ONGO HOMES LTD

(FCA Mutuals Registration No 7639) (the Association)

Held at 9.30am on Tuesday 24 March 2026

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

MINUTES

Present:

Board: Des Hudson (Chair), Steve Hepworth, Matt Sugden, Natalie Cresswell, Nicola Haywood-Cleverly (Teams), Tracy O'Neill, Judith Tomlinson, John Wright

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

Apologies: Paul Warburton, Gerraint Oakley, Rachel Cook, Charmaine Mande (Board Trainee)

Absence: Kacper Merta

Also Present:

Observers: Lauren Robinson

Time meeting opened: 9.35am

1. 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.

2. Declarations of Interest: No declarations were made.

3. Agenda item 3-Confidential Item-Steve Hepworth

4. Agenda item 4: Confidential Item-Ashley Harrison

5. Agenda item 5: Confidential item-Steve Ellard

See Confidential minutes

6. Agenda item 6 – Minutes of Previous Meetings and Matters Arising

6.1 Minutes of meeting held 28 January 2026-Minutes of the previous meeting were approved. A future agenda item will cover consultation on the potential disposal of a commercial block, including any required delegated authority.

6.2 Confidential minutes of meeting held 28 January 2026-see Confidential minutes from this meeting

7. Agenda Item 7 – Action List

Reviewed; no additional queries raised. Board technology/Teams access consultation to be completed by Friday (nine outstanding responses across boards/committees). Support offered (e.g., iPad-to-laptop swap; phone notifications); members to contact Ashley's team/Mat with issues. Further discussion session may be scheduled once feedback is collated.

8. Agenda Item 8 – Other Board and Committee Updates

Minutes from all meetings within the group (including unapproved draft minutes) are available via Convene in the Document Library. Any specific questions about these

Questions should be raised in advance to be answered by the Chair of that meeting.

9. Agenda item 9 –Chief Executives Update and Board Discussion

Steve Hepworth highlighted concerns about the Housing Ombudsman's proposed fee rise (£2.53 per home), sector value and timeliness issues, and agreed to escalate through NHF as a tenant service matter. Engagement with Greater Lincolnshire Combined Authority is improving. Geopolitical and inflation risks were noted, with support being offered to tenants affected by rising oil prices.

Members questioned the Ombudsman's value and timeliness, citing staffing shortages and the fee's impact on new housing costs. It was agreed to highlight tenant service concerns.

Collective sector advocacy was encouraged, as costs hinder more social housing, with government involvement suggested. Similar issues have arisen elsewhere, calling for a review of sector priorities and value for money.

Steve provided an update, noting that costs are currently in the mid-range and tenant satisfaction remains below average. However, there are signs of progress, with increased spending on maintenance, though this still falls short of the average. Despite rising repair costs, performance is showing improvement.

While regulatory grading continues to present difficulties, both repairs and tenant satisfaction are on an upward trajectory.

It was noted that Ongo has a preference for digital surveys, believing these are the most accurate method for gathering feedback from tenants and recognised that by offering tenants the choice between online and verbal feedback, engagement is enhanced and this approach is helping to drive further improvements.

Steve confirmed completion of works to Ongo House, welcomed board members to the new boardroom, and noted Ongo Communities colleagues are now based in the former reception area Board members were invited to speak with Ongo Communities staff and attend the Place Shapers visit on 22/04/2026. Recent events, including the Disruptive Innovators Network session, received positive feedback.

Deep dive assurance reports on rents, landlord compliance, data, and cyber security were commissioned. The cyber security report was highly positive with no recommendations. Other reports remain draft, with areas for improvement identified, particularly regarding shared ownership lease management and affordable rents.

Work is ongoing to ensure tenants have not been disadvantaged; any issues will be reported as required. Further feedback will be provided once reviews are complete.

