

COMMITTEE MINUTE RECORD

Minute of: Ark Board of Management
Date Held: 29 June 2023, 2.00pm
Venue: Hybrid
Acting Chair: Neil McKnight
Secretary: Bobby Duffy

Present: Mr Neil McKnight (Depute Chair), Mr Dave Proudfoot, Mr Craig Unsworth Co-optee, Mr David Belfall Co-optee
Present Remote Mr Ian Logan, Ms Catriona Clarke, Ms Lucy Robertson, Ms Donna Downie Co-optee, Ms Mary Bell (PA to CEO) (Minutes)
In Attendance: Mr Bobby Duffy (Chief Executive Officer), Mr Mark Hall (Director of Care & Support), Ms Caryn Innes (Director of Development and Customer Experience), Mr Stuart Green (Director of Finance and Digital Improvement), Ms Victoria Knox (Director of People and OD),

ITEM	
1.	<p>Welcome</p> <p>The Acting Chair welcomed all attendees to the 29 June 2023 Board of Management meeting noting that today’s agenda provides a mix of strategic and operational items and that the papers for discussion provide a clear insight into the challenges and successes of the organisation adding that due to the size of the organisation it can be impacted by resources. The Acting Chair commented that in terms of the corporate objectives and programme for improvement he is looking forward to ascertaining what is being achieved and to hearing feedback from Members in regards to the recent visit to Ark Services Ltd. The Acting Chair noted that it was timely to now have the Asset Management strategy as this will help Members make the appropriate decisions in regards to investment in the properties. The Acting Chair highlighted the current issue identified through the compliance audit noting that this is a crucial area for the SHR and also Members and time may be required for discussion to gain insight and assurance into what is expected from staff to deliver for the BoM. The Acting Chair further noted that there will also be time spent reflecting on the Corporate Risk Register.</p>
2.	<p>Apologies: Mr Graham Mitchell, Mr Darcey Black, Ms Joanna Mansell, Ms Kayleigh Bryan, Mr Oliver Saint</p>
3.	<p>Declaration of Interest</p> <p>It was noted that Mr Ian Logan and Ms Lucy Robertson are Members of Ark Services Ltd (ASL) Board, Mr Neil McKnight, Ms Lucy Robertson and Ms Catriona Clarke are Members of Ark Commercial Investment Limited (ACIL) Board.</p>
4.	<p>Items for Approval</p>
4.1	<p>Minutes of Previous Meeting held on 25 May 2023</p> <p>The Acting Chair enquired if Members had any comments or queries in regards to the 25 May 2023 Board of Management meeting minutes. Mr Belfall asked what the outcome was from the discussion at the Employee Voices meeting in regards to colleagues feelings about the pay award. The CEO informed that the feedback received from the group was that staff understand that Ark offers as much as possible and accept that what was given was the best offer that could have been made. The CEO added that staff are not happy but accept the situation and this causes concern that they may move on to other employment and that the ET have commenced discussions on how this can be turned around. Mr Belfall requested the minutes for the Voices Group meeting be shared with Members for their information and this was agreed by the ET. Members agreed that the content of the minutes are an accurate record of the meeting. Members approved the 25 May 2023 Board of Management meeting minutes</p>
4.2	<p>Actions</p> <p>The action list was reviewed and the following was noted:- 23/02/23 Item 7 Chairs Remarks – Plan for future BoM reporting will be created and presented for the 24 August 23 BoM meeting. Item 9.1 Property Development & Strategic Asset Management – (Redacted for Security) 30/03/23 Item 9.2 Asset Management Strategy – Is on today’s agenda and will be removed from the action list 25/05/23</p>

