

MINUTE OF THE 43rd ANNUAL GENERAL MEETING

HELD REMOTELY VIA ZOOM

At 10.00am

On WEDNESDAY 23rd SEPTEMBER 2020

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 20/01 Those Present:

Mr Graham Mitchell (Chair), Mr Logan Crawford, Ms Yvonne Cumming, MS Kate Douglas, Mr William Duncan, Ms Ann Lyon, Mr Mike Morrice, Mr Bobby Duffy (Secretary and Chief Executive Officer), Mr Ron Watson (Director of Finance), Ms Victoria Knox (Director of People & Organisational Development), Mr Mark Hall (Director of Operations), Ms Caryn Innes (Director of Development & Business Improvement), Ms Mary Bell (minutes)

ARK Board Members (in addition to Mr Graham Mitchell)

Ms Shona Dunsmore (Depute Chair), Ms Marilyn Barrett, Dr Darcey Black, Mr Michael Catlin (Co-optee), Ms Anne Lane, Mr Ian Logan, Ms Joanna Mansell (Co-optee), Mr Neil McKnight, Mr Dave Proudfoot, Dr Fraser Quin (Co-optee), Ms Lucy Robertson

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

Apologies: Mr Ken Brown, Mr Alistair Dochard, Mr Patrick Hanson, Mr Nikolas Koutris, Mr Ian McGill, Ms Isobel Neilson, Mr Keith Neilson, Mr Henry Robson, Mr Peter Slater, Ms Susan Wright, Rev David 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 42 members asked, the responses were:

- Continue as member 37
- End membership 05
- No response 13

Item 20/02 Minutes of 2019 Annual General Meeting

The Minutes of the 42nd Annual General Meeting held on 19th September 2019 were taken as read, and approved as a true record of the meeting (proposed by Mr Dave Proudfoot) and seconded by Mr William Duncan). The minutes were then signed by Mr Graham Mitchell, Chair.

There was no Matters Arising from these minutes.

Item 20/03 Chair's Report

1. Introduction

When reflecting on the year since the previous AGM, two significant themes have emerged; the first is that this has been another year of very strong operational and financial performance for Ark Housing Association and the Group in general. Our Care and Support Business has continued to receive improved grades across all registered services and achieved the highest ever average score of 4.87 across all inspection themes; our housing business continued to meet all expectations with regards to the Scottish Housing Quality Standards and the Energy Efficiency Standard in Social Housing; whilst providing strong performance in our tenant services and keeping rents affordable at social rent level. This in turn supported a very strong financial performance across the group and Ron will provide you with a more detailed update on that in a few minutes.

The final area of performance to highlight is that of governance and compliance with the SHR Regulatory Standards introduced in March 2019. Following a significant piece of work led by the Executive team, the Board were able to review the SHR Self-Assessment Framework which highlighted detailed evidence that Arks holds against each of the standard statements. The Board were satisfied as to the level of evidence the Executive Team confirmed we hold and we were able to publish our Annual Assurance Statement confirming compliance with all of the standards in October last year. We were of course delighted with this outcome and the overall performance of the business in the last year.

The second theme that emerged when thinking about my report for today is one of change and the remainder of my report will focus upon that theme.

2. Changes at Board level

Following last year's AGM we had 4 vacancies on the Board of Management, thankfully we had no one retire during the year and the Board decided in March to recruit to the vacancies we had. Following a successful recruitment process 3 new Board members were identified and they were co-opted onto the Board at our August meeting and will become full Board members at today's AGM. The Board continues to go from strength to strength and I am delighted with the calibre of Board we have built at Ark and I would like to thank each of you for the significant contribution you continue to make to Ark. I would also like to make special mention of the support I have received from Shona as my Depute Chair, thank you.

3. Executive Team Re-Structure

This year has also seen significant changes to the Executive Team structure. The Board approved the restructure of the Executive Team at its March meeting to provide us with the leadership and capacity to drive forward the strategic objectives contained within the business Plan. The Board agreed the proposal for two new Director Roles to join the existing Executive Team.

