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

Held at 2.05pm 14th May 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, Mike Finister-Smith (Teams), Natalie Cresswell, Kacper Merta (Teams), Nicola Haywood-Cleverly (Teams), Tracy O'Neill (Teams), Gerraint Oakley (Teams)
Officers: Ashley Harrison, Jo Sugden, Kevin Hornsby, Steve Ellard, Bev Lewis, Gemma Willey (Minutes)
Apologies: Paul Warburton, Matt Sugden, Judith Tomlinson,
Absence: None
Also Present: Charmaine Mande (Board Trainee), Paula Gouldthorpe
Observers: None

Time meeting opened: 2.05pm

Quorum and attendance: 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. The Chair welcomed Paula Gouldthorpe as a guest to the meeting. Paula's term of office on Commercial Board ends 23rd May and therefore the invite had been extended to Paula due to this meeting being in person, to allow for a presentation and gift thanking Paula for her commitment and service to Ongo.

Declarations of Interest: No declarations were made.

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

Minutes of the open meeting held on 25th March 2025 were agreed to be a true record subject to the following amendments:

- Tracy O'Neill and Natalie Cresswell were present in person and not via Teams
- Steve Ellard requested clarification that the assumptions were confirmed as aligned with the business plan and the specific scheme (agenda item 13, page 7) linked to action 4/25

2. Agenda item 4: Action List

Updates on the action list were noted as per information within the meeting pack. A brief update was provided on Action 4/25 as noted in the approval of the minutes.

Board members were reminded to provide any outstanding comments on the T&I Innovation Plan, following some initial feedback received, the deadline is 30th May.

3. Agenda item 5: Chief Executive's Update

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

Steve Hepworth presented the CEO update, focusing on recent political developments and their potential impact on the housing sector in Greater Lincolnshire. The headlines were:

Political Landscape:

- Dame Andrea Jenkyns has been elected as mayor. Whilst the mayor's direct budgets do not currently include housing, there is an expectation that regional mayors will play a key role in unlocking housing challenges and supporting skills development. The Reform party has published some high-level actions on housing, but these remain aspirational. The update highlighted the importance of housing within the Greater Lincolnshire Housing Association Partnership and the potential for projects such as a veterans' village. Despite outreach efforts, including offers of meetings, there has been no response from the mayor's office to date, though further contact has been made post-election and a response is still awaited.
- Reform is expected to have a significant political impact in the region, shaping the narrative around housing even if not in direct control. This influence is likely to affect future policy and partnership working.

Board Discussion and Questions:

- A member asked about the potential impact of rising homelessness on Ongo. Steve responded that while Ongo is well-placed to assist through its homelessness team and involvement in various initiatives, statutory responsibility remains with local authorities. The recent engagement with North East Lincolnshire's executive team highlighted opportunities for further collaboration.
- A member noted that changes in Lincolnshire County Council leadership and local authority boundaries, influenced by the Reform party, may affect partnership dynamics within the combined authority.
- Members welcomed the organisation's proactive approach and asked about the mayor's willingness to facilitate greater knowledge sharing and partnership working. It was confirmed that, to date, there has been no engagement from the mayor's office and suggested that future approaches may need to be directed through the combined authority's administrative offices rather than political representatives.

Steve Hepworth emphasised the need to continue engaging with Reform and to align organisational objectives with regional priorities, particularly around skills and employment training, where the organisation has a strong track record.
Additional Comments:

- Paula Gouldthorpe (observing) highlighted the broader context of housing and development, noting significant funding opportunities in the defence and security sectors, which may lead to increased competition for land and resources.

Key organisational and sector developments:
Regulatory Assurance:

- Stonewater was recently fined £140,000. SH assured the Board that appropriate mitigations are in place within the organisation, and Jo and the team are currently reviewing compliance to ensure ongoing assurance.

Future Homes Standard:

- The Future Homes Standard will require photovoltaic (PV) panels on all new build homes. While technical details are still being finalised, this is viewed as a positive development for the sector.

