

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

**Held at 2.05pm on Wednesday 27 November 2024
Board Room, Ongo House, High Street, Scunthorpe, DN15 6AT and via MS Teams**

MINUTES

Present:

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

Officers: Jo Sugden, Ashley Harrison, Bev Lewis (Minutes), Louise Usher, John Baker (Teams)(from 2.40 to 2.47pm), Steve Ellard (Teams) Kevin Hornsby

Apologies: Natalie Cresswell, Paul Warburton

Absence:

Also Present: Charmaine Mande (Board Trainee), David Rider and Aoife Mannion of Link Group (from 3.26 to 3.42pm)

Observers: Marcus Evans of DTP (Teams), Jill Milner (Tenant, Teams)

Time meeting opened: 2.04pm

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 11 September 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 - Confidential Agenda Item

Please see separate confidential minutes.



4. **Agenda item 6 - 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.

Discussion points/questions:

- Steve Hepworth gave an update on sector news including political and general sector news.
- The new employer's National Insurance contribution rate will impact pay talks next year- it is likely to cost us approximately £0.5 million as will the raise in minimum wage.
- Applications for Right to Buy have been flooding in before the discount level is lowered.
- Rent setting at CPI + 1% for 5 years with a consultation ongoing regarding a 10 year settlement.
- A Board member pointed out that the Lincolnshire Mayoral race is on and winner is likely to be a conservative and this will be addressed by Steve Hepworth in due course.
- The political climate in America is also likely to have an effect on economic matters.
- In January 2025 we are expecting the New Decent Homes Standard and Awaab's Law.
- Housemark VFM margins are increasing.
- The partnership with Scunthorpe United Football Club has gone well and we are no in talks with Grimsby Town Football Club and Scunthorpe Rugby Club about a similar collaboration.
- An action plan is in place to work on the details coming from the Best Companies survey.

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

5. **Agenda Item 7 – Value for Money Update**

*Summary: This report is intended to provide a six-monthly update to Ongo Homes Board on Value for Money (VFM) within the Group. Section 4.1 of this report provides an update on the VFM gains recorded for the 2024/25 financial year to date, and visually presents these against target. A summary of these savings can be found within Discretionary Reading. Section 4.2 provides an update on the work of Ongo's VFM Steering Group. Section 4.3 provides an update on changes made to Ongo's VFM Framework. An updated version of the VFM Framework is presented within **Appendix 1**. Section 4.4 presents an update on the VFM action plan for the 2024/25 financial year. An updated version of the Action Plan is presented for information and challenge within Discretionary Reading. Section 4.5 provides the end of year VFM Self-Assessment for the 2023/24 financial year. An updated version of Ongo's VFM Self-Assessment is presented within **Appendix 2**.*

Discussion points/questions:

- John Baker presented his report saying it is the first report in 12 months.
- A Member noted that 72% of the savings target had already being banked and asked if will reach 100% of the plan and John replied that yes he was very confident we will. There is increased awareness from staff and new projects which is improving these figures. Another



Member asked if the target would be raised next year and John Baker said yes, after analysis, it probably would.

Agreed: Board:

- noted the current level of savings recorded during the 2024/25 year to date and considered the progress made towards the annual target.
- read and considered the VFM framework and approved the latest version for publication, circulation and use across the business.
- noted the actions detailed within the updated VFM Action Plan and raised challenge on progress that they feel necessary.
- read and considered the VFM Regulatory Standard Self-Assessment and noted officers find Ongo Homes to be fully compliant.

6. Agenda Item 8 – Customer Services Update

Summary: This report provides an overview to Board on key operational matters and the services we are providing to our customers with a key focus this month on our work around resettlement. A business case is included for Board to consider in relation to the building we own at Cole Street and a recommendation that we move all services under one roof to Ongo House and dispose of the building. The report entails the latest update in relation to call handling and complaints as well as the most recent Housing Ombudsman (HO) determination, sector wider annual report and a general update around cases and actions Ongo has taken to comply and learn from complaints.

Discussion points/questions:

- Kevin Hornsby gave an overview of his report. Discussions took place about the Cole Street business case and it was agreed to follow the option for the property to go to market for sale early in 2025.
- A Board member asked for more assurance that lessons are being learnt in relation to complaints and Kevin explained we keep learning logs behind the scenes and these can be shared at any time, as well as ongoing training for staff.
- The “other” section in the key trends graph is at 24% and a more detailed breakdown of these was asked for. A data cleanse was to take place around this. It was believed to be mostly repairs and ASB complainants not being kept up to date about their cases. Communication is a key area being worked on to improve.
- An in depth look at customers data was needed to ensure we hold the most up to date information and that this data is utilised in providing improved services.