Following a robust recruitment process led by the CEO and supported by two Board members, Caryn Innes was appointed to the newly created post of **Director of Development and Business Improvement**. Caryn joined Ark on 20th July having previously worked for Bield HA as Head of Development and she will lead the work of the Property and Maintenance team.

Amongst many responsibilities, Caryn leads the development of ARK's Business Development and Improvement Strategy, which will focus upon the development of new build properties;

improving quality in existing housing stock; redesign of existing stock for supported tenants and delivery of integrated business development priorities relating to housing and care.

Mark Hall was appointed to the newly created post of **Director of Operations** and will lead the delivery of all operations at the customer interface to ensure the highest standard of customer service, which means leadership of all Care and Support operations and Housing Services. Amongst many responsibilities, Mark has a key focus upon communication and engagement and building digital communications with our customers and ensuring our people resources operate efficiently and have the competencies to deliver the highest quality of housing and care services to our customers.

Mark was previously Assistant Director, Care and Support and took up his post at the beginning of July and the Board has had good engagement with the new Directors over the last couple of months and we wish them well in their new roles.

4. Re-Brand

We will be launching our new Ark brand on 8th October 2020. We had originally planned to do this in May but had to postpone as a result of Covid-19 and then pushed it back to September in an attempt to hold a launch with people in attendance, but again we had to change this plan as a result of Covid-19. I don't want to give too much away at this stage, but the new branding is modern and colourful and the Board and Executive team are very much looking forward to sharing it with you. One small piece of early news is that we will be dropping housing association from our published materials, business cards etc. and simply be known as Ark. We are still an RSL and within our Articles of Association, we remain a housing association, but we believe for the whole business it is the right time to be known only as Ark.

Details of the launch will be made available to all stakeholders week beginning 5th October.

5. Business Plan

Central to the re-branding of Ark, will be the launch of our Business Plan 2020-2025. Many customers and people across the organisation contributed to the thinking and planning for the Business Plan and we are confident we have captured all the ambitions and issues we heard about during the engagement sessions and have developed strategic objectives that will deliver the outcomes and improved lives many want to see in Ark. We believe this is a Business Plan for everyone and describes a future where our customers and our people are central to everything we will do.

We have reviewed and refreshed our Vision, Mission and Values and again these are reflective of what we heard during the sessions and what Ark means to our customers and people employed in the organisation.

The Business Plan will form a key part of the re-branding launch and we are really looking forward to sharing this with everyone and demonstrating that we have created a Business Plan that will make a difference for all of Ark's community.

6. Ark Covid-19 response

Finally I would like to mention Ark's response to the Covid-19 pandemic.

First of all thank you to our colleagues across the organisation; the response of all our people in Ark to the abrupt changes brought about by Covid-19 has been overwhelmingly positive.

We saw normal business operations changing overnight and without their flexibility and support, Ark may have struggled to make the necessary changes as quickly as we did.

Prior to lockdown being announced the ET and SLT identified business critical activities essential to the continued operation of the business and over the last 6 months they have monitored the application of these via a remote meetings every 2 weeks for the first few months and now every month; this has ensured that we have kept the business operating and continued to meet the needs of our supported people and tenants.

Everyone has played their part in ensuring business continuity:

- The IT team have been fantastic in providing equipment and finding new solutions to remote working and enabling meetings to take place remotely across the country
- The OD team have been hugely successful in recruiting new posts; ensured core training continued to be delivered
- Our H&S Adviser has been central to all guidance and advice issued to colleagues over the last few months and a huge thanks goes to him for ensuring we were operating to the latest guidance through this time
- The Finance team have continued to manage the systems and processes around budgets and ensured income and expenditure continued as near normal as possible
- The Housing Services team have been excellent communicating with tenants; identified more vulnerable tenants and offered support to ease tenants difficult circumstances
- The Property Maintenance team have continued to respond to tenants reported emergencies and have ensured compliance with statutory checks such as Gas Safety checks
- Many other colleagues have worked tirelessly to ensure key business processes continued , essential to the operation of the organisation
- I would like to thank the CEO for reporting to me on a weekly basis progress being made at Ark during this time.
- Finally I do not apologise for singling out the care and support management teams and our Support Workers. The job they have done throughout this crisis has been nothing short of incredible. Their diligence and professionalism has kept our supported people safe. As of today, Ark has had no reported case of Covid-19 amongst our group of supported people since this crisis began. Our care and support teams should be very proud of what they have collectively achieved through such a unique and challenging time, it really is a fantastic achievement!