Staff and Tenant Wellbeing:

- The most significant challenge facing staff continues to be supporting tenants with complex mental health needs. Although Ongo Talk did not win its category, it was recognised as a finalist. The service has attracted interest from Inside Housing, who have requested a podcast feature, and there are ongoing discussions with the Northern Housing Consortium regarding the potential commercial promotion of the service. Steve clarified that, although he is a board member at NHC, he was not involved in decisions relating to the mental health initiative. He emphasised that mental health is an increasingly important issue for housing associations, and Ongo's approach is gaining sector-wide recognition

Financial Update:

- Insurance costs have increased by approximately £40,000, while energy costs have decreased, which will benefit tenants.

Cyber Security:

- An internal audit of cyber security is planned, and communications on this topic have been issued.

Events:

- Members were reminded that the Carnival will take place on 6th August and were encouraged to attend.

The Chair noted that Mr Sugden had submitted comments in advance. The Chair summarized these comments for the board, noting that the CEO's update had responded to these particularly with regard the new mayor's agenda on housing and the organisation's approach to cyber-attacks.

Agreed: The Board noted the update and agreed to continue proactive engagement with regional stakeholders to advance the organisation's objectives.

4. Agenda Item 6: Financial Performance Report & Management Accounts

Ashley Harrison presented the management accounts and associated papers, highlighting a minor typographical error and confirming that the data in table 4.1.12 is accurate and in line with expectations. Ashley also reported that subsidiary companies, Ongo Heating & Plumbing and Ongo Developments, have made a combined gift aid contribution of £287,000 to Ongo Communities, which is now available for use. The Chair expressed thanks to the Commercial Board and subsidiary companies for their efforts in securing these funds.

Discussion and Clarifications:

Financial Reporting:

- A member queried the figures in section 4.5.1, noting a discrepancy. Ashley clarified that the total figure includes smaller donations, hence the difference.
- Steve Ellard confirmed that figures in 4.1.3 are correct, but differences arise due to varying calculation methods.

Shared Ownership:

- A member noted significant variances in shared ownership first tranche sales between the month and year. Ashley explained that moving shared ownership properties has been challenging, with ongoing discussions about reverting some to rent or first home sale. Oversight has now moved to Steve's area under Martin Philips, and an update will be provided to the Developments Board next meeting.

KPIs and Performance Commentary:

- A member highlighted the absence of commentary on KPIs, particularly 4.1.12. The Leadership Team acknowledged this and confirmed that future reports will include more comprehensive commentary, especially as performance reporting shifts focus from finance to operational outcomes. The Board expressed disappointment at not meeting the KPI, recognising the main driver as repairs. It was noted while improvements are underway, there is a time lag before these are reflected in performance data.

Arrears and Customer Satisfaction:

- The Chair noted that arrears on properties acquired from Guinness were higher than anticipated (18% instead of 8%).
- A member queried the reasons for the drop in satisfaction figures. The CEO confirmed that repairs remain the primary source of dissatisfaction, consistent with sector trends. Steve Ellard added that while interventions are being implemented, changes in customer perception take time.
- A member asked about the consistency of survey methods. Steve Ellard confirmed that Housemark's approach incorporates all communication channels, and it was noted that survey design is governed by RSH rules, which ensures consistency but limits local control. It was noted work is ongoing with the communications team to align messaging with survey language.
- Members observed that, despite a slight decline, satisfaction remains reasonable relative to wider public service trends, and it is important to balance ambition with fairness given changing public expectations.

Development Program:

- A member queried the significant underspend in the development budget (£8m). Ashley attributed most of this to delays on specific schemes, notably North Moor Road, Scotter, where planning issues have caused a £7m slippage.
- Steve Ellard noted that, despite some slippage, the development program has delivered more than originally planned.
- The Chair highlighted the delivery of 261 properties during the year—the highest on record during his tenure—with a further 221 in the pipeline, commending the team's efforts.

Agreed: Board:
- considered and debated the current position regarding repairs
- Board approved the management accounts of Ongo Homes (entity and group) for March 2025 and noted the contents of the report and associated information
- Board noted the red status of the financial golden rule and amber status of one business plan stress test indicator for Ongo Homes.

