

MINUTE OF THE 42nd ANNUAL GENERAL MEETING

HELD AT 12.00 noon ON THURSDAY 19th SEPTEMBER 2019

**AT ARK HOUSING ASSOCIATION
THE PRIORY, CANAAN LANE
EDINBURGH
EH10 4SG**

In accordance with Rule 26.1 the Annual General Meeting was chaired by Mr Graham Mitchell, who welcomed everyone and noted that the meeting was quorate.

Item 19/01 Those Present:

Mr Graham Mitchell (Chair), Ms Yvonne Cumming, Mr William Duncan, Ms Isobel Neilson, Mr Bobby Duffy (Secretary and Chief Executive Officer), Mr Ron Watson (Director of Finance and Housing), Ms Victoria Knox (Director of HR & Organisational Development), Ms Mary Bell (minutes)

ARK Board Members (in addition to Mr Graham Mitchell)

Ms Marilyn Barrett, Mr Darcey Black (Co-optee), Mr Ken Brown, Ms Shona Dunsmore, Mr Nikolaos Koutris (Co-optee), Ms Anne Lane (Co-optee), Ms Ann Lyon, Mr Dave Proudfoot, Ms Lucy Robertson

Proxy forms had been sent by the following 4 members, authorising the Chair to act as their representative during the meeting:

- Mr Ian Dochard
- Mr Ian Logan
- Mr Henry Robson
- Mr Peter Slater

Apologies: Mr Colin Cackette, Mr Logan Crawford, Mr Ian Dochard, Ms Kate Douglas, Mr Patrick Hanson, Ms Anne Kershaw, Ms Bridget Lindsay, Ms Fiona Lindsay, Mr Ian Logan, Mr Iain McGill, Mr Neil McKnight, Mr Keith Neilson, Mr Henry Robson, Mr Peter Slater, Ms Caroline Tough, Mr Alastair Wallace, Mr Charles Wilson, Mr David Wright, Ms Susan Wright

As the Association's Rules state that a member's name will be removed from the Register of Members if they have not attended or presented apologies for an Annual General Meeting for 5 consecutive years. A note reminding members about this Rule was included with the AGM papers when they were sent out. A form was also included asking whether people wished to continue as members of the Association. This year, of 43 members asked, the responses were:

- Continue as member 32
- End membership 03
- No response 08

Item 19/02 Minutes of 2018 Annual General Meeting

The Minutes of the 41st Annual General Meeting held on 20th September 2018 were taken as read, and approved as a true record of the meeting (proposed by Mr William Duncan)

and seconded by Ms Lucy Robertson). The minutes were then signed by Mr Graham Mitchell, Chair.

There was no Matters Arising from these minutes.

Item 19/03 Chair's Report

The Chair commenced his report extending thanks to Ms Ann Lyon who was retiring at today's AGM after nine years serving the Board of Management as Member and Chair.

The Chair also informed that Ms Jane Gray previous Chief Executive Officer (CEO) had retired in January 2019 and that Mr Bobby Duffy had been successful for the vacant CEO post through a robust interview process. The Chair extended his congratulations to Mr Duffy.

Changes in Compliance

There are two significant changes in compliance that ARK is subjected to as a Registered Social Landlord (RSL), first the Scottish Housing Regulator (SHR) published its new Regulatory Framework in February this year. There are a number of changes with the new Framework and one of the most significant changes places a requirement upon the Board of Management to issue an Assurance Statement, by the end of October, where we declare that we are compliant with all aspects of the new Regulatory Framework. This will require the Board to receive assurance from the senior team that we can demonstrate through evidence, compliance with the Regulatory Framework. Work has been ongoing throughout the summer and the Board will receive a report at our next meeting this afternoon on the progress the senior team have made. We are confident that we will receive sufficient evidence that will enable the Board to issue an Assurance Statement of compliance with the Regulatory Framework.

The second significant change is that ARK is now classed as a public body under Freedom of Information Scotland Act and is subject to the 3 main duties under the Act which are:

- 1) Duty to respond to requests
- 2) Duty to publish information
- 3) Duty to advise and assist requesters

Again work has been ongoing throughout the summer to ensure that ARK is compliant with all 3 duties by the end date of the 11th November this year. We are confident that we will meet this timeframe and have in place our Publication Scheme.