Agreed: Board:

- considered the content of this report
- made a decision around the Cole Street business case
- noted the most recent Housing Ombudsman finding and annual sector complaints report
- considered whether they are satisfied with Ongo’s approach to complaints and overall direction to improve the services we provide for our customers



7. Agenda item 9 – Performance and Management Accounts

Summary: The following report presents the operational and financial performance of Ongo Homes (and subsidiaries) for the period to September 2024. We continue to see additional property costs incurred to resolve the repairs backlog 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 £6.1m is £0.3m adverse to budget and, at current levels of activity, is projected to be £1.8m adverse to budget for the full year.

Discussion points/questions:

- Ashley Harrison introduced the report and explained that the financial golden rule with a red status would be reviewed when the new rent setting, NI increase and repairs could be taken into consideration in the new year.
- It was suggested that a tolerance be built into the golden rule next year without making them too flexible as to affect margins.

Agreed: Board:

- approved the management accounts of Ongo Homes (entity and group) for September 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 two business plan stress test indicators and amber status of one business plan stress test indicator for Ongo Homes.
- considered and noted the Tenant Satisfaction Measures and Demographic information presented.
- noted the proposals set out in relation to Gift Aid management at section 4.9.

8. Agenda Item 10 – Asset Update

Summary: Understanding the condition of our existing homes and maintaining decent standards is integral to our corporate plan ambition of being a Great Landlord. We have a detailed understanding of our stock and 3rd party assurance on our assumptions as recent as 2022. Our data tells us that a minority of our homes (<0.5%) do not meet this standard, but plans are in place to remedy these issues.

Discussion points/questions:

- Ongo have 0.5% of homes not meeting standard with plans in place to remedy this, although numbers have recently decreased.
- It was questioned whether there was a trend in the property types and whether divestment could be an option.
- With the introduction of the new Decent Homes Standard coming next year we are well prepared and envisage no issues.
- We expect an increase in these numbers by the end of the financial year when all stock has been surveyed. This will be mainly due to the standard of the Guinness properties not meeting our criteria.
- Plans to combine data collection and usage between in-house and outsourced surveyors will ensure a more comprehensive system of data management that can be overlaid



with other information for a better understanding. Board members will be given the chance to shadow colleagues involved in this process.

Agreed Board:

- considered our current approach in respect of the quality and condition of our existing homes, particularly in light of regulatory guidance
- debated whether future plans to provide additional assurance in this area is sufficient or whether additional interventions and activities are required. Members noted the proposal to introduce a standing item at Board in relation to the *Quality of Existing Homes* (see 4.15)

9. Agenda Item 11 – Treasury and Funding Review

Summary: The Board should be kept apprised of the financial and treasury position of the organisation and has requested that a review be carried out of our funding position and the options available to us. The report herewith provides that review.

Discussion points/questions:

- David Rider and Aoife Mannion joined us from Link Group to answer any questions arising from their report.
- David Rider explained their recommendations and the reasoning behind these. It was suggested we opt for the long term funding with no public bond issues. The best option for this would be private placement/bond aggregate, initially speaking to Barclays, to use the guarantee scheme followed by bLEND. This would be the most beneficial option due to our credit rating with them and the fact they are an existing lender for us.

Agreed Board:

- noted the review carried out and reported in detail in the provided report from Link Treasury Services.
- confirmed their agreement with the recommendations made within the report and delegated authority to officers to proceed with the required work.

10. Agenda Item 12 – Stock Valuation and Impairment

Summary: Appendix 1 details the results of the annual desktop valuation exercise, which has been prepared by Jones Lang LaSalle (JLL) on a desktop basis and is intended for internal management purposes only. The valuation takes into account the results of the Stock Condition Surveys (SCS) exercise reported in June 22 - based on a 10% sample of our stock at the end of December 2021 (1,013 property inspections).

The report contains the status of all housing stock, which includes those that provide security for loans from Barclays Bank and The Housing Finance Corporation Ltd (THFC).

Discussion points/questions:

- Board had no comments or questions and were satisfied with the report.

Agreed: Board



- **Stock Valuation** - considered the stock valuation report from JLL for assets valued at 31st March 2024 and confirmed that they are happy with the valuation process and results.
- **Impairment** - reviewed and accepted the impairment judgement in paragraph 4.4 below, made for Assets valued at 31st March 2024.

11. **Agenda Item 13 – Health, Safety and Wellbeing**

Summary: The report was last reviewed by Group Audit and Risk Committee 24th September. The report provides an overview of 2024-25 H&S incidents Reported (to 31st October). Data is based on end of October 2024 figures. There have been 2 RIDDORS (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) since the last paper. The report highlights the Health and Safety (H&S) risks identified in the Sector Risk Profile.

