financial effect of this review. * Market rents (used to measure/calculate the % of Affordable Rent) for new build properties and re-based properties are increased by the differing levels proposed by our Valuers (Scotts LLP). * That 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 that Shared Ownership unsold equity rents increase by the terms specified in each lease and in conjunction with the CFG (Capital Funding Guide) and Shared Ownership Rent Policy. * that Garage rents increase by 2.7% (cpi+1%) for 2025/26. * approved the proposed range of service charges for 2025/26 shown in Appendix 2 of the board pack, with a proposed increase of 9% across all service charges in line with existing costs and considered and advised on the implementation of a cap on increases in relation to communal electricity of £5 a week. * that the Rent and Service Charge Setting Policy is updated as necessary to align with this report. * that the above increases take effect from the first Monday in April 2025. |

9. **Agenda Item 11 – Draft Base Business Plan 2025-26**

*Summary: The business plan and budgets for the organisation must be considered and approved by the board on an annual basis. These will form the basis for financial control and reporting during the financial year, will facilitate the Board’s long term business planning, and provide the basis for reporting of long-term financial position of the group to external partners, in particular the regulator and our funders. This report considers the long-term business plan. This report considers the current position of the base business plan being developed and some options for discussion around how that current plan position can be strengthened. Also included for discussion is information on sensitivity and stress testing of the plan, and mitigating actions relating to the scenarios that these sensitivities/ stresses will produce when modelled.*

Discussion points/questions:

* Ashley Harrison explained that assumptions had been made of spending less on some areas. The report has been produced in a different layout to prior reports in line with the recommendations from the DTP report for more clarity to Board.
* Bad debts and void loss are showing as red , these are historical and inherited from new stock and these assumptions will be reviewed before the end of March 2025, to bring these back in line with historical levels by the end of March 2026.
* The plan for 2025-26 is not based on Consumer Price Index (CPI) but the longer-term plan is.
* The report laid out possible scenarios for possible savings and Ashley Harrison explained these were examples and any number of scenarios could be produced if that is what the Board required.
* Steve Hepworth suggested the option of changing the 10-year plan for rent setting to a 5-year plan and a 5-year rolling plan for developments and communities spending.
* Board noted that these are strategic decisions and these need to be considered and brought back to the Board.
* Board was happy with the suggested sensitivity and stress testing provided in the report.
* The order of mitigations was discussed, and it was felt that if and when any decision needed to be taken it should be taken with the most up to date information available at the time. Other factors that need to be considered are impacts on health and safety and regulatory standards before Community projects.
* Board requested further detail on the mitigations to be provided to enable Board to make an informed decision. Ashley Harrison to update the business plan and return to Board for comment.

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| **Agreed** Board:   * discussed and considered the information within this report and advised on its required actions around the production of the plan to be presented to it in March. * discussed and considered the presented possibilities for sensitivity tests against the business plan and advised on the suitability of these and of any additional or alternative tests that it requires to be made. * discussed and considered the presented possibilities for combined stress tests against the business plan and advised on the suitability of these and of any additional or alternative tests that it requires to be made. * discussed and considered the presented possibilities for mitigating actions that the business could take in the face of the sensitivity and stress scenarios and advised on the suitability of these and of any additional or alternative actions that it requires to be assessed. |

10. **Agenda Item 12 – Budget 2025-26**

*Summary: The budgets for the organisation must be considered and approved by the board on an annual basis. These will form the basis for financial control and reporting during the financial year and for our reporting on the financial position of all Ongo businesses. This report presents the initial budget for Ongo Homes and has been produced in line with year one of the Business Plan for 2025-26. The final version will be presented, along with the consolidated budget for the Ongo Group for approval at the March Ongo Homes Board meeting. Also included are the budgets for Ongo Communities and Ongo Commercial entities for any initial observations that the board wishes to make, however these have yet to be approved by the respective subsidiary boards. Approved versions of these budgets will also be presented at the March Board meeting.*

Discussion points/questions:

* The operating margin, at 14.3%, is lower than other years with no contingencies built in. While this level is not ideal it is at a better level than other companies in the sector which generally sit at 10%.

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| **Agreed:** Board   * considered the initial draft of the Ongo Homes budget for 2025-26 and advised of any changes required to allow for finalisation and presentation to the Board for final approval at the March 2025 board meeting. * considered the initial drafts of the Ongo Communities businesses and Ongo Commercial businesses budgets for 2025-26 and provided any views, advice or required amendments to the subsidiary boards ahead of the individual board meetings. |

11. **Agenda Item 13 – Assurance Review Update**

*Summary: This report presents the findings and actions identified during the assurance review (AR) completed against the Corporate Plan year 1 annual plan (Appendix 1) and year 1 annual targets progress (Appendix 2)* ***from April 2024 through to end September 2024****. Section 4.1 of this report shows progress against the agreed projects as part of the annual plan, which are detailed specifically within Appendix 1. Section 4.2 highlights areas of success and challenge in relation to progress against the annual targets agreed by the Leadership team for 2024/25.*

*The Leadership team have agreed actions to improve in the identified areas, which are detailed at 4.4. The next AR will take place in April 2025 to review the period October – March. Following on, reviews will be scheduled quarterly.*

Discussion points/questions:

* Louise Usher introduced the report and Board was assured by the information provided.

