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

Held at 1.30pm 10th September 2025
Board Room, Ongo House, High Street, Scunthorpe, DN15 6AT and via MS Teams

MINUTES

Present:
Board: Bob Walder (Chair), Steve Hepworth, Mike Finister-Smith (Teams), Natalie Cresswell, Kacper Merta, Nicola Haywood-Cleverly (Teams), Tracy O'Neill (Teams), Judith Tomlinson, Paul Warburton (Teams)
Officers: Ashley Harrison, Jo Sugden (Teams), Kevin Hornsby, Steve Ellard, Louise Usher, Erica Sanderson, John Baker (item 13) Gemma Willey (Minutes)
Apologies: John Wright, Matt Sugden, Gerraint Oakley, Rachel Cook,
Absence: None
Also Present: Charmaine Mande (Board Trainee)
Observers: None

Time meeting opened: 1.31pm

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.

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 30th June 2025 were agreed to be a true record.

2. Agenda item 4: Action List
Updates on the action list were noted as per information within the meeting pack. Board noted the updates and there were no further comments made.

3. Agenda item 5: Confidential

See Confidential minutes

4. Agenda Item 6: Chair's Report

The Chair reflected on his journey with Ongo, describing it as an excellent and fulfilling experience. He began just before Christmas 2019, during a period of team building, but soon after the organisation and the world faced the impact of Covid, which meant that only one meeting was held in person before transitioning to remote working. He emphasised that, even in an era defined by technology, it is the human team that matters most.

He expressed his great pleasure at working alongside the Board and colleagues at Ongo, noting their good character and strong values. He highlighted that Ongo not only holds values as an organisation but also brings them to life in its operations, always placing customers at the centre and involving them in the journey. He remarked that in speaking with tenants there is a clear sense of empathy and trust in Ongo. Where the organisation has fallen short, particularly in areas such as repairs, he noted the importance of taking the honest route rather than the easy one, something which means a great deal to him.

The Chair acknowledged that stepping away will leave a significant gap in his life but confirmed that he would continue to maintain a watchful interest in Ongo's progress. He extended his gratitude to current and past Board colleagues, recognising that the organisation's strength has enabled Ongo to continue to bring people on board who share the same values and commitment. He also gave thanks to Ongo's staff, whom he described as excellent and deeply committed to their work, and to the Executive Team, who he praised as fantastic. In particular, he acknowledged Steve for his exemplary leadership, outstanding communication, and strong partnership, which he greatly valued.

In concluding his reflections, the Chair offered his best wishes to the Board, the wider organisation, and to Des as incoming Chair. He expressed confidence that, although the future will bring new challenges, Ongo is well placed to adapt and thrive, continuing to strengthen as an organisation.

Finally, he thanked Ongo as an organisation, the Board, and his colleagues for everything over the past nine years, including seven in which he had the honour of serving as Chair of the Board. He expressed both sadness at stepping away and immense gratitude for the opportunity to serve.

Agreed: Board:

- On behalf of the organisation, the Board expressed its gratitude to Bob Walder as Chair, for his significant contribution to Ongo's progress and success, and wished him every happiness and fulfilment for the future.

5. Agenda Item 7: Chief Executive's Update and Board Discussion

Steve Hepworth presented his slides, highlighting recent sector and organisational developments, highlights which include:

- The appointment of the new Housing Minister, Steve Reed, whose arrival brings a fresh dynamic. Feedback from the recent Housing Community Summit, held earlier in the week, reaffirmed the government's continuing drive to increase housebuilding.
- Rent convergence – Steve reported the government appears keen to recover rent levels and move closer to target rents. This will be considered at the Strategy Day, with sector responses

feeding into discussions. The National Housing Federation has indicated that an increase of around 3% would be needed to catch up, which presents a significant issue for the sector.

- Funding and access to cash – Steve noted the significant financial pressures many landlords are under, particularly those in London. This is resulting in mergers and stock disposals. Local councils also face financial strain in providing temporary accommodation. He confirmed that locally, North Lincolnshire Council had asked Ongo to provide support, and that these pressures are being felt across urban areas such as Grimsby.
- It was noted that the Carnival had been a success wit attracted over 5,000 visitors and was very well received by the community.
- It was noted that Ongo had been recognised in the list of top housing association builders
- TVES – it was noted that the acquisition was formally signed off the previous Frida. Feedback from TVES staff has been positive, with employees welcoming the stability ad structures provided by joining Ongo.

