



**MINUTE OF THE 45<sup>th</sup> ANNUAL GENERAL MEETING  
HELD  
HILTON EDINBURGH CARLTON HOTEL  
19 NORTH BRIDGE  
EDINBURGH EH1 1SD  
At 11.00am  
On THURSDAY 29<sup>th</sup> SEPTEMBER 2022**

In accordance with Rule 26.1 in the absence of Mr Graham Mitchell (Chair) the Annual General Meeting was chaired by Mr Neil McKnight (Depute Chair) who welcomed everyone and noted that the meeting was quorate.

**Item 22/01 Those Present:**

Mr Neil McKnight (Depute Chair), Ms Kate Douglas, Mr Bobby Duffy (Secretary and Chief Executive Officer), Mr Stuart Green (Director of Finance), Ms Victoria Knox (Director of People & Organisational Development), Ms Caryn Innes (Director of Development & Business Improvement), Mr Mark Hall (Director of Operations), Mr Colin Phillips (Assistant Director of Care & Support), Ms Lyn Docherty (Head of Compliance & Improvement), Mr David Gray (Head of Asset Management), Mr Michael Catlin (Head of Organisational Development), Mr Jeremy Chittleburgh (Partner, Chiene + Tait), Ms Kirsty McKenzie (Care & Support Administration Assistant, Ms Mary Bell (minutes)

**Ark Board Members (in addition to Mr Neil McKnight)**

Mr Darcey Black, Mr Ian Logan, Ms Joanna Mansell, Mr Dave Proudfoot, Ms Catriona Clarke, Mr Ken Brown, Ms Lucy Robertson, Mr Nikolas Koutris

**Ark Staff (in addition to the Executive Team and Operational Management Team)**

Ms Alison Adam, Mr Neil Armstrong, Ms Beatrice Buchanan, Mr Brian Gunn, Ms Nicola Hampton, Ms Alison Hunt, Ms Elaine Jones, Ms Tracey Mawdsley, Ms Lesley McDonough, Ms Nicola McGarvey, Ms Anne Marie McLeary, Ms Lynne Middleton, Ms Wendy Munro, Mr Kevin Poulton, Mr Paul Robertson, Mr Shaun Sievwright, Ms Beth Soutar, Mr Sean Taylor

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

- Mr Henry Robson
- Mr Peter Slater
- Mr Oliver Saint
- Mr Ian Dochard

**Apologies:**

Mr Graham Mitchell (Chair), Mr Ian Dochard, Ms Susan Wright, Mr David Wright, Ms Caroline Tough, Ms Isobel Neilson, Mr Keith Neilson, Mr Ian McGill, Mr Peter Slater, Mr Oliver Saint, Ms Ann Lyon, Mr Henry Robson, Mr Alistair Wallace, Ms Bronwyn Harwood, Mr William Duncan, Ms Anne Lane

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 Rule 11.1.3 was included with the AGM papers when they were sent out; no members were removed from the Ark membership list, under this Rule. No Members have resigned since the 2021 AGM. One new Member has joined since the 2021 AGM.

A form was included with the papers asking whether people wished to continue as members of the Association. This year, of 39 members asked, the responses were:

- Continue as member 24
- End membership (Rule 10) 01
- No response 14

### **Item 22/02 Minutes of 2021 Annual General Meeting**

The Minutes of the 44<sup>th</sup> Annual General Meeting held on 23<sup>rd</sup> September 2021 were taken as read, and approved as a true record of the meeting (proposed by Mr Dave Proudfoot) and seconded by Mr Ian Logan). The minutes were then signed by Mr Neil McKnight, Depute Chair.

There were no Matters Arising from these minutes.

### **Item 22/03 Depute Chair's Report**

I am delighted to welcome you all here today, to Ark's 45<sup>th</sup> Annual General Meeting. Since last year's AGM, so much has happened across the world that has impacted us here at home and made the lives of our customers and colleagues across Ark much more challenging. I think we would agree that the cost of living is at the fore front of everyone's mind at the moment and for the Ark Board we frequently consider how this impacts the business and the lives of the people we serve and the people we employ.