Agreed: Board

- noted the presentation and discussed any relevant points

10. <u>Agenda Item 10 – Financial Report</u>

Summary: This report covers Ongo Homes' financial results from April 2025 to January 2026. New builds and major works are on track with forecasts. Outstanding repairs are falling, though winter demand is high. Property costs will exceed budget but be balanced by savings elsewhere, resulting in a net surplus of £10.2m (14.7%), above the budgeted £9.7m (14.0%). Operating margin is expected to be higher than budget, but one financial rule changed from red to amber. Inflation has pushed two cost rules into red. The monthly void rate is above budget (amber), yet annual void loss aligns with target. All other financial rules, stress tests, and covenant compliance remain green.

Discussion points/questions:

- Ashley Harrison provided an overview of the management accounts to January, noting that initial February flash results indicated the Group was progressing in the right direction. It was reported that results in the commercial businesses were slightly suppressed over the Christmas period due to seasonal closures, as expected. Overall performance was described as steady, particularly in relation to property spend, with no significant emerging concerns beyond broader inflationary pressures outside the organisation's control. It was noted that these inflation-related risks would continue to be monitored and would be reviewed following year-end, with refreshed metrics to be brought back alongside the business plan and budget process. The capital expenditure programme was reported to be tracking closely to the £11.5m budget, with only a marginal underspend anticipated. Ashley then invited questions and discussion from the Board.
- A point was raised regarding the accounts up to the end of January. The group discussed whether there were any factors that could materially affect the forecast for February. It was agreed that February's position is expected to be broadly similar to January, with no significant changes anticipated. However, a slight upside was noted, particularly from improvements in the new bad debt line.
- The Chair noted ongoing monitoring of geopolitical developments in the Gulf and the potential impact on inflation and operating costs. It was agreed that it would be premature to adjust the proposed budget and business plan assumptions at this stage; instead, the position will be kept under review, with reforecasting undertaken after the end of Q1 as part of the normal cycle. Members also noted that further cost pressures (e.g., fuel prices) may need to be considered in next year's forecasting.

Agreed: Board

- approved the management accounts of Ongo Homes (entity and group) for January 2026 and noted the contents of this report and associated information.
- noted the amber status of one financial golden rule, red status of two business plan stress test indicators and one amber stress test indicator for Ongo Homes.

11. Agenda Item 11 – Budget 2026-27

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 final budget for Ongo Homes. The initial version has been updated to include the changes to the initial version requested by board at the January meeting. The budgeted net operating surplus is £11.1m leading to a net operating margin of 15.0%. Also included for approval are the *budgets for Ongo Communities and Ongo Commercial entities and Ongo Developments which have been approved by the respective subsidiary boards.*

The Group consolidated budget is also included for approval

Discussion points/questions:

- Ashley presented the updated budget to the Board, confirming it reflects the changes discussed at the previous Board meeting and Chair-led workshop and incorporates subsidiary company budgets, which have been approved by the respective subsidiary boards. No material changes or surprises were noted. The proposed budget was presented for Board approval and will form year one of the business plan. The Chair invited questions; the commercial representative confirmed there were no comments from the commercial perspective.
- The Chair noted that paragraph 4.1.3 provides a helpful starting point for reflecting on the work previously requested by the Board of the executive team, and how this had been reconciled within the final budget now presented for approval.
- The commercial representative confirmed there were no comments and that the commercial budgets were satisfactory.
- There was an update on pay discussions, noting that an offer had been made within the agreed budget envelope and accepted by two recognised trade unions. It was noted that one union had not accepted the offer and the matter would proceed to conciliation via ACAS. The Board noted that management did not intend to increase the offer and would manage communications to colleagues accordingly.