Communication and Engagement

This has been quite the year for improving communication and engagement across ARK. Since February this year and only finishing at the beginning of September, the Board and the Senior Team have been very proactive in asking internal stakeholders their views about the future and what they want to see that will improve their lives or employment conditions at ARK.

We talked to 120 staff in February at the second ever staff Conference titled Shaping the Future, where we created conversations about what is important to staff and their future in ARK; we talked to 210 staff and customers through a series of workshops over the summer about ARK's Values and asked what Values are most important and best describe the behaviours and relationships we should all expect in ARK and we talked to 250 staff and customers in a series of Roadshows over a 2 week period at the end of August and into September, which focused upon the emerging priorities for our new business plan and asked how delivering these priorities will improve their lives and employment with ARK.

Business Plan Development

The Board have asked the senior team to develop a new Business Plan for ARK from April 2020. This Business Plan will reflect very much who ARK is and what we have been told is important to the many people we have engaged with over the course of this year. We will see a new Mission and Vision emerge that will articulate ARK's ambitions and purpose as an organisation; and these will be underpinned by the refreshed Values I talked about early that will offer everyone the clear guidance of the expectations we should have in our relationships at ARK.

This is an exciting time for ARK as we consider the future and put plans in place that will aim to improve the quality of our Housing and Care and Support and provide our teams with the training and resources to be the best they can be. We will focus upon increasing our use of Technology to ensure ARK does not get left behind and we will build a culture of Continuous Improvement and create approaches and implement plans that will improve quality across every aspect of ARK.

I look forward to being able to speak to you next year in more detail about our future plans at ARK. It is incumbent upon us as a Board and a senior team to think about the future but we must also ensure the performance of our current provision is delivering for our customers.

Housing Services

The work undertaken within the Housing Services team aims to ensure that we are delivering the 15 outcomes and standards of the Scottish Social Housing Charter and thereby improving the quality and value of services that we offer to our 600 tenants.

We undertake a detailed survey of all tenants every 3 years and the results of the last survey undertaken in 2017, along with the Annual Landlords Report from the Scottish Housing Regulator, demonstrates that there are some areas where we need to improve the services that we provide to our tenants and increase the levels of tenant satisfaction. Housing and Property Services have developed a joint Improvement Plan around what we will do to address these key areas and have started some of this work. We will undertake the next survey in 2020 and we aim to see an improvement in satisfaction levels.

A continual challenge with the work that we do is to remain on top of the changes in legislation and to update our Policies and Procedures accordingly. In the last 12-18 months, there have been two key changes in housing legislation:

- The roll out of the enactments to the Housing (Scotland) Act 2014 which resulted in changes to tenants rights in relation to the succession to a tenancy; the flexibility to change tenancy agreements to Short Tenancy agreements where there is a regular

breach of tenancy, the use of new Tenancy Agreements and the way in which we can assess and allocate properties;

- The enactment of the Private Housing (Tenancies) (Scotland) Act 2016, which required us to become registered as Letting Agents in order to allocate and manage the ARK Services properties in Aberdeen;

In addition to this we are working hard at providing the core services of minimising the length of time properties are empty, rent management, tenancy management, tenancy sustainment, considering affordability of rents and value for money and encouraging tenant involvement. We have a number of key performance indicators in place and we have been successful in achieving these at a time when our tenants are facing some key challenges in relation to welfare benefits being changed, incomes reducing in real terms and rising costs in areas such as fuel. Staff continue to support tenants affected by these issues by helping them to make online applications for Universal Credit/Housing benefit/ Discretionary Housing payments and negotiating with tenants when they experience financial difficulties.

Property Management

A significant piece of work that is almost complete is being led by the Property Management team to ensure ARK is compliant with the Approved Codes of Practice Relating to the prevention of Legionella. The team has developed the Legionella & Water Management Procedure.

There are many aspects to the procedure but key is the training programme we have completed with Care & Support staff and managers, property & maintenance staff, and following detailed training with an external consultant, an in house training package was formalised for our support staff, which was presented by ARK's H & S Advisor and assisted with Property / Maintenance staff.

I am also delighted to inform you that following the incident last year when a building site vehicle crashed into our property in Land Street, the reinstatement works throughout each of the properties has been fully completed and the Housing team are now in the process of filling the properties with tenants.