Discussion points/questions:

- A member queried the engagement with the Reform Party. Steve reported that a planned meeting with the party leader had been cancelled, and no further meeting has been arranged at this point. However, future meetings are planned with Housing Association executives in Lincolnshire. He observed it was evident that affordable housing is not currently a priority for the Reform Party, although unlocking development sites may become an area of focus. He noted that many Reform representatives have not previously held political roles and emphasised the need to communicate clearly with them regarding the role and importance of housing associations. It is anticipated that Reform councillors will become more prominent in the future.
- A member had submitted a query in advance of the meeting to ask what improvements have been seen in the maintenance team under the neighbourhood's approach and whether any issues have been raised.

Agreed:

- The Board noted the updates and asked the Chief Executive to keep them apprised of the developments with meeting Reform Leaders.
- It was agreed an action would be taken to provide more information on the impact of the neighbourhoods approach on maintenance and repairs service.

ACTION: 11/25: ELT to provide an update at the next meeting, Steve Ellard to lead.

6. <u>Agenda item 12: Operational Performance</u>

<u>Note: this item was moved at Chairs request to take place before agenda item 8.</u>

Steve Ellard provided an update with the following highlights discussed:

- It was reported that transactional customer satisfaction for repairs (digital surveys) remains at a high level of 95% demonstrating strong performance.
- It was noted that general customer perception is that repairs are still taking too long.

- Board was asked to consider further funding of £500k into the repairs service. Members asked for detail on how this would be used and how confident Exec were that this would improve outcomes.
  - Steve Ellard confirmed this would help drive the following:
    - Increased resourcing through use of trusted local contractors.
    - Managed subcontracting to address outstanding jobs.
    - Cleansing the outstanding jobs list to ensure only valid jobs remain.
    - Consultation with residents and stakeholders on the creation of a cyclical and planned repairs programme of which such jobs are currently being undertaken within responsive repairs
  - Improvements in performance are anticipated by early 2026 if this funding request is granted.

Discussion points/questions:

- A member queried if £500k was sufficient. Steve stressed the need for agility and noted rising repairs spend across the sector which will require careful future budgeting.
- A member queried whether robust controls were in place, highlighting that subcontracted work can result in lower satisfaction. Steve confirmed that controls are stronger than 12 months prior, with higher levels of subcontractor satisfaction and increased supervision across the maintenance team to assist with management of contractors.

Awaab's Law:

- A member queried whether Awaab's Law is expected to increase demand, and if any "golden rules" were being breached.
- Steve Ellard advised:
  - There is anticipated increased demand due to seasonal pressures.
  - The team is in a reasonable state of readiness with the new team.
  - Preparation for Awaab's Law is being built in and will not be deprioritised.
- A member queried if sufficient intelligence is being gathered to anticipate property needs. Board were assured that:
  - Stock condition survey underpins this work.
  - Urgent issues are actioned within 24 hours.
  - Current stock condition survey programme focusses on each property receiving a survey every 5 years but plans are in place to move to a custom timetable for this depending on elements such as repairs data and customer profiling, including vulnerability information. Further information will be brought toa Board at a future meeting.

Financial implications:

- The additional £500k had been factored into forecasts, reducing margins to 13.3% against the 14.2% self-imposed "golden rule" .
  - No additional vacancy savings had been built in, though there are mitigations available.
  - From a finance perspective, the organisation can afford this investment and it is appropriate to do so.

    - Decision framed as one of Board resource prioritisation rather than covenant restriction.
- A member queried which trades were performing less strongly; Steve confirmed glazing and multi-trades currently have the highest workload in progress, with known issues being targeted.
- A member queried how quickly the £500k could be invested. Steve confirmed investment could be made immediately, aligned to neighbourhood operating model.
- Members queried whether there was an understanding of risks that sit within the existing work in progress volumes. Steve explained that work has been undertaken to review emergency and urgent jobs from within work-in-progress volumes as well as the oldest jobs of which jobs older than one year had reduced by 40% in the last month. The overwhelming majority which related to no access or follow on works. Steve committed to bring further analysis to the Board in future updates.

Agreed:

- The Board considered the funding request and agreed to grant the additional £500k into repairs.
- Members discussed how Board will monitor the progress of this work-in-progress reduction. It was proposed that out of cycle update reports be issued to members with consideration to be given to a 'Task and Finish Group' should sufficient progress not be made within a reasonable timescale e.g. end of the calendar year.
- The Board recognised the long-term view of repairs performance; acknowledging the £1m investment to reduce volumes in FY23/24, the increase in efficiency and satisfaction of the current service and the 25% increase in the size of the repairs workforce in FY 24/25 but agreed that additional investment was now required to deliver a more timely service to residents.
- The Board will continue to monitor progress on this through update reports outside of Board meeting cycle and determine by the next meeting whether further measures or oversight is required.