Agreed: Board

- considered the final Ongo Homes budget for 2026-27 following incorporation of the changes to the initial budget requested at the January board meeting
- approved the Ongo Communities businesses, Ongo Commercial businesses and Ongo Developments budgets for 2026-27 following approval by the subsidiary boards

12. <u>Agenda Item 12 – Business Plan 2026-27</u>

Summary: The board will annually review and approve the business plan and budgets, forming the basis for financial control, reporting, and long-term planning with regulators and funders. This report examines the long-term plan, including stress testing and mitigation. After Board discussion, the plan will be updated as needed and finalized at year-end for consistent reporting, then submitted to the Board for approval before preparing the Financial Forecast Return (FFR) for the Regulator.

Discussion points/questions:

- Ashley Harrison presented the long-term business plan (following approval of the 2026/27 budget as year one). The plan reflects the Board's requested changes, including an increase of 250 units to the development programme over the life of the plan. Ashley outlined the sensitivity and combined stress testing agreed in January and the ranked mitigation actions applied based on board feedback. The plan was reported as resilient with fewer covenant/stress breaches than in prior years; interest cover is not a constraint following the covenant change to EBITDA-only, with significant headroom. The most material risk identified was potential government intervention on rents (e.g., a rent freeze), which was modelled as manageable with mitigations. The Chair thanked Ashley and the team for the quality of work and acknowledged the pressures experienced during preparation. The item was opened for questions and discussion.
- The Board discussed the impact of increased capacity from the revised Barclays covenant (removal of MRI from lending covenants) on regulated value-for-money metrics, noting that EBITDA MRI interest cover is projected to fall below 100% in some individual years. Management confirmed EBITDA MRI is a monitoring metric for the Regulator (not a covenant) and advised that, while intra-year performance may dip below 100%, the plan remains above 100% over rolling five-year periods; the main driver of the intra-year dips is the planned existing-stock investment programme, not weakening underlying margins. The Board noted the Regulator may view sub-100% as a potential trigger for enquiry, but agreed the plan is robust and defensible and that the organisation should use the headroom created to deliver strategic objectives (investment in existing homes and increased development) rather than optimise the plan solely to preserve a V1 rating. It was noted that the practical difference between V1 and V2 is generally limited (with grant/credit considerations better evidenced through delivery of a credible plan).
- The Board agreed to receive the final Business Plan in May 2026, following year-end closure, to ensure all figures (including stock numbers) reconcile consistently across the plan and associated regulatory returns (FFR/SDR). Members noted that no material changes are expected from year-end outturn, although wider external factors (including geopolitical events impacting inflation) could affect assumptions.

Agreed: Board

- discussed and considered the information within this report and confirmed its satisfaction with the base plan.
- discussed and considered the presented sensitivity and stress test and the mitigating actions modelled against these and confirmed that it is content with the testing against the business plan.

- agreed to receive a final business plan for 2026 in May 2026 to reflect final year end closing financial positions noting the bullet point above.

13. Agenda Item 13 – Operational Performance Report

Summary: This report provides Board with an update on operational performance across a suite of agreed key performance indicators, covering repairs and maintenance, assets & sustainability, building compliance, new development, customer experience, voids and lettings, tenancy service and communities.
At the request of members, this report focusses on exception reporting around performance out of target (as appropriate).

Discussion points/questions:

- Steve Ellard gave an update on repairs performance following a challenging winter period (high repair volumes in January, elevated staff sickness and constrained contractor capacity). Management confirmed the service has recovered and is approaching the target of c.3,500 outstanding repairs. Members noted improving health indicators as the backlog reduces, including in-target completion and customer satisfaction measures (transactional and perception), with perception results no longer predominantly adverse and showing increasing positive scores
- A question was raised by a Member on the Customer Services role in improving void turnaround, including whether there were any pinch points in the process (e.g., pre-termination inspections and tenancy audits). Kevin Hornsby advised that performance is monitored through the Customer Hub, including measures covering advertising/letting times and a local target of five days from 'keys ready' to sign-up/key handover. It was noted that a key focus is proactive customer communication on expected ready dates to avoid late changes and support successful moves. Pre-termination visits are undertaken to identify works in advance (including parts/materials), and regional working arrangements are supporting operational focus on local issues.
- The Board noted positive progress in perception TSM results and welcomed the continued focus on a learning culture from complaints (including recent deep-dive work and engagement from Heads of Service). Members discussed damp and mould and the organisation's readiness for Awaab's Law, noting that current Board reporting (focused on building compliance "big six") does not yet provide sufficient visibility on wider Awaab's Law measures (e.g., delivery of works and reporting), particularly when performance is impacted by access constraints. Management advised that sector-wide definitions/metrics are still evolving, and referenced emerging practice of using a more holistic, case-based indicator (including whether any statutory timescales were breached). It was agreed that a