5. Agenda Item 7: Business Plan 2025-26 (Final)

Ashley Harrison presented the final Business Plan, confirming that the development program had been reviewed and updated to reflect the latest forecasts. There were no material differences from previous versions, only minor adjustments and a single change in planning assumptions. No additional stress testing was undertaken, as no significant changes had occurred.
The Chair explained that the Business Plan is always included on the agenda at year-end to allow for any last-minute adjustments, and minor points had been updated to reflect end-of-year performance.
Questions and Discussion:
- A member queried the impact of potential underperformance in property sales. Ashley assured that while lower sales would negatively affect the plan, the impact would not be material and would only affect short-term treasury positions, which could be managed. Steve Hepworth added that the executive team recognises the need to improve sales monitoring, and this will be reflected in future performance indicators.
- A member asked whether this issue should be reflected in the risk register. Ashley suggested it could be incorporated under financial resilience. The Chair emphasised that the risk is not only about materiality but also about the approach to managing shared ownership sales, noting that reliance on estate agents should be recognised as a risk.

Agreed:
- The Board approved the final Business Plan, noting the following key points:
  - The red status of the relevant financial indicator was acknowledged.
  - Matt Sugden's comments were noted.

NB: Agenda item 8 was a short comfort break

6. Agenda item 9: Our Neighbourhood's Approach

Kevin Hornsby presented a summary of the paper, highlighting the following key points:

Customer-Centric, Data-Driven Approach:

- The new model is shaped by customer feedback and survey data, with an emphasis on using these insights to enhance service delivery. Data analytics and best practice visits to other housing associations have informed the design, with a focus on improving data accuracy, reporting, and responsiveness to tenant needs.

Staff Engagement and Change Management:

- Recent staff briefings generated constructive debate and questions, with strong support for the new approach. The transition is being managed sensitively, with clear communication about role changes and ongoing training to ensure staff are prepared for new responsibilities. Most roles will transition directly, while a small number will require competitive selection. Union representatives have been informed, and training needs are being addressed.

Financial Overview and Efficiencies:

- Implementing the new approach will cost £96,000, a £25,000 reduction from the current neighbourhood services budget. The most significant change is an additional £200,000 investment in the Customer Experience team, including a new Complaints and Feedback Manager to centralise and strengthen feedback processes. Additional costs will be offset by commercial income, community grants, and anticipated efficiencies, such as reduced disrepair and compensation costs. Cost efficiencies will be tracked and reported to the Board.

Operational Enhancements:

- A new Contact Hub Manager will oversee back-office functions, increasing transactional capacity for frontline officers. An additional Contact Centre Manager role will further strengthen the organisation’s customer focus. The new customer hub will build on the current triage system, incorporating assistant roles and operating as a centralised team, while remaining integrated with the wider structure. These roles are designed to manage transactional tasks, freeing neighbourhood officers to focus on frontline duties.

Ambition, Planning, and Risk Management:

- The approach is ambitious but necessary to achieve meaningful improvements in service delivery and customer satisfaction. Members sought reassurance regarding planning, implementation, and the robustness of data sources. The Board discussed the need for clear, SMART KPIs to define and track success. A specific risk map for the project is in development and will be presented at a future meeting following further staff feedback.

Technology & Innovation:

- The Technology & Innovation (T&I) function is supported by a dedicated project board, with sufficient resources allocated for successful delivery. The Board discussed the ongoing consolidation and improvement of systems under the T&I plan, ensuring data requirements are sufficient and adaptable to future needs. Current digital access arrangements, including choice-based lettings, will remain unchanged, with longer-term digital enhancements to be considered as the model evolves.

Geographical and Partnership Alignment:

- Aligning neighbourhood boundaries with those of partner organisations is a priority, as this approach becomes more widespread across public services. The model is designed to balance workloads across repairs, tenancy management, and anti-social behaviour cases, and to strengthen connections with partner agencies. There will be a clear definition of Ongo's role versus external support.

Support and Assurance:

- Members commended the model's strong foundation, responsiveness to tenant feedback, and alignment with customer expectations. They emphasised the importance of robust planning, data-driven decision-making, and clear performance measurement. Members also cautioned about potential staff turnover and morale issues in the new customer hub if pay differentials exist.

Tenant Experience:

- The model aims to improve tenant communication by simplifying job titles and ensuring every tenant knows their designated officer. The average caseload per officer is expected to be around 380 properties, with adjustments for factors such as anti-social behaviour. Caseloads will be regularly reviewed to maintain effective support. Improved data will help officers deliver on the model's objectives, and digital and physical engagement options will remain accessible to customers.