ACTION: 12/25: Board to be updated on progress at the January 2026 Board meeting with future monthly briefings to include a brief update

7. <u>Agenda Item 8: Financial Report</u>

Ashley Harrison presented the report, which was taken as read, highlighting the following key points:

- Ashley noted a divergence at the higher end of year-end projections but does not anticipate significant development or capital spend. This will be investigated further **(ACTION 13/25)**
- A member expressed support for the proposed changes to the golden rules and explained that while the golden rules appear tight, the organisation remains well within its banking covenants. Historically, performance has been stronger than bank requirements. The internal golden rules are specifically aligned to financial performance targets in the Business Plan. The performance is slightly below original expectations but remains comfortable.

- Ashley confirmed that the £500k funding will have an impact but will not reduce headroom to concerning levels. The removal of Minimum Revenue Provision (MRP) generates additional financial headroom, providing assurance on financial stability.

Board Discussion:

- Members noted that a golden rule breach would have occurred even without the £500k, noting operational factors such as the neighbourhood model contributing to the increase.
- A member queried the £672k forecast overspend on revenue property spend, raising whether any of this could be capitalised. Given the new EBITDA Interest Cover covenant with Barclays, capitalisation could create additional headroom and improve operating margin, which is currently flagged as red under the golden rules.
    - Ashley responded that capitalisation is being performed in line with existing policy. A change to capitalisation policy would require a formal process and auditor approval, with clear justification. The current treatment is appropriate, but a wider discussion could be considered if desired.
- Exec provided assurance to Board members that stringent controls are applied, and new component items are properly capitalised.
- The Chair summarised that the Board had taken the recommendation to approve expenditure of £500k, granting authority to the Executive Leadership Team to proceed, subject to them reporting back to the Board.
- The report and recommendations were approved.

Agreed:

- The Board approved the management accounts of Ongo Homes (entity and group) for July 2025 and notes the contents of the report and associated information.
- The Board noted the red status of one financial golden rule, the red status of two business plan stress test indicators (both relating to inflation) and amber status of two business plan stress test indicators for Ongo Homes.
- The Board approved the proposed change to the interest cover covenant financial golden rule
- The Board approved the reforecast for the financial year 2025-26, including the additional £0.5m contractor spend to resolve the backlog of repairs.

ACTION 13/25: Ashley to conduct a detailed review of the factors contributing to the higher-than-expected year-end financial divergence, specifically analysing the roles of development activities and capital expenditure. Ashley is to report findings to the Board, including any actions needed to mitigate risks or improve future forecasting.

8. <u>Agenda Item 9: Treasury Update</u>

Ashley presented the report which was taken as read. The highlight was noted as the change in covenant to EBITDA only which gives financial headroom.

Board discussion/questions

- It was noted the report was positive and this gives flexibility in future funding sources. It was noted that whilst there is no pressing requirement for further borrowing, this allows greater planning for future developments and growth,

Agreed: • The Board noted the change to our facilities with Barclays as described in the report. • The Board discussed an appropriate level of Holden Rule against the changed interest cover covenant and confirmed its requirements • The Board confirmed as a matter of appropriate financial control and stewardship will continue to monitor internally the levels of interest cover on an EBITDA Mri basis • The Board noted the update of recommendations on current requirements for additional funding and approved the continuation of an application to secure funding via the Affordable Homes Guarantee Scheme. • The Board confirmed it was satisfied with the recommended course of action and will receive future updates as future funding becomes available.

9. <u>Agenda Item 10: Year-End Financial Statements 2024-25</u>

Ashley Harrison presented the report which was taken as read. Ashley noted the receipt of a clear audit report.

A member queried the disclosure of salary in terms of position, whether co-optees should be included in addition to trainee. An action was taken to confirm this (Action 14/25)

Members of the Board noted the improvements made within the last thee years and asked for their thanks to be passed on to the Finance Team.

Agreed: The Board considers the statutory accounts for Ongo Homes Ltd, which incorporates the group consolidation, for the year ended 31 March 2025 and authorised them for approval. • Each member of the Board considered the letter of representation and agreed for it to be signed as approved on behalf of the Board. • The Board reviewed and noted the contents of Crowe's external audit completion report. • The Board gave authority for the documentation to be signed either by wet ink or e-signature by the required signatories and officers were authorised to make the necessary filings with regulatory bodies.