broader suite of Awaab's Law measures should be incorporated into future reporting (via the Health & Safety/Building Compliance report and Audit & Risk), with updates to be built into reports from April onwards.

- The Board emphasised the need for clear, high-level assurance from performance data and commentary, including recognition of recent service improvements and how learning/benchmarking will be used to sustain progress. Members discussed access constraints affecting delivery against statutory timescales (including Awaab's Law), particularly where residents reschedule or decline appointments; it was agreed that reporting should continue to reflect context and methodology as metrics evolve. Management confirmed that the Health & Safety/Building Compliance report is received by the Board on a regular cycle and that additional indicators will be incorporated in future reports to strengthen oversight. The Board also discussed the use of customer profiling/segmentation to improve service delivery and access, noting that analysis can be produced from existing data; management will work to embed relevant segmentation insights into business-as-usual reporting over the next 12 months.

ACTION: HOMES 8/26: **Build a wider suite of compliance indicators for damp and mould (AWAABS law) into the health and safety report and ensure Board visibility from April onwards.**

Agreed: Board • discussed the current position in terms of operational performance, noting exception reporting for indicators out of target (where appropriate)

14. Agenda item 14 – Development Assumptions

Summary: This report proposes updates to key development assumptions, including increasing the required rate of return to 5.0% and uplifting maintenance, management, and major works allowances in line with CPI. Most other assumptions remain unchanged with the exception of shared ownership bad debt, which is proposed to increase following recent analysis. It also introduces standard contractual terms—covering payment terms, contract types, specification requirements, and performance standards—to support improved governance and reduce risk. The Board is asked to approve the proposed assumptions and note the contractual terms.

Discussion points/queries:

- Steve Ellard confirmed the Developments Board reviews assumptions annually and that the proposed updates reflect prior discussions (including revised void and bad debt assumptions for shared ownership). The Developments Board has approved the standard contractual terms for future developments; these were presented for noting. A Member of the

Developments Board confirmed the Board's discussion was robust and that any information gaps had been addressed.

- The Board agreed to the recommendation to approve proposed changes to scheme appraisal assumptions; the standard contractual terms were noted (previously agreed by the Developments Board) for information. Members noted the prior detailed review and supporting analysis, and that the revised assumptions are intended to strengthen the robustness of the development strategic plan.
- A question was raised on benchmarking and competitiveness of the revised assumptions against peer RPs; management confirmed some elements can be benchmarked (e.g., allowances), but measures such as minimum rate of return/WACC are less readily comparable due to proprietary market information. It was noted that increasing the minimum return (e.g., 4.5% to 5%) can affect scheme viability but also provides a lever in discussions with Homes England on grant levels; the Board acknowledged the balance between competitiveness and ensuring returns exceed the cost of capital. Management will monitor the impact on the pipeline and report back if there is evidence of reduced scheme flow or competitiveness.

Agreed: Board

- approved the proposed changes to the development assumptions applied when appraising potential development schemes, as detailed in the table in 4.2.
- noted the proposed standard contractual terms for future developments, as approved by Ongo Developments Board

15. Agenda item 15 – Health, Safety and Building Compliance

Summary: This report covers Health, Safety and Wellbeing (a) and Building Safety compliance (b).