	<p>Item 6.2 ARC – The DDCE confirmed that the £2 write off was correctly entered in the ARC. This action will be removed.</p> <p>Item 7 Annual Reviews – Have been arranged with all Members and this action will be removed.</p> <p>Item 9.1 Asset Management Strategy – as above and will be removed for the action list.</p> <p>Item 9.2 Treasury Management Strategy – is on today’s agenda and will be removed from the action list.</p> <p>Members noted the updates and current status of the action list</p>
5.	<p>Policies for Approval</p> <ul style="list-style-type: none"> ○ CS02 – Care Planning Policy – The DPOD advised that the Care Planning policy has been combined with CS04 Risk and Vulnerability policy noting that a lot of the changes being made within the C&S policies coming forward reflect the processes around AIMS. The DPOD noted that there had been changes in terminology throughout the policy and the appendices have been removed and added to the procedure noting that nothing had changed around practice. The DCS clarified that there have been no substantial changes made to CS02 noting that it has been combined with CS04 and detailed the minor changes, and that the policy has been amended to comply with AIMS. <p>Members approved CS02 Care Planning Policy</p> <ul style="list-style-type: none"> ○ CS05 – Support with Managing Money Policy – The DOPD advised that CS05 was a cyclical review and there had been very simple changes around job titles with no practice changes. <p>Members approved CS05 Support with Managing Money Policy</p> <ul style="list-style-type: none"> ○ CS06 – Reducing Restrictive Practice Policy – The DPOD advised that more detail has been provide for CS06 noting that it had moved into new template and there had been changes around job titles. The DPOD added that details reflective of the human rights framework had been added and detailed information around restraint, staff learning and data collecting. The DPOD noted that there has been a wider consultation around reducing restrictive practice policy across the organisation including participation. The DCS added that the reason for the changes is that one of the Regional Managers is a member of the Restraint Reduction Network Scotland that was established last year by Scottish Commission for People with Learning Difficulties, and they are reviewing restraint reduction across a range of disciplines and professions in Scotland. The DCS noted that this has a particular focus on human rights consistent with the revised Bill that is going through Parliament this year adding that all the changes made to CS06 are in keeping with practice development, changes to legislation and good practice. The DCS confirmed that Ark was operating a restraint reducing practice before this updated policy and CALM, the physical intervention of restraint and escapes for staff was applied across the organisation. The DCS added that a number of supported people had CALM plans in place, but these are being replaced as there are more pro-active methods in place for supporting people noting that practice has been improving over a number of years and CS06 builds on the work already carried out. The DCS confirmed that CS06 is following practice and not dictating practice. <p>Members approved CS06 Reducing Restrictive Practice Policy</p> <ul style="list-style-type: none"> ○ G36 – Keeping People Safe Policy – The DPOD informed that G36 was a cyclical review noting that job titles and elements added to reflect processes around Aims. <p>Members approved G36 Keeping People Safe</p>
6.	<p>SHR Loan Portfolio Return</p> <ul style="list-style-type: none"> ○ The DFDI noted that he was seeking approval to submit the Loan Portfolio return to the SHR adding that the return sets out Ark’s loan position at end of the financial year and that there have been no material changes over the past year. The DFDI confirmed that the return had not gone to the Finance Sub-Committee firstly as the SHR had only made the return available after its meeting. The DFDI provided comfort to Members noting that the return was based on the Management Accounts and Treasury Management Strategy that has been approved by Members throughout the year. The Chair of the Finance Sub-Committee noted and confirmed that as there has been no material changes, he has no issues with the return being submitted. The DFDI clarified that the property expenditure plans are provided as part of the 5-year financial returns that had been to the Finance Sub-Committee and BoM in March 2023 noting that covenant is reviewed and when starting to borrow in the future covenant will be critical and if there was any issues he would reset the profile for investment at this time. The Acting Chair highlighted that Ark are a difficult organisation to identify the number of units there are and this can have implications in terms of returns and other areas noting that he would like to have this clarified. The DDCE noted that the Asset Management Numbers Sense Check that had been issued to Members showed the correct details and the work that is being carried out with Rubixx around property structuring will reset. <p>Members approved the SHR Loan Portfolio Return</p>
7.	<p>Corporate Risk Register (CRR)</p> <ul style="list-style-type: none"> ○ The CEO provided a brief history in relation to the CRR for new Members noting that it was a new format discussed and approved by Members a couple of years ago. The CEO informed that the CCR had grown over the past couple of years