Given the very challenging environment that Ark's services operate within, this has been another successful year from a strategic planning and operational delivery perspective; I will leave it to Stuart to update you on the financial performance of Ark Group in a few minutes.

On reflection, it is interesting that for 10 months of the reporting period, we were still living and working under Covid-19 restrictions, in fact our main office at the Priory did not open again until June this year.

I will now highlight a number areas where our performance has been strong and we have delivered good outcomes for our community in Ark.

#### **Housing Services**

The lifting of Covid-19 restrictions allowed our Housing Team to redeploy 'pre-pandemic' levels of service delivery, engaging face to face more with tenants. However, where possible, we continue to engage through new digital channels such as Near Me and Zoom. The development of these alternative ways of engaging means we can reach a wider range

of customers, giving us the opportunity to review how we develop and engage with our new Scrutiny Group.

Performance remained strong throughout the year, with rent arrear levels remaining consistent, at just over 1%; achieving 85% tenancy sustainment within our supported tenancies and 100% tenancy sustainment amongst most groups of customer. We allocated 27 properties in the year, the same number as in the previous year and of our new general needs tenants, 43% of our new tenants were applicants who were registered as being statutorily homeless; this is a key area we are proud to support.

### **Asset Management**

During the financial year our Asset Management Team delivered over £300,000 in component replacements across our housing stock, including a number of bathroom and boiler improvements; however the primary focus has been on installing interlinked smoke and heat alarms, in line with new legislative requirements.

Our repairs service delivered over 300 emergency repairs and 1,300 non-emergency repairs throughout the year and also completed void repairs to 27 properties which became vacant and were re-let within the year; this turnaround is important as it ensures our properties are of a good standard when we let them and the void period and therefore loss in income, is minimised.

Over the past year we completed 22 stage 3 adaptations, funded by Scottish Government grant funding, important to support people to maintain their independence in their own home.

During the year we completed our stock condition survey of 100% of Ark properties, the first time we have completed this in one year. This information has been entered into our new asset planning module within our housing management system, which will inform future investment plans and ensure we continue to improve the quality of our homes.

### **New Build Development**

As part of our five-year financial plan we set out aspirations to build a total of 80 new affordable homes over the next five years. This is a key strategic objective for Ark, as we work to support the Scottish Governments plans to build 100,000 affordable homes over the next 10 years. The Board were delighted to approve the planning for two developments currently underway:-

- **Crusader Rise, Livingston** - Located in the Dedridge area of Livingston we are in the process of building 20 affordable homes for social rent for tenants who require general needs housing and those that require more specialist housing. The properties will be a mix of 1, 2 and 3 bedroom homes for a range of varying needs.
- Following a competitive open tender exercise, the design and build contract was awarded to JR Construction (Scotland) Ltd, with approvals and funding, including Housing Association Grant funding from the Scottish Government, now in place. Construction on site formerly commenced in July 2022, with an anticipated twelve month build programme.
- **Windsor Square, Penicuik** - The site, a former care home, was fully demolished and cleared during the year. Work is currently underway to conclude the design and build, ensuring Ark maximises the development opportunity. Key objectives include achieving

a net zero design solution and ensuring the construction process has minimal impact on the neighbouring community.

### **Care & Support**

The Covid-19 pandemic continued to impact the delivery of our care and support services throughout the year. As always, our priority has been the safety and wellbeing of the people we support and our employees.

Where a supported person presented with symptoms, or was confirmed to have Covid-19, we reported this to the Welfare Guardian/family, Care Inspectorate, Local Authority, NHS24 and Public Health Scotland. We then strictly followed all guidance provided by them to protect the person, other supported people, employees and the wider community.

We worked closely with the people we support (the vast majority of whom have learning disabilities) to help them understand the restrictions that the pandemic placed on all of us; including where necessary to help people to adhere to social distancing and to isolate.

There were many times where we were required to reduce support hours, adjust times of support, make last minute changes to staffing, implement critical support only or make other changes; this was a significant logistic challenge for our care and support management teams.