Part A – Since the last Board meeting, 2 RIDDOR incidents occurred (a gas incident and an injury over 7 days); HSE has not investigated further. The Board is asked to approve the previously circulated Health and Safety Policy.

Part B – Building Safety compliance is high: all statutory checks (Gas, Asbestos, Lifts, Fire, Water Hygiene) are at 100%, with electrical compliance at 99.5%. There are no overdue actions. The Building Safety Regulator requires additional structural and resident engagement details before issuing the Building Assessment Certificate.

Discussion points/questions:

- The Board received the report (also considered by Audit & Risk), noting updated building safety performance to end-February and approval of the Health & Safety policy as a Board matter. Members requested enhanced wellbeing reporting, including demographic analysis (e.g., age/gender) of mental health-related absence to better understand trends and inform support. Management confirmed an annual Health & Safety review will be led by the H&S team and presented for deep dive in June, with subsequent assurance reporting against delivery of objectives.
- A query was raised regarding the increase in RIDDOR-reportable incidents (9 vs 3 last year). Management advised that the prior year was unusually low and that a key driver this year is the statutory requirement to report injuries resulting in absence of more than seven days (e.g., manual-handling injuries). It was confirmed that investigations have been completed for the reported incidents. The Board noted the position and requested continued monitoring of trends.
- Steve Ellard advised that Building Assessment Certificates for three high-rise blocks (excluding Trent View) were not approved by the Building Safety Regulator, which is not uncommon in the sector. The Regulator feedback was attributed to (i) required enhancements to the tenant engagement strategy and (ii) a request for more robust evidence on structural integrity. Although historic structural information is held (including documentation from the original owner), the Regulator requires new structural surveys for each block; these are expected to be intrusive and may require access to, or temporary vacancy of, flats at different levels. A specialist firm has been appointed, and planning is underway to undertake the surveys with minimal disruption. Updates will be provided to Audit & Risk and the Board as work progresses.
- The Board discussed the Building Safety Regulator's refusal to approve Building Assessment Certificates pending further evidence, noting potential cost and disruption associated with the required intrusive structural surveys and any resultant remedial works. Management confirmed no current safety concerns have been identified for residents; however, the updated surveys may identify issues not previously evident. The Board noted the likely driver is the extent of evidence provided for the 1960s large-panel concrete construction rather than the quality of existing documentation, and that previous intrusive cladding/core-sample and fire-stopping works had not identified issues. It was agreed to seek peer learning/benchmarking on approaches to structural surveys, plan delivery to minimise disruption (including consideration of any temporary decants/vacant flats required).

ACTION 10/26: : Homes Board and CFC to be kept up to date on the progress on the structural surveys at future meetings

Agreed: Board
• confirmed they are satisfied with the management of Health, Safety and Wellbeing arrangements set out in the report. • confirmed they are satisfied with the management of Building Safety arrangements set out in the report. • approved the Health and Safety policy for 2026-27

16. Agenda item 16 – Governance Update

Summary: Gemma Willey introduced the report that outlined several policies/documents for approval.

Policies/Documents for Approval:

16.1 Appraisal Policy

The Board considered the revised appraisal policy (including removal of the requirement for 360° feedback for members serving under one year and revised timings for formal appraisals). Members discussed whether the proposed cycle (formal appraisal at 12 months, year 3 and year 5) provides sufficient oversight, noting sector practice of annual appraisals and emphasising the need for proportionality and avoidance of undue administrative burden. It was agreed that, alongside the formal appraisal cycle, Chairs should hold an informal annual check-in (e.g., a conversation) in years where no formal appraisal is scheduled, applied consistently to all members. The policy was approved on this basis.