	<p>highlighting Covid, challenges in relation to Cyber security and the risks around the development agenda. The CEO added that the CRR is reviewed bi-annually and is presented to the Audit Sub-Committee to confirm the process for review has been completed and then to the BoM for final approval. The CEO advised that the review had been completed prior to the challenges faced with the electrical safety checks and consideration will be given in relation to adding this to the CRR. The CEO advised that 6 areas that were under development have been concluded, 16 new mitigating actions have been added and that the risk scores remain fairly stable. In addition, the CEO noted that TIAA have been asked to carry out an audit of the CRR process in Q4 and it is expected that there will be suggested changes that will come back to the BoM for discussion.</p> <ul style="list-style-type: none"> ○ Mr Proudfoot noted that the CRR summary is a useful document and highlighted an area where the gross risk number is not included in the mitigating actions in development that have been completed or changed. The CEO noted that he will address this issue adding that the word document is not user friendly, and this will be changed in the future. ○ Mr Proudfoot enquired if gross risks 3 and 4 are related to ASL and ACIL only as the Treasury Management strategy does not make much comment about both subsidiaries. The DFDI noted that the Treasury Management strategy focuses on Ark HA as it being the biggest and most risky part of the business from a cash perspective, and he had produced the strategy around materiality. The DDCE advised that ACIL is a management vehicle and is a non asset holding company and has no funds but operating costs only adding that any treasury management in relation to ACIL is carried out by Ark HA. The DDCE further noted that both subsidiaries adopt Ark HA policies and procedures and management themes therefore the default position is that they would follow these principles and practices. The DFDI added that treasury management is about the level of materiality, and this is not required for ACIL. Mr Proudfoot enquired about Risk 5 noting the mitigation in place at 7.1 regarding participating in the CCPS bench marking questioning how this is a control. The DPOD noted that he was correct, but it is what you do with the information and if she didn't attend she would have no information to compare against other organisations in the sector adding that she will review 7.1. Mr Proudfoot highlighted Risk 7 item F mitigation action had been missed out from the cover paper and the CEO confirmed that this will be amended. ○ The Acting Chair commented that in terms of Risk 5 the highest focus is placed on the number of support workers however recruitment requirements have been seen in other posts and noted that this should also be included. <p>Members approved the Corporate Risk Register</p>
8.	<p>Items from Chair and CEO</p>
	<p>Acting Chairs Remarks</p> <ul style="list-style-type: none"> ○ The Acting Chair asked Members to ensure that they have arranged their review dates if not already done so. <p>Members noted the Acting Chairs Remarks</p>
9.	<p>CEO's Remarks</p> <p>ASL Visit</p> <ul style="list-style-type: none"> ○ The CEO provided an update regarding the recent visit made by the ET and ASL Board to the ASL properties that had been co-ordinated by the DDCE noting that the visit was set up to help the ET and ASL Board understand the overall assets regarding the business plan and imminent priorities going forward. The CEO noted that this was a useful exercise and insightful for all involved in meeting with the organisations, staff, and tenants. (Redacted for Security) <p>SHR Regulatory Self-Assessment</p> <ul style="list-style-type: none"> ○ The CEO noted that the self-assessment process has commenced and is due to be concluded by 21 July 23. The completed document with the proposed Annual Assurance Statement will go to the 09 August 23 Audit Sub-Committee meeting then to 24 August 23 BoM for final approval and signing. <p>Members noted the CEO Remarks</p>
	<p>Items for Discussion/ Decision</p>
10.	<p>Session 22/23</p>
	<p>Strategic Focus</p>
10.1	<p>Asset Management Strategy</p> <ul style="list-style-type: none"> ○ The DDCE provided background information in regard to the Asset Management Strategy (AMS) noting that Ark have been without a strategy for a number of years, and this has been priority since the launch of the Business Plan (BP) in Sept 2020. The DDCE added that part of the process was shaping the data report, and it was realised that there was no robust data around the assets and the priority over the last 2 years was the work regarding building up the data that has been informed by a number of varying sources data and Scottish Government strategies. The DDCE informed that the strategy is a moving piece of work and will change in line with Scottish Government housing announcements and will also be reset on an annual basis. In addition, the DDCE advised that a review will be carried out on the C&S properties and a staged approach plan will be created to deliver aspirations. The DDCE noted that Ark's unique selling point will be to stay small, strong and bespoke and grow within the housing offering. The DDCE explained that Appendix 1 shows the planned