New Home Developments

We are excited to have plans in place for the development of the two vacant sites ARK holds. In Penicuik, we have submitted plan to Midlothian Council on 12th June 2019 for the erection of 12 x 2 bedroom ground and first floor flats. Funding for the development has been approved through the Scottish Government Scottish Housing Improvement Programme (SHIP) and enables ARK to make our contribution to the Governments target of increasing the number of social rented properties across Scotland.

When Planning is approved we will make progress with appointing our design and project team, carry out demolition of existing properties and in general prepare the scheme of work and timescales for the development at Penicuik. We are hopeful that we hear some positive news from Midlothian Council within the next few weeks.

In Livingston we have a site that has been lying undeveloped since the previous ARK property was demolished pre – 2009. We have met with West Lothian Council and have received very positive feedback with the discussions on the redevelopment of the site, with further meetings with local Planning Officer planned.

We propose to provide 22 x 1 and 2 bedroom flats two and three stories for general use, designed with wheelchair access to the ground floor flats. Information is currently being collated such as cost planning, drainage data, parking, access and waste. Design development is well underway for the purposes of the Planning Application submission, which the team expect to be available within the next few weeks.

Care and Support

Within our Care and Support business the whole focus for the last few years has been to improve the quality of Care and Support we provide; improve the systems and processes we use to deliver and monitor quality services and to improve engagement with managers and front line staff.

These areas were a key focus of our first staff conference, Making Connections, which we held in February 2018 and this year we have continued to make progress in the key areas identified by staff at the Conference. We have used all of the feedback from the day, shared this across ARK via team meetings and set up a working group, Making Connections Improvement Team, to consider how to take forward themes that were important to staff. The Making Connections Improvement Team, formed of staff from across ARK (Support Workers, Managers, Priory Staff) considered the feedback and identified 4 key areas of feedback:-

- Staff Deployment
- Role of the Support Worker
- Employment Outcomes
- Communication and Engagement

We have a firm belief that if we get it right for our staff, they in turn will get it right for our service users and we are definitely seeing an improving picture with regards to the quality of Care and Support.

Our average Care Inspectorate grade has continued to rise from 4.40 in February 2018 to 4.74 in July 2019, with all services either maintaining or improving upon grades awarded at previous inspections. We are very pleased with this performance and appreciate that it is the result of a lot of hard work by local services and management teams to fully embed improved systems and processes. This gives us confidence that we are providing person-centred services that are focusing on outcomes that are important to the people that we support.

We have one remaining area – Borders – that has some grades of less than 4 (“Good”). Grades did improve during their last inspection, however further evidence is required to ensure that improvements made as a result of a very detailed development plan have been fully implemented and embedded within the service.

The Board are delighted to have approved significant investment that will develop a new ARK Information Management System which we call AIMS. This system will help managers to plan very complex staff rota systems and will make our front line staff more mobile with access to information and electronic forms via hand held devices that will reduce the need for travel and very importantly service users will be able to access their own information on the devices and will be able to input their own information if they wish to do so.

We have successfully implemented AIMS in our ‘pilot’ areas of East Lothian and

Edinburgh North. The pilot successfully tested specific functionality of the system. We have gathered feedback from Managers and Support Workers and have completed a 'lessons learned' exercise. We are now reviewing options and adding additional functionality before implementing across more services. The Board are keen to see that this system will have a very positive impact across Care and Support.

Our priorities for the coming year in our Care and Support business include:

- Supporting development of the new organisational Business Plan
- Continuing to drive quality improvement initiatives across all services
- Continuing the implementation of AIMS
- Securing sufficient income to properly fund our services
- Evolving our service models, including SDS Option 2
- Ongoing monitoring of staff deployment and contract delivery
- Ongoing monitoring of outcomes achieved and direct feedback from the people we support
- Delivery of the priorities identified by the Making Connections Improvement Team and other staff engagement activities.

Finally we are also very pleased to announce that we have reached agreement with Unite the union for the 19/20 pay award where all staff will receive a 3% increase on their basic salary. This means we have maintained our status as a Scottish Living Wage employer again this year. The Assistant Directors for Care and Support led negotiations with our local authority partners to generate additional income to enable ARK to pay the Scottish Living Wage on both daytime hours and sleepover hours. This is critical for the business as it enables us to retain/recruit staff in a very competitive environment and the Board's thanks go out to all those involved to achieve this outcome for our workforce.