16.2 Anti-bribery & Corruption Policy

The Board considered minor amendments to the policy. A question was raised on Board and wider organisational awareness/training in relation to new legislation introduced last year and the increased personal responsibilities of individual directors. Members noted the importance of assurance not only on policy wording but also on implementation, staff awareness and the effectiveness of reporting arrangements. Management confirmed that Audit & Risk receives the implementation action plan and that reporting mechanisms are tested routinely (including where there is a nil return). It was agreed that further training/awareness will be arranged for Board/Committee members, with timings to be confirmed, and the updated policy wording was approved.

16.3 Modern Slavery & Human Trafficking Policy and Statement

The Board considered the annual review of the policy and statement, noting updates including the inclusion of Trent Valley. It was noted that the organisation's entry on the Government Modern Slavery Registry has not been updated since 2020 (separate to the policy/statement and not mandatory). The Board supported the proposal to refresh the Registry entry and to update it annually in line with the policy and statement review.

16.4 Health & Safety Policy and Statement

The Policy was agreed in the preceding agenda item.

16.5 Investment Policy

The Board noted the Investment Policy and discussed governance arrangements following the external governance review, which had highlighted that the policy is currently approved by the Executive Leadership Team (ELT). Members agreed that it is appropriate for the policy to remain an ELT-approved document (with Board visibility) and noted the policy for assurance.

16.6 Treasury Management Policy

The Board considered the Treasury Management Policy. No questions were raised and the policy was noted as appropriate.

16.7 Standing Orders v8 inc Asset & Development Board

The Board discussed the revised Standing Orders and change to the Terms of Reference of the revised (Assets and) Development Board. The changes were approved subject to a delegation that needs to be added in. The Board considered next steps for consulting on the long-term future of the commercial block at Bellingham Road. It was noted that the block is now occupied only by leaseholders (no general needs tenants), which restricts the ability to undertake a standard consumer standards consultation without first signalling a proposed approach. In light of the fire safety risks, the time-critical nature of the matter and the potential impracticality of wider estate consultation, the Board agreed to delegate authority to the Chair and Chief Executive to determine and implement an appropriate consultative process and, where required, to progress a decision on disposal/demolition outside the Board cycle, reporting back to the Board.

16.8 Risk Management Framework

The Board considered the updated Risk Management Framework, noting that amendments were limited to the Risk Appetite section following the Board's January discussion. The Board approved the revised framework, including the proposed tightening of the building safety risk appetite (from cautious), and noted that the growth risk appetite remained aligned with the Board's agreed position.

16.9 Customer Focus Committee Appraisal Outcomes and Membership-Verbal Update

The Board received a verbal update on the first annual appraisals of Customer Focus Committee independent members, noting the Committee's progress and the importance of proportionate governance oversight. The Board agreed that, following review, three members would be departing the committee – an independent member, the ex-oficio role due to change of Chair of CV, plus one Homes Board member vacancy. Board also considered a Board trainee joining the Committee (subject to agreement) and further changes arising from planned departures. Positive appraisal outcomes and ongoing support arrangements for other Committee members were noted. It was agreed that the Governance team would (i) circulate a vacancy for a second Homes Board representative to all Board members to maintain required Board representation, and (ii) prepare a committee skills matrix to inform future appointments. The Board noted that communications would be handled carefully.

ACTION 11/26: Create a skills matrix to aid in recruitment to CFC and notify absent Homes members of the vacancy on CFC Gov Team

17. <u>Agenda item 17 – Time for Reflection</u>

The Board noted an invitation to the end of Eid celebration event taking place on site (including an opportunity to meet tenants/service users linked to the refugee support programme) and a reminder of the PlaceShapers visit on 22 April. Due to the meeting running beyond the scheduled finish time, it was agreed that any reflections would be captured after the event rather than in-meeting. The Chair thanked attendees and closed the meeting.

With no further business the meeting closed at 1.14pm

Signed by Chair: Des Hudson .... Date: 24 March 2026 ....

As a true and correct record of the Ongo Homes Board meeting held on 24 March 2026