We continued to manage high levels of employee absence due to people isolating if they had the recognised symptoms, people testing positive and people shielding due to their age or health condition. This became a particular issue for us as the Omicron variant spread during the second half of the year. All of our support workers continued to test and record results for Covid-19 on a twice weekly basis and were assisted to access the NHS vaccination programme. The Depute Chair highlighted the spirit of Ark staff during this period and noted that he had been informed of cases where the Staff had gone above and beyond putting supported people first.

### **Care Inspectorate**

Due to the Covid-19 pandemic, the Care Inspectorate carried out a limited number of inspections throughout the year. In the main, inspections were replaced by data gathering to monitor the impact of the pandemic; providing infection control and other pandemic related advice; and maintaining regular ongoing contact with Registered Managers.

The inspections that did take place were limited to higher risk care homes and some follow up to inspections from the previous year.

### **Supported People Feedback**

We offer regular opportunities for the people we support to provide feedback regarding the quality of our service. The optional 'How Are We Doing' feedback form is included in all 6 monthly Support Plan Reviews.

This year we received 607 feedback forms which provide valuable information that our services can use to direct continuous improvement initiatives. Organisational-wide feedback provided via this method includes:

- 91% of respondents said they were happy with the support they get;
- 94% of respondents said they were always treated with respect during their support time;
- 92% of respondents said they knew who to speak to if they wanted to make changes to their support.



These results are important as they demonstrate that we proactively seek feedback from the people we support and we are getting it right in key areas of engagement and communication.

### **Participation**

As reported last year, due to the Covid-19 lockdown measures, we had to abruptly halt our local and organisational group meetings. We set up the following measures to provide remote support to individuals who had their support package decreased or interrupted and were reporting feelings of anxiety, loneliness and isolation, we put in place:-

- Weekly wellbeing phone calls;
- Messaging Group for peer support;
- Video calls with small group of people; and
- An enhanced social network profile to reach more supported people.

Through these forms of communication we were able to continue to work with people involved in the Ark Working Group. Members of the Working Group are involved in the review of Ark Policies and Procedures that affect them, making sure their rights are respected. During 2021/2022 the group has been able to review the whole suite of Care and Support policies and procedures, checking the easy read version and suggesting changes where needed.

We have continued to support our local Speak Out groups with the setup of monthly video meetings, with Speak-Out Workers providing group supervision. The Speak-Out Workers are responsible for providing local participation opportunities and have been extremely creative in finding ways to adapt their role during lockdown restrictions. The Depute Chair informed that he had visited the Ark Service in Stornoway and noted that staff valued the contact they have with their colleagues and that they felt part of the Ark community.

### **Learning & Development**

Ark is committed to investing in all employees, ensuring they feel confident and competent to deliver a high quality service to customers.

We have a dedicated Learning and Development ("L&D") function to support an on-going delivery programme, aligned with the needs of the business. We are currently reviewing our L&D delivery models and moving towards a blended approach of classroom based; e-learning and digital classroom solutions to improve our range of offering and accessibility. Additionally, L&D are working closely with Care & Support colleagues to pilot a Practice Delivery approach to embedding learning within our care and support teams.

We also continue to deliver high quality SVQ qualifications and our SVQ Centre recently went through the verification audit, which is the process SQA use to confirm that SVQ centres comply with the quality assurance criteria and are assessing their candidates in line with national standards.

We are assessed against several criteria i.e. Candidate Support, Resources, Internal Assessment & Verification and we were delighted that we were assessed as achieving 'High Confidence' in all areas.

We support our employees to meet their regulatory Scottish Social Services Council registration target within required timescales, to allow them to deliver essential services in the Social Care Sector.

### **Employee Engagement**



Employee Engagement has been a key focus for Ark, despite the impact of Covid-10 and we have spent time planning the most effective ways to engage with our teams across the business. We have recently completed our Employee Engagement Survey and have had a very positive response and this afternoon the Board and key people from across the organisation will be discussing the results and how to take the action plan developed by the OD team forward.

We have launched Ark's first ever Employee Forum as we believe it is essential for us to work in partnership with our people to understand how we can improve their working experience, particularly following the last, and very difficult, two years. The Employee Forum is a key part of how we will improve engagement and communication across Ark, to ensure that our teams are part of the decision making process and shape the future of the organisation.