Item 19/04 Report and Presentation of 2018-2019 Accounts

This item was presented by Mr Ron Watson, Director of Finance and Housing and made reference to the Group Financial Statements for 2018-2019

Introduction

Financial statements for the year to 31 March 2019 were presented. The Group summary includes Ark Services Ltd., a wholly owned subsidiary which acts as landlord to a number of properties in Aberdeen area and Ark Commercial Investment Ltd. a wholly owned subsidiary which rents out the property at West Adam Street for student accommodation and holiday lets.

A summary of the Group Operating Surplus was provided. The Group consists of ARK Housing Association, Ark Services Ltd and Ark Commercial Investment Ltd.

- Turnover was £21,055k,
- Costs of £19,780k
- Operational Surplus of £1,275k; made up of;
 - Care & Support: Surplus of £122k; and
 - Housing: Surplus of £1,163k
- Exceptional items cost of £37k;
- Unrealised loss on investments of £6k;
- Actuarial gain on investments of £727k;
- Amendments to Pension Recovery plan of £594k;

- Amendment to Pension Liability of £2,037k;
- Net Deficit of £211k;
- Group Net Surplus (excluding all pension impacts) of £1,232k,
- Total Net Assets improved by £2,292k;
- Cash Flow improvement of £695k to £1,569k.

A summary of ARKHA's financial performance was provided. Mr Watson stated that, following on from a strong financial performance on 2017-18, this was another very positive year for ARK and the following was seen for 2018/19:-

- surpluses in both AHA's Housing and C&S businesses and in both group companies;
- positive cash flow and cash at bank - up £1.4 million to £6.8 million;
- continued investment in:
 - quality of C&S operations through AIMS;
 - SW T&Cs through implementation of Scottish Living Wage; and
 - our training for C&S management and staff;
 - quality of our housing stock through SHQS and EESSH;
 - maintaining rents at social rent levels and achieving 100% tenant retention rate;
 - tenant satisfaction levels through TSIP; and
 - building new homes.

Dr Black enquired about the impact that Brexit may have on staffing within ARKHA.

Ms Knox advised that ARKHA had carried out a risk assessment and have identified individuals who may be impacted by Brexit and are supporting them to make applications to remain in the UK.

Mr Duncan commented that it was pleasing to see the business is in a healthy position and that he recognised the challenges in contracting with Local Authorities for full funding to cover all service costs.

Ms Barrett asked how best to operate care services within SDS budgets.

Mr Watson advised how the budgets were calculated and said that this way of working with a supported person is about the delivery of outcomes and what is best for the person.

Mr Brown enquired how ARKHA would market SDS.

Mr Duffy advised that gathering of evidence from the pilot site and review will provide a base for building credibility then a wider marketing plan will be developed by the Executive and Senior Leadership teams.

A copy of the Summary of Financial Results 2018/19 is available on request.

The Chair thanked Mr Ron Watson for his presentation.

Item 19/05 Appointment of Auditors

It was noted that Chiene & Tait had been ARK's external auditors and that their work had been of a consistently high standard. The Board agreed to re-appoint Chiene & Tait as external auditors for the period 2019-2020, subject to member approval at today's AGM.

Mr Brown proposed that Chiene & Tait, Chartered Accountants, should be appointed to provide External Audit Services to the ARK Group for the period 2019-2020, and this was then seconded by Ms Dunsmore and approved by members.

Item 19/06 Election for the Board of Management

The following Board members have submitted their resignation from the Board of Management since September 2018 AGM meeting:

- Mr Mike Morrice
- Ms Caroline Tough

The following Board member has submitted her resignation from the Board of Management from 19th September 2019 AGM meeting:

- Ms Ann Lyon

The Association's Rules require one third of Board Members to retire each year, as well as any Board Members co-opted during the previous year. This year the following Board members were due to retire:

- Ms Marilyn Barrett;
- Ms Shona Dunsmore;
- Mr Dave Proudfoot;
- Dr Darcey Black (co-opted September 2019)
- Mr Nikolaos Koutris (co-opted September 2019);
- Ms Anne Lane (co-opted September 2019);
- Mr Ian Logan (co-opted September 2019).

Retiring Board Members and Co-optee members are eligible for re-election, from the 7 retirees, all confirmed that they were willing to remain on the Board of Management. Given that there are more vacancies on the Board of Management than retiring members the Chair of the meeting declared the retiring members elected without a vote.

Item 19/07 Any Other Business

There was no other business to be discussed.

The Chair thanked members for attending, and declared the 42nd AGM closed at 12:50pm