Next Steps:

- The model is still in development, with ongoing work to map processes and refine performance management systems. The Board will receive further updates and a more detailed report at a future meeting. Emerging issues and future expansion will be addressed as needs evolve.

The Chair thanked Kevin for the comprehensive update and highlighted the importance of ongoing discussion around analytics, resource planning, and cost management.

Agreed:

- The Board noted the report and expressed support for the direction of the Neighbourhoods Approach.
- The Board will continue to monitor staff transition, customer engagement, and technology requirements as the new model is implemented, with regular updates to be provided.

ACTION: 7/25 Kevin Hornsby to provide an update on progress to date regarding new neighbourhoods model and any identified KPIs at a future meeting.

7. Agenda Item 10: Existing Homes Update

Steve Ellard provided an update on the management of existing homes, highlighting the following key points:

- The Strategic Repairs Action Group has been operating in a reactive manner and will now evolve to focus more proactively on existing homes. An action tracker, as requested, will be presented at the next Board meeting.
- From a Decent Homes perspective, there have been no significant issues reported; all identified cases are expected to be resolved within the year.
- The stock condition survey is scheduled to commence shortly. Steve noted that by September, there may be a residual number of properties that have not been accessed; these will be managed in accordance with established non-access procedures and policies.
- The main challenge remains the high level of work in progress. While some efficiency improvements are being observed, the current volume is higher than desired and impacts

customer satisfaction. Steve reported that, according to Housemark benchmarking, performance is above the sector average. The next report will explore strategies to further reduce work in progress and provide an updated assessment of comfort levels.

Board Discussion:

- A member asked whether the stock condition survey might reveal issues requiring significant changes to the business plan. SE responded that, while no major issues have been identified so far, it is anticipated that additional damp and mould cases, as well as some component failures, may arise. Financial provisions have been made to address these within the year.
- The CEO, asked Steve to expand on the impact of changes to neighbourhood services on the repairs team. Steve explained that, while tenants may not notice immediate changes, operational and logistical improvements are expected to enhance efficiency and reduce work in progress over the coming year.
- A member inquired about the expected timeline for seeing improvements and the alignment with Awaab's Law. Steve confirmed that the new approach will launch in September, allowing a month for implementation before the law comes into effect in October. The Board will receive updates as progress is made.
- Questions were raised about data sources for hazard identification. Steve confirmed a twin-track approach, with hazards identified through both maintenance activities and dedicated inspections.
- Gerraint Oakley commented that these changes represent a shift towards customer-focused improvement, and while there is optimism about the new approach, it will be important to allow time for implementation and assessment. The Board acknowledged the need to monitor dispersed neighbourhoods, lone working, and data-driven decision-making as the programme progresses.

Agreed:

- The Board acknowledged the current position regarding the maintenance service and the decency of existing homes, noting the regulatory importance of both areas.
- The Board debated whether progress in each of these key areas was sufficient or if additional measures were required. Members also suggested potential topics for inclusion in future reports.

8. <u>Agenda Item 11: Value for Money Update</u>

John Baker joined the meeting via Teams to present the VFM report, which was taken as read.

Board Discussion:

- A member commended the VFM savings achieved and the group's efforts, and requested more detailed information on progress to date, including the depth and frequency of initiatives. John agreed to incorporate additional narrative and detail in future reports.
- Another member noted that this year's performance was strong compared to last year and welcomed the achievement against targets. However, clarification was sought on the specific initiatives that contributed to the savings, whether these are ongoing, and what the targets are for the coming year. John explained that the savings are operational and can be tracked via the VFM savings log, which is accessible to all staff. The organisation encourages

a culture of continuous improvement, with VFM embedded in the PDR process and regular reporting.

- In response to a question about income generation, John clarified that VFM activities are primarily focused on expenditure rather than income, and there are currently no significant income-related initiatives within the VFM programme.

Agreed:
- The Board noted the update and agreed to review progress again in two months.
- John to provide a more detailed narrative and breakdown of VFM initiatives and savings in future reports.

9. Agenda Item 12: Strategic Risk Register

Jo Sugden presented the risk register and addressed questions that had been submitted in advance by Matt Sugden.