Discussion points/questions:

- Louise Usher took the report as read, giving a verbal update on a change to paragraph 4.15. Louise explained that the number of properties that had failed the Housing Health and Safety Rating System (HHSRS) had reduced from 3 to 1 with an appointment booked for the outstanding property in the next few weeks.
- Damp and mould cases continue to increase with no reduction expected due to the time taken to embed new practices and processes.
- A higher number of verbal abuse reports could be due to there being more awareness around reporting with support for colleagues and consequences for perpetrators being followed through. Training is given to help prevent incidences as well as personal safety training demonstrating how to de-escalate a situation from the Suzy Lamplough Trust. The housing sector is renowned for not reporting abuse enough. A Board member asked for a further update on trends around the abuse. **Action 22/24**
- There has been raised awareness of our Report It! Button on the intranet.
- We had 2 RIDDOR incidences that were dealt with in line with guidelines.
- 3 EICR's over 7 years due to no access are ongoing with plans in place looking to becoming successful in the near future.

Agreed: Board

- confirmed they are satisfied with the management of Health, Safety and Wellbeing arrangements set out in the report.
- reviewed the Sector Risk Profile relating to Health and Safety and considered if further assurance is required.

12. **Agenda Item 14 – Succession Planning**

Summary: The succession plan was last approved by this Board in March 2024. Since then a lot of recruitment has taken place and the board structure now has a newly populated memberships. Governance & Remuneration Committee reviewed the succession planning at a meeting in November 2024 and have made recommendations to this Board and are reminded we are in a contract with DTP to provide any external recruitment services for Board



recruitment. This is a three-year contract, awarded in February 2023 with the option to extend by two lots of 12-month periods.

The National Housing Federation (NHF) Code of Governance (2020) states at point 3.7.1: Maximum tenure will normally be up to six consecutive years (typically comprising two terms of office), but where a member has served six years, and the board agrees that it is in the organisation's best interests, their tenure may be extended up to a maximum of nine years.

Discussion points/questions:

- Recommendations have been made to Board in the report to mitigate the consequences of the number of members due to end tenure in 2025 creating issues.
- The wording for co-optee's plan will be changed to reflect a review at 12 months rather than 3 years. **Action 23/24**

Agreed: Board agreed to the recommendations from the Governance & Remuneration Committee around succession planning for Members in the group with a change to the wording for Co-Optee tenure and reviews

13. **Agenda Item 15 – New Customer Committee**

Summary: This report is intended to provide Board with:

- a. The background as to why a new Customer Committee is required.*
- b. To present the proposed Committee Terms of Reference, name, composition, remuneration and recruitment.*
- c. To approve, or otherwise, the recommendations as discussed in detail within the report.*

Discussion points/questions:

- A growing trend in the sector is the formation of an operation/customer focused committee to strengthen the customer voice at Board level.
- This committee should include an independent professional and a co-optee of the Ongo Homes board who is also a tenant and the Community Voice group should be consulted on the recruitment processes. Induction processes for these members would be different to that of full Board members.
- Buddies from the Ongo Homes Board would be selected to help guide the members through the regulatory processes.

Agreed: Board

- approved the proposed Terms of Reference and for these to be added into the Standing Orders.
- approved the Committee name, composition and remuneration.
- gave approval for tenant recruitment to operate outside of the usual board member recruitment process. Following approval the current Board Recruitment and Succession Planning Policy will be revised.

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

Summary: Regulatory Returns



Annually Ongo Homes must make a number of regulatory returns. Once a year it must submit an annual return to the Financial Conduct Authority (FCA) and multiple returns are required to the Regulator of Social Housing (RSH), as specified in the RSH document information required from registered providers.

Regulatory Findings

The RSH continue with their new inspection regime and findings are being published on their website. A summary of findings is included below.

Mock Inspection

At the last Board meeting the scope for a mock inspection was shared. Quotes have now been received and a contract awarded for this work.

Discussion points/questions:

- Jo Sugden presented the report stating the mock inspection is ongoing looking at any gaps in the Consumer Standards. Results will be brought to Board when received from DTP.

Agreed: Board

- noted the submission of regulatory returns to the FCA and RSH made in September and October 2024.
- noted an in depth review of the Tenancy Standard has been undertaken with officers finding Ongo Homes compliant with the standard.
- received an update on the mock inspection.
- noted the findings by the RSH of recent inspections.

15. Agenda Item 17 - Confirmation of items via Convene in advance

Summary: Items were circulated on Convene with a request for members to consider them in advance and the approval decisions to be ratified at the meeting.

Discussion points/questions:

- The items circulated in advance via Convene (Ongo Homes Shareholders and Colleagues on the Board policies) were all approved.

Agreed: Board

- approved the Ongo Homes Shareholders policy
- approved the Colleagues on the Board policy

16. Agenda item 18 - 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.

17. Agenda item 19: Time for Reflection



With no further business the meeting closed at 4.17pm

Signed by Chair: Date:

As a true and correct record of the Ongo Homes Board meeting held on 27 November 2024.