component replacements and that net zero low carbon emissions are being pushed back to later adding that grants are available for green funding. The DDCE confirmed that ASL has its own financial plan noting that within the AMS there is a separate budget for Ark HA and ASL and if an increase in investment is required the ASL donation to Ark HA may have to be reviewed adding that the priority for ASL is to use its capital investment. Mr Belfall highlighted the lower levels of satisfaction noting that the increase in investment to the assets should be shared internally and externally. The DDCE advised that there is a lot of positive pieces of work being carried out with the creation of the recent strategies noting that a communications plan is in one of the objectives and a separate communication regarding the AMS will be prepared internally and for the customers. The CEO explained how communicating all developments with staff and customers will form part of the communication strategy and timing will be vital. The CEO added that the communications will be about the continuous improvements plans in the objectives and other developments will be communicated separately. A discussion ensued about the challenges with communications and how these can be addressed. Ms Downie thanked the ET for the paper noting the challenges faced in pulling it together and raised a question in relation to the objectives and actions plan noting that there is no delivery or action plan tracker therefore how this is monitored. The DDCE explained how the actions are monitored and agreed that a tracker should be included noting that this will be discussed at SLT level and progress updates may be the way forward. Members agreed that progress reporting should be provided bi-annually. The DDCE added that the 3-year annual objectives have all been discussed and it has been agreed that these will be delivered within the 3-year plan. A discussion ensued in relation to the amount of items to be delivered and the DDCE advised that this was the result of a lack of investment over the last number of years agreed that the number was quite daunting but there is a need to achieve all in the next 3 years to greatly improve customer satisfaction. Further discussion ensued in relation to the different types of communication that can be used and how important it is to portray the right messages. Mr Proudfoot highlighted that there is some duplication in each of the strategy implementation plans enquiring if there is an easier or more efficient way of managing, implementation and how to report to the BoM on a collective basis. The CEO noted that the ET had begun and conversation regarding BoM Development with the Independent Consultant from the SFHA advising that she has produced a paper in relation to Boards striking the right balance between strategic and operational in relation to their focus. The CEO added that this included what the BoMs focus should be, and the Consultant will be asked to provide a session to the Members, linked to the guidance noting that what the Members want to see will frame the agenda. The CEO noted that the ET have been in a process of discussions with the BoM in relation to the amount of improvement identified that was required adding that at this time the BoM required operational information to ascertain progress. In addition, the CEO noted that over that period of time a good working relationship has been developed and trust has been formed therefore perhaps the BoM won't want to see the detail and get to the place where strategic v operational. The CEO noted that a focus on there will be a balance between Housing and C&S to ensure the BoM are satisfied that the ET are looking at the right areas across the whole business. The Acting Chair thanked all involved in the creation of the AMS.

Members noted and approved the Asset Management Strategy

10.2 Corporate Objectives 2023/24

- The CEO advised that work is continuing with the 2023/26 corporate objectives and noted that the ET are taking lead from the corporate strategy agreed by the BoM on 30 March 2023 and have committed to developing a focussed approach to deliver the strategy. The CEO added that each Director have their own areas of responsibility and they are considering how these areas can be included over the next 3 years. The CEO informed that the work has been completed for 2023/24 and the ET are presenting these to Members for approval. The CEO noted that there is a lot included in the objectives adding that is very difficult to ignore these with the improvements that are required. The CEO provided details of the changes that have been identified and fed into the current objectives In addition the CEO advised that the ET have taken a different approach this year and have set out the objectives in two parts, Corporate Objectives – Board strategic reporting and Corporate Objectives – operational ET reporting noting that he proposes that the ET objectives are reported between the ET and OMT as part of a quarterly business review. In addition, the CEO noted that this approach also builds in some flexibility for the ET, as if there is a need to consider adjusting their commitments, they would focus upon the ET reporting objectives to create some capacity in our workload. Ms Clarke suggested RAG for the objective reporting to highlight what should be reported, the CEO noted that how we use and format documents for BoM reporting has been discussed with the Head of Compliance & Improvement (HCI) and is currently being progressed. Mr Proudfoot ET Development or Customer Engagement, discussion. The CEO confirmed that communications regarding the positive outcomes for customers will form part of the Customer & Communication plan and this particular document would not be shared with customers. The CEO agreed that the internal and external environment can change at any time and the objectives are kept under constant review and an updated plan will be presented to the 24 August 2023 BoM meeting.