ACTION 14/25: Governance Team to check with finance team regarding the salary amounts disclosed.

10. <u>Agenda Item 11: Consideration of Going Concern</u>

Ashley Harrison presented the report which was taken as read. It was noted that whilst this is a separate requirement of audit to confirm Going Concern for the next 12 months, the report extends this to 26.27.

Agreed:

• Board noted the contents of this report and considers and confirmed the assessment of going concern for the Ongo Homes for years FY2025/26 and FY2026/27.

Item 12 on the agenda was a comfort break

11. Agenda item 13– VFM Framework

John Baker joined the meeting to present the report, which was taken as read.
Discussion notes/questions:

- A member queried if the £500k annual saving targets for 25/26 is built into the base budget. It was confirmed that this is not built in, it is savings over and above.
- Board approved all recommendations set out in the report.

Agreed:
• Board noted the current level of savings recorded during the 2025/26 year to date, and considered the progress made towards the annual target. • Board read and considered the VFM framework and approved the latest version for publication, circulation, and use across the business. • Board noted the actions detailed within the updated VFM Action Plan, raising any challenge on progress that they feel necessary. • Board considered the annual value for money statement for 2024-25, included as Appendix 3 to this report, including the mandated and internal metrics around our performance for the year

15. Agenda item 14 – Asset and Liability Register

Erica Sanderson presented the report which was taken as read. No questions were raised by Board members.

Agreed:
• The Board confirmed they are satisfied that they have assurance that Ongo Homes holds a thorough, accurate and complete Asset & Liability Register (ALR). Three year external review with procurement by end FY 25/26 and will go to ARC prior to Homes Board

16. Agenda item 15: Spotlight Report – Damp & Mould/Awaab's Law

Steve Ellard presented the paper and took the report as read. He noted that reporting parameters are now in place and shared positive news regarding case management. The team is completing three times as many cases as received. However, data currently covers only one month (August), a typically low reporting period. Steve expressed confidence in the team's ability to manage caseloads robustly as numbers rise.

Discussion points/queries:

- A member queried the 10% sample of cases inspected post-resolution, suggesting it seemed low. Steve explained the sample is not random; 10% represents on-site inspections of resolved cases. Follow-up inspections occur 3–6 months after resolution, and more frequent visits are required for issues like damp and mould, which often need 2–3 separate

visits. Going forward all residents will be contacted within 3-6 months following works with follow up inspections determined based on recuring issues and customer vulnerabilities.
- A member asked about communication strategies with tenants regarding damp and mould beyond reactive treatment. Steve confirmed that information is available on the website and that inspectors provide guidance during visits. Kevin Hornsby added that partner organisations, including the Health & Wellbeing Board and community partnerships, are aware of and share relevant guidance.
- A member queried whether there are innovative sector approaches to damp and mould prevention—such as a proactive checklist for tenants. An action was taken to explore this and report back.
- A member queried tenant awareness efforts beyond repairs operatives and the website, such as use of newsletters and social media. Steve confirmed these channels are used, though noted variability in operatives' training and advice given.
- A member raised best practice principles focusing on not blaming tenants and considering property factors, usage, and tenant characteristics such as occupancy levels and flat type. The member enquired whether the organisation identifies tenants more prone to damp and mould. Another member noted previous analysis found no clear correlation but agreed further review could be valuable given findings suggesting occupancy levels and household composition may have some effect.
- A member noted socio-economic factors and suggested integrating partner health data could provide deeper insight.

Steve acknowledged the significant drop in cases recorded, attributing improvements to earlier diagnosis and improved remedial work and communication. Despite this, the persistent nature of damp and mould means case numbers have not dramatically decreased. An action was taken to explore the data available and drill down further analysis (15/25).

The Chair noted that there has been a shift from blaming tenant lifestyle as the sole cause towards greater understanding of the multiple factors involved. The member noted this poses challenges for staff training and communication with tenants. Steve affirmed the importance of navigating sensitive proactive conversations with tenants effectively.

Agreed:
Board reviewed and acknowledged the contents of the paper, including the plans for legislative compliance. Following active member discussion and suggestions, an action was taken to explore the use of data in identifying repeated incidents or pre-empting those more vulnerable to assist the Damp & Mould team in proactive management.

Action 15/25: Steve Ellard to explore the data available to assist the Damp & Mould team in pre-empting those more susceptible to Damp & Mould and repeated cases that will require additional visits. Steve to report back to future Board.