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| **Agreed:** Board   * considered and challenged the information within this report and the associated appendices, which detail the progress against the Corporate Plan targets and the year 1 (2024-25) annual plan projects from April to September 2024. |

12. **Agenda Item 14 – Strategic Risk Register**

*Summary: Risk is the possibility of an event and the consequences it has on the achievement of objectives, both at a strategic and operational level. Robust risk management is an essential element of effective governance and a strong internal control environment. A Board Strategy Day was held in June 2024 to review our risk appetite statements and strategic risk register in light of our new Corporate Plan, which was launched on 1 April 2024. The final Risk Appetite Statements were approved at Ongo Homes Board in September 2024. Our revised Strategic Risk Register can be found in Appendix 1. All risks are clearly linked to the achievement of our Corporate Plan.*

Discussion points/questions:

* Louise Usher presented the report and Board was assured by the content and presentation.

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| **Agreed:** Board   * confirmed that they have approved the revised Risk Management Framework and are satisfied with Risk Management within Ongo. * reviewed the Strategic Risk Register in appendix 1 and discussed any potential concerns. * consider moving Business Continuity Risk to Audit and Risk Committee for assurance and replace with a new risk relating to asset management. |

13. **Agenda Item 15 – EDI Update**

*Summary: The purpose of this report is to:*

* *Receive an annual EDI summary update report for discussion and challenge*
* *To report on progress against the Board’s EDI Objectives Roadmap*
* *Provide assurance that Ongo takes equality, diversity and inclusion seriously and that it is considered and facilitated as required*

Discussion points/questions:

* Karen Cowan reviewed the report saying that the Board’s objectives have all been met and were business as usual now. Karen advised that the Board may wish to consider whether they would like to create a new EDI Objectives Roadmap for future.
* Board had no comments except to congratulate Hales & Coultas on winning the Diversity and Inclusion Champion Award from the Association of Heating and Plumbing.

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| **Agreed:** Board   * considered progress made against the Board’s EDI objectives roadmap, raised challenge and agreed any additions, changes or focus required to actions, priorities or progress within the roadmap going forward. * determined that this report provides the assurance that Ongo meets its moral and regulatory obligations to the equality, diversity and inclusion remit. |

14. **Agenda Item 16 – Governance Report**

*Summary: The following documents (Board Remuneration Policy, Board Appraisal Process Delegations Framework and Risk Management Framework) have been reviewed. Board members should note that for clarity, all changes and prior approvals were made available on Convene in advance pending final approval at this meeting. Please note the full draft policies are available in Discretionary Reading. The recommendations made to agenda item 4.1 LGPS – these link to our strategy of growth and sustainability by mitigating the risk of future costs, without destabilising the membership.*

Discussion points/questions:

* Board was happy with the content of the report and noted the points explained by Gemma Willey.

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| **Agreed:** Board   * noted the risks and recommendations contained in the Annual Pension Governance Report by First Actuarial, presented to the Governance & Remuneration Committee in December 2024. * To noted approval of the following items which have been issued via Convene in advance of this meeting:   + 1. Board Remuneration Policy     2. Board Appraisal Process     3. Delegations Framework     4. Risk Management Framework |

15. **Agenda Item 17 – Annual Report on work of Gov & Rem Committee**

*Summary: The Governance and Remuneration Committee is accountable to Ongo Homes Board for the fulfilment of responsibilities delegated to it as set out in its Terms of Reference. One of its responsibilities being to report formally on its work to Ongo Homes on an annual basis; this report provides the annual update.*

Discussion points/questions:

* Rachel Cook thanked her fellow Committee members and the Board agreed it was a positive report.

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| **Agreed:** Board   * noted the main annual activity, decisions and matters considered by the Governance and Remuneration Committee during 2024. |

16. **Agenda item 18 - Other Board and Committee Updates**

Minutes from all other Board and Committee meetings are available for Members to view.

17. **Agenda item 19 – Assurance Update from Board and Committee Chairs**

Updates had been included in the meeting pack from Board and Committee meetings as well as Community Voice.

Steve Hepworth pointed out the recommendation in the DTP report that Board should have a more detailed awareness of Developments other than the reading of the minutes and work will be carried out to create a more bespoke approach to this.

Gemma Willey added that, being new to the organisation, Board packs is something she will be looking at in terms of ways to aid the presentation of information to members.

Karen Cowan explained that Angela Lomax from DTP pointed out that there was no evidence that the Chair’s Updates are being read, and more evidence is needed to ensure that Board members are aware of and understand what is being discussed at other Board/Committee meetings.

18. **Agenda item 20: Time for Reflection**

With no further business the meeting closed at4.53pm

Signed by Chair: ................................................ Date: ........................................

As a true and correct record of the Ongo Homes Board meeting held on 21 January 2025