Ark continues to recognise Unite the Union and we have a longstanding Recognition Agreement in place. Consultation with staff representatives and a full-time Union Official takes place on a regular basis through meaningful discussions on all staff related matters. We work in partnership on issues affecting the sector and have carried on the excellent relationship we have enjoyed over the years.

### **Employee Reward**

The OD team continually monitor staff reward through regular Benchmarking in the sector and have implemented pay awards ranging from 1% to 4.78% across all grades from 1 April 2022.

Additionally, and as part of the Scottish Government Policy, we also implemented a 5.47% increase to all employees involved in front line Care & Support services in December 2021. This reward was aimed at recognising the commitment and efforts from those employees during the pandemic.

Like many in the care sector we are experiencing significant recruitment and retention challenges in some parts of the country; in response, we are about to implement a pilot project where we will embed a member of our HR team within key services to work proactively and to develop bespoke local responses to the recruitment and retention challenges being faced by those services.

We will also continue to make the most affordable pay offer we can, to ensure we remain competitive across the various professions we employ.

As part of our overall terms and conditions package, we continue to offer Ark's employee assistance programme, called Care First. Care First offers weekly well-being webinars, face-to-face counselling for those colleagues who may require it and a dedicated support line as well as Ark's employee discounts platform.

Following the analysis of the results of the recent engagement survey, we will also carry out a review of our benefit offerings against what our people have told us are important to them.

### **Compliance with the SHR Regulatory Standards Framework**

We are required to carry out an annual self-assessment of compliance against the SHR Regulatory Standards Framework and then publish an Annual Assurance statement, stating whether we are fully compliant with the standards. I am pleased to report that our assessment this year is that we are fully compliant with all standards set out within the framework and we published the Annual Assurance Statement following approval at the Board meeting in August.



Following completion of the self-assessment process in May 2022, the Board of Management requested via the Audit Sub-Committee, that we apply an extra level of independent scrutiny of the robustness of our self-assessment process by instructing TIAA, Ark's internal auditor, to carry out an audit of the self-assessment process and a review of the evidence base which supports the self-assessment process.

The scope of TIAA's audit was to examine arrangements to ensure compliance with the Regulatory Standards with review of the evidence bank including the role and operation of the Board of Management and senior management; standing orders and financial regulations; and delegated authorities.

TIAA conducted their review and provided an overall assessment level of 'Substantial Assurance', which is defined as "there is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved". This is the highest level of assurance attainable within TIAA's audit framework and the Board were delighted to receive this level of assurance from TIAA.

As to the future; we are now in year three of our business plan; however we recognise that many things have changed since the launch of the plan in 2020. To that end the Board and the senior team are meeting in October to begin a discussion on what Ark's strategic priorities for the next three years will be.

This is an opportunity to apply what we now know to the vision and aspirations set out in the business plan and to put in place strategic plans that respond to the opportunities and the challenges present in the environments we operate in and help deliver Ark's key aim of being an excellent organisation delivering good outcomes for our customers and our employees.

#### **Item 22/04 Report and Presentation of 2021-2022 Accounts**

A summary of the Group Financial Statements for the year to 31 March 2022 was presented by Mr Stuart Green, Director of Finance.

Mr Green noted that this year, Ark has seen a steady performance in its Income and Expenditure, Balance Sheet and Cashflow figures – a positive result under challenging circumstances, for our supported people, tenants, and staff. Mr Green added that the results cover the period from 1 April 2021 to 31 March 2022, and include the on-going impact of the pandemic.

#### **Statement of Comprehensive Income**

Group turnover for the year has increased by (0.7%) on prior year. This has been primarily due to rate increases for our care contracts and an increase in our rent charges. The prior year figures included funding for the NHS & Social Care payment made to staff.

Expenditure in the year has increased by (2.8%). This includes salary uplifts, increased repair and maintenance expenditure linked to the easing of Covid-19 restrictions, offset by savings achieved through efficiencies in back-office services. This resulted in the group reporting an operating deficit lower than the previous year's operating surplus.



The key reason for this decrease was the decision to pay Ark's pension deficit quicker than originally planned, although costs increase in the short-term, it gives us more flexibility to manage investment over the next five years.