16. <u>Agenda item 16 – Annual Statement of Assurance</u>
Erica presented the paper which was taken as read and summarised the highlights.

There were no questions or comments received.

Agreed:
- Board reviewed and confirmed they are satisfied with the assurance provided
- No further recommendations were made.

17. <u>Agenda item 17 – Strategic Risk Register</u>

Erica presented the report which last came to Board in May 2025.

Discussion points/queries:
- It was agreed the Decarbonisation risk will be moved to a sub risk and the Asset intelligence risk replace it on the strategic risk register
- The full report will be considered further at the upcoming Board Strategy Day, in line with the Executive Summary on risk appetite.
- Key flagged risks included the effective repairs service and customer expectations, both of which had been reviewed in depth at ARC and reported to CFC. A future deep dive on data integrity will be conducted with risk owners and presented to ARC, with some additional controls recommended to reduce the risk level.
- The Board discussed ownership of risks held outside appetite. It was confirmed that while Customer Focus Committee has oversight of customer expectations and repairs service risks, data quality and integrity accountability sits with the Ongo Homes Board. Questions were raised about whether the high standards applied in this area meant the data quality and integrity risk had remained outside appetite for too long. This risk is linked to the KIM Plan, which includes short, medium, and long-term actions. Concerns were expressed regarding whether there are sufficient resources in place to bring the risk within appetite, given the critical dependency of other areas on data quality.
- To provide assurance and inform future appetite decisions, an Internal Audit of data quality and integrity was proposed. The audit findings will be presented to the Board in 2026. This will support consideration of whether current mitigations and risk tolerance remain appropriate.
- Regarding the repairs risk, it was noted that it remains out of appetite but is closely connected to customer expectations. There has been significant improvements made to the repairs service and that the direction of travel for the risk is positive. Appetite will be discussed at the Strategy Away Day. Improvements in TSM measures are underway, and when the work in progress figure begins to reduce, the risk rating is expected to improve. The Board agreed the importance of monitoring the direction of travel, noting that risks outside appetite can be acceptable if clear progress is demonstrated.
- The Board approved the recommendations and agreed to review the data quality and integrity risk in more detail following the Internal Audit at the January Board meeting. This risk will also be highlighted for discussion at the Strategy Day.

Agreed:

- Board confirmed they are satisfied with the Risk Management within Ongo
- Board approved the proposed new risk as detailed at section 4.3 in appendix 2: Asset intelligence and investment in existing homes. It was agreed Decarbonisation becomes a sub-risk.
- The Board reviewed the Strategic Risk Register summary at section 4.1.1, including flagged risks detailed in section 4.2 and the summary register at appendix 1

ACTION: 16/25: Board to review the data quality and integrity risk in detail following the Internal Audit report.

18. <u>Agenda item 18 – Governance Update</u>

Gemma Willey presented the update, taking the report as read.

Board had no questions. It was noted the Annual Report was visually excellent and easy to follow.

Agreed:
- Board noted the updates regarding Appraisals
- Board approved the edits to membership of Communities Board in the Standing Orders
- Board approved the updated Board Induction Procedure
- Board noted the contents of the Annual Report

19. <u>Agenda item 19 – Confirmation of items via Convene in advance</u>

It was confirmed no items had been circulated via Convene for decision in advance of this meeting.

20. <u>Agenda item 20 – Other Board and Committee Updates</u>

No comments were received – all minutes are available via Convene in the document library.

21. <u>Agenda item 21 - Assurance Update from Board and Committee Chairs</u>

21.1 Ongo Commercial – 31 July 2025 – Minutes on Convene
21.2 Audit and Risk Committee – 18 August 2025 – Minutes on Convene
21.3 Ongo Communities – 25 July 2025 – Minutes on Convene
21.4 Ongo Developments – 23 Jul 2025 – Minutes on Convene
21.5 Governance and Remuneration – 1 August 2025 – Minutes on Convene
21.6 Community Voice – 18 August 2025 – *this is now delegated to Customer Focus Committee*
21.7 Customer Focus Committee – 16 July 2025 – Minutes on Convene

No meetings above were noted with no comments.

22. <u>Agenda item 22 – Time for Reflection</u>

The Chair confirmed that Board Members were satisfied and assured with the meeting arrangements.

With no further business the meeting closed at 4.08pm.

Signed by Chair: ...Bob Walder...   Date: ...10 September 2025...................................

As a true and correct record of the Ongo Homes Board meeting held on 10th September 2025