Maintenance and Repairs Risk
- The Board noted that the risk associated with maintenance and repairs remains outside the agreed risk appetite, despite assurances of improvement. The volume of work in progress has increased.
- It was agreed that the Board will revisit its risk appetite for maintenance and repairs at the next meeting, using updated performance data to inform the discussion and ensure the risk appetite remains appropriate and evidence-based.
- The Chair observed that when a risk remains outside the Board's agreed appetite for an extended period, there is a danger it could be overlooked; however, the Board is maintaining active oversight and requests a further update on this matter before the end of the calendar year
- The Board emphasised the importance of ongoing monitoring and timely assurance updates, in line with the Code's requirement for regular review of risk management and assurance arrangements.

Awaab's Law Compliance
- Members welcomed the clear linkage between the risks identified and the two papers discussed at the meeting, noting the value of this integrated approach. In relation to Awaab's Law, Steve Ellard proposed that the risk rating be moved from red to amber to reflect progress in responding to regulatory changes. Steve clarified that a red rating indicates failure to comply, while amber would be appropriate as the organisation is actively responding but has not yet established key performance indicators (KPIs). Once KPIs are in place and performance can be measured, the rating can be adjusted to green if compliance is achieved or remain/red if not. Members agreed this was a sensible approach and reiterated the benefit of the observed correlation between the risk register and the supporting papers.

Agreed: The Board discussed and agreed:

- The risk relating to Awaab's Law remains rated as 'red' in the risk register. The Board debated whether to reclassify this to 'amber' in light of recent progress, but resolved to retain the 'red' rating until key performance indicators (KPIs) demonstrate sustained improvement.
- The Board agreed to reassess this risk in the September meeting, ensuring that decisions are data-driven and reflect actual outcomes, as required by the Code's emphasis on evidence-based assurance and transparent risk assessment. The Board will review progress and reconsider reclassification at this point.

Data Quality and Integrity (SRGL3)

- The Board discussed the risk score for data quality and integrity, noting that while current controls are improving, full mitigation will require the delivery of the Knowledge and Information Management (KIM) plan over the next 2–3 years.
- The Board agreed to adjust the risk appetite for data quality/integrity to 'medium', recognising the long-term nature of mitigation activities and the need for ongoing assurance and monitoring.
- It was clarified that data literacy and cyber risk are managed as separate risks, with current assessments remaining appropriate.

Operational Model Change (SRCF2)

- The Board acknowledged that the risk associated with the new operational model will be reassessed following its launch and initial performance review.

ACTION: 8/25 Progress update on Awaab's Law to be brought to September 2025 meeting for review and potential reclassification
ACTION: 9/25 SRCF2 to be reviewed once performance review takes place following launch, with a discussion regarding potential classification.

10. Agenda Item 13: Governance Update

Gemma Willey presented the Governance Update which was taken as read, noting the following summary:

- Appraisals are ongoing, Gemma thanked members for their participation. Once appraisals are completed, a review of outcomes will be presented to the Governance and Remuneration Committee
- Progress to Date Report – Inspection Support, board noted the progress made and requested a summary of progress made at every other board meeting, with a full review every 6 months for assurance.
- Members noted the recruitment campaign for the new Chair was now live. The Chair asked members to share this where appropriate across their networks and LinkedIn.

Agreed: Board noted the contents of the update

- Governance & Remuneration Committee to receive a report on appraisal outcomes and make any recommendations to Board.
- A summary to date report of progress on inspection support actions to come to every other board meeting (next due September) with a full review every 6 months.

• Board members to share the Chair Recruitment campaign with networks

14. Agenda item 13 - Other Board and Committee Updates

Minutes from all other Board and Committee meetings are available for Members to view. Updates had been included in the meeting pack from Board and Committee meetings as well as Community Voice.

15. Agenda item 16 - Assurance Update from Board and Committee Chairs

The Chair invited members to raise any matters relating to board and committee assurance. No issues were raised.

16. Agenda item 19: Time for Reflection

The Chair thanked all members for their valuable input throughout the meeting. Members expressed their appreciation for the quality and clarity of the board pack contents, reports, and the presentations delivered by officers. It was noted that Ongo takes customer feedback seriously, and board members valued this commitment. Members look forward to future meetings.

With no further business the meeting closed at 4.22pm.

Signed by Chair: ....Bob Walder.... Date: ....14 May 2025....

As a true and correct record of the Ongo Homes Board meeting held on 14th May 2025