	<p>Members noted the discussions and approved the Corporate Objectives for Board Reporting and the 2023/24 Corporate Objectives. Members noted the Corporate Objectives for ET reporting</p>
	<p>Performance Reporting</p>
10.3	<p>Programme for Improvement (Pfi) Q4 Report</p> <ul style="list-style-type: none"> The CEO noted that the year-end report in relation to last years' Pfi reporting format has been changed but the HCI is in the process of considering a new format as the current document has become unwieldy. The CEO provided a summary of the year end results noting what has been achieved. The CEO advised that there are some areas that were not completed but he is comforted that there is huge progress and is reassured that the ET are focussing on the right areas. The CEO noted that he was hopeful that the level of detail presented provided re-assurance to Members. The Chair noted that the theme throughout today's meeting highlights the amount of work that has been achieved and the size of the tasks adding that he is keen for Members support. <p>Members noted the Programme for Improvement Q4 Report</p>
10.4	<p>Bi-Annual Development and Strategic Asset Management Report</p> <ul style="list-style-type: none"> The DDCE advised that development asset activity sits with Finance Sub-Committee in terms of updates in regards to operations and full approvals come to BoM adding that Members realise the challenges in Developments irrespective of size. The DDCE informed that the Development Manager (DM) is also working on new opportunities as well as the 2 live developments adding that Ark are striving to achieve the outcome of 101 units noted within the Development strategy. In addition, the DDCE highlighted the external development groups where ET are involved noting that Ark is in a good position in the sector with partners and are asked for input for potential strategic, policy and procedures change opportunities. A discussion ensued regarding the 2 live projects for 32 social let properties and the DDCE noted that a wider conversation and further work regarding financial planning will be carried out and explained the shift in the Cost Precious working group in regard to value for money adding that the priority is the to grow in areas where Ark have assets. The DDCE explained how she has work to do with the DM in relation to the proposed new builds, ways in how this could transpire. In addition, the DDCE communicated the strategic plans for the Perth & Kinross opportunity and support will be sought from the ET regarding the areas for investment. The DDCE noted that 1 unit is for re-provisioning for an existing supported person tenant. The DDCE confirmed that if the Windsor Square development is not financially viable it will not go ahead and explained the background to the procurement of Connect Modular and advised why the development has taken so long to move forward. The DDCE advised that an options appraisal was carried out and modular construction was the preferred option regarding minimising the community impact and length of construction time. <p>Members noted the Bi-Annual Development and Strategic Asset Management Report</p>
11	<p>Items for Noting</p>
11.1	<p>Management Accounts P2</p> <ul style="list-style-type: none"> The DFDI informed that overall, the Group has made a net surplus in the year to date, favourable to budget adding that this is driven by positive variances in Care and Support, Overheads and ASL. The DFDI noted that agency spend is coming down due to the pilot project that is underway regarding recruitment and retention, and this will be continually monitored adding that the impact to date is very positive. In addition, the DFDI noted the negative variances driven by above budget repairs expenditure, and the high cyclical costs in P2 relating to the 5-yearly EICR testing. <p>Members noted the Management Accounts Results for P2</p>
11.2	<p>External Property Compliance Audit</p> <ul style="list-style-type: none"> The DDCE reported the challenges identified from the ARC reporting and that the SHR have been notified adding that she has initiated a desk top audit and advised the current position with the missing EICR certificates. The DDCE advised that the ET had agreed to take a big bang approach to the compliance audit and explained the process that will be followed and that it will provide a detailed approach with a RAG and assurance rating and action plan. In addition, the DDCE noted that the plan will include staff training and a session with the BoM. The DDCE added that the audit will carry on into the midst of undertaking the self-assessment process. (Redacted for Security) <p>Members noted and approved the External Audit Compliance Audit</p>
11.3	<p>Brewin Dolphin (BD)</p> <ul style="list-style-type: none"> The DFDI explained the process for drawing down funds from BD noting that it takes a week to receive the money and the instruction must come from 2 authorised signatories. The DFDI noted that he will start the process. <p>Members noted the Brewin Dolphin Update</p>
12.	<p>AOB</p> <ul style="list-style-type: none"> Ms Clarke highlighted that Members should take the chance to attend the Ark Voices Group meetings noting that the Tenant and Service User Participation Officer does an amazing job, and it is a great opportunity for Members to speak to

	<p>staff. Ms Clarke added that the key messages she had taken from the meeting was that staff are upset about pay but they love their jobs and also learned about the ongoing work regarding recruitment and retention.</p> <ul style="list-style-type: none"> o It was noted that the Sub-Committee minutes will come to the BoM meetings for Members information. o A discussion ensued regarding the HPWG minutes and whether these should come to the BoM and the DDCE advised that this is a working group and not a governance group. The DDCE added that she reports and updates the ET and Ms Robertson keeps the BoM updated through her annual paper adding that the group does not make or sign off any decisions and this would go back to the appropriate Sub-Committee or the BoM.
	The Chair thanked everyone for their attendance and input. There was no further business to discuss, and the meeting was closed at 16.40 pm
	It was noted at the end of the meeting that there were no potential impacts identified in relation to people with a protected characteristic.
12.	Date of Next Meeting: Thursday 24 August 2023

**2023 Dates for Board of Management Meetings – commencing 14.00pm.
Board Member Only sessions will commence at 13.30 unless agreed otherwise.**

- 🚩 28 September (AGM & BoM meetings)
- 🚩 26 October
- 🚩 14 December

ACTIONS

Meeting Date	Agenda Number	Action	Who	Status
23/02/23	7 Chairs Remarks	Plan to be created for future BoM reporting	BD	To be presented for 24 August meeting
	9.1 Property Development and Strategic Asset Management	Windsor Square New Build Development Revised Business Case	CI	To be presented for 24 August meeting
25/05/23		Members to consider their interest in the Depute Chair position	ALL	
29/06/23	4.1 - 25/05/23 Minutes	30 May 23 Voices Group Minutes to be shared with Members	VK	
	7 - CRR	Amendments to be made as discussed	ET	
	10.2 Corporate Objectives 2023/24	Updated plan to be prepared for the 24 August 2023 BOM meeting	BD	