Housing activities delivered an increased surplus This was due to one-off costs in the prior year not being repeated this year, such as the higher depreciation costs as we look to demolish, and then rebuild, properties at our site in Penicuik. We also increased the amount we spent in repairs and maintenance, as pandemic related restrictions were eased.

Other activities, which includes Care and Support, reported a higher deficit compared to the previous year and this was mostly due to the additional pension costs as noted above.

Ark Services continues to receive rental income at sites in Aberdeen and have generated a surplus before a donation to Ark HA.

Due to the continued impact of the pandemic, demand for student accommodation at Ark Commercial Investment Limited was lower than in pre-pandemic years. This was managed by reducing the intercompany recharge to Ark Housing Association. Student demand has increased significantly for the 2022/23 financial year.

Mr Green summarised the Statement of Comprehensive Income noting that the pension figures can be described as a "paper exercise" as no cash is involved and it has no impact on Ark's operational financial performance. However, the information has to be recorded through the Statement of Comprehensive Income to meet financial regulations.

Mr Green advised that the Ark Group presents an improving Balance Sheet position with an increased closing net asset balance. Total assets less current liabilities have decreased and is due to the increased investment into Ark's Housing stock, and movements in debtors / creditors.

Long-term creditors, which includes loans and Housing Association Grant are reduced in the year and this is due to repayment of housing loans and the release of grant to the Statement of Comprehensive Income.

Pension liabilities have decreased and this is a snapshot of Ark's share of the Scheme deficit as at 31 March 2022, and can change markedly from year to year.

Mr Green stated that a negative cash flow has been reported in the year and this has been due to an increased debtor position at year-end, as increased contract rates meant it took Local Authorities longer to pay invoices. This position has improved significantly in recent months.

Mr Green noted that in summary, the Ark group continues to:

- Remain financially viable as a continuing operation;
- Generate underlying operating surpluses in its Care & Support and Housing businesses;
- Generate a positive cash flow and robust cash position; and
- Continue to invest in services and properties.

A copy of the Summary of Financial Results 2021/22 is available on request.

The Depute Chair thanked Mr Stuart Green for his presentation.

## **Item 22/05 Appointment of Auditors**



It was noted that Chiene + Tait, Chartered Accountants had been Ark's external auditors for a number of years now 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 2022-2023 subject to member approval at today's AGM. Mr Dave Proudfoot proposed that Chiene + Tait should be appointed to provide External Audit Services to the Ark Group for the period 2022-2023 and this was then seconded by Mr Ken Brown and the membership confirmed Chiene + Tait as Ark Groups external auditors 2022/23.

#### **Item 22/06 Election for the Board of Management**

There have been 2 resignations from the Board of Management and 1 Membership withdrawn under Rule 44.3 since the 2021 AGM. Rule 44.3 states a Board member will cease to be a Board Member if he/she misses four Board of Management meetings in a row without special leave of absence being granted.

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:

- ❖ Mr Graham Mitchell
- ❖ Mr Neil McKnight
- ❖ Ms Lucy Robertson
- ❖ Mr Ken Brown

Retiring Board Members and Co-optee Members are eligible for re-election; from the 4 retirees, 3 confirmed that they were willing to remain on the Board of Management; Mr Ken Brown has confirmed that he will retire from the Board, I would like to take this opportunity to thank Ken for the time and commitment he has given to Ark over the past 8 years.

Ark member Oliver Saint, who is also a Non-Executive Director of Ark's subsidiary company, Ark Services, has confirmed that he would like to stand for election to Ark Board, having previously satisfied the recruitment requirement for Board membership.

Given that there are more vacancies on the Board of Management than retiring members as the Chair and as per rule 40.1 I declare that the 3 retiring members be re-elected without the need for a vote. Given there remain vacancies on the Board of Management and again under rule 40.1 I declare Oliver Saint elected to the Board of Management without the need for a vote.

#### **Item 22/07 Any Other Business**

There was no further business to be discussed.

The Depute Chair thanked members for attending, wished everyone well and declared the 45<sup>th</sup> AGM closed at 11.40am.