Our people are what makes ARK and I hope this annual report gives a real sense that ARK is an organisation with a positive future which our community will continue to help shape.

Item 20/04 Report and Presentation of 2019-2020 Accounts

This item was presented by Mr Ron Watson, Director of Finance and made reference to the Group Financial Statements for 2019-2020

Introduction

A summary of the Financial Statements for the year to 31 March 2020 was presented.

Mr Watson advised that 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.

Mr Watson reported that the Group turnover for the year was positive with an increase of (2.2%) on the previous year due to increases in supported living hourly rates. Funding received from local authorities was sufficient to fully implement the Scottish Living Wage increase of 3.3%. Overall, the annual volume of supported living hours was steady at 839,000, a reduction of 1.1%.

Rents were increased by 3.3% during the year based on RPI, following a consultation with tenants.

Operating expenditure increased on prior year, reflecting the extension of the Scottish Living Wage to all sleepover hours. The group reported a reduction in operating surplus compared to the previous year's operating surplus.

Housing activities across the group delivered a decrease in surplus due to additional investment in our repairs and maintenance service. Mr Watson noted that Ark continues to identify operational and procurement efficiencies, whilst maintaining social rent levels and continuing to invest in quality, fuel efficient homes.

Care and Support activities delivered a reduced deficit due to the impact of pressures on supported living rates and sleepover payments and fluctuations in local authority creditor provisioning.

Ark Services continues to receive rental income for four sites in Aberdeen City and generated an increase in income and surplus in the financial year after management charges to ARK Housing.

Ark Commercial Investment Limited continued its student and Festival lettings and generated an increase in income and surplus, after management charges to ARK Housing.

Mr Watson provided a summary of the Statement of Comprehensive Income and noted 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 Watson advised that the ARK Group presents an improving Balance Sheet position with an increased closing cash balance due to recorded surpluses in both the ARK Housing Association's housing and care businesses and in both of the group's subsidiaries.

Mr Watson reported that net current assets have increased due to the improved cash position being offset to a degree by an increase in the net debtor/creditor position and added that total assets less current liabilities has increased after, mainly, depreciation charges on property.

Mr Watson informed that Pension liabilities had decreased following changes in actuarial assumptions and our calculated share of the deficit.

Mr Watson said with long-term creditors reducing the net asset position has increased

Mr Watson noted that this year, ARK has seen a steady performance in its Income and Expenditure, Balance Sheet and Cashflow figures and the ARK Housing Association group continues to:

- remain financially viable as a continuing operation;
- generate operating surpluses in all businesses and companies in the group; and
- generate a positive cash flow and robust cash position.

A copy of the Summary of Financial Results 2019/20 is available on request.

The Chair thanked Mr Ron Watson for his presentation.

Item 20/05 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 2020-2021, subject to member approval at today's AGM. Mr Darcey Black proposed that Chiene & Tait, Chartered Accountants, should be appointed to provide External Audit Services to the ARK Group for the period 2020-2021, and this was then seconded by Ms Ann Lyon and approved by members.

Item 20/06 Election for the Board of Management

The Chair noted the following information in regards to the Board of Management:

- There have been no resignations from the Board of Management since the September 2020 AGM meeting.
- There are no Member resignations from the Board of Management from 23rd September 2020 AGM meeting.
- 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 Ken Brown
 - Mr Neil McKnight
 - Mr Graham Mitchell
 - Ms Lucy Robertson
 - Mr Michael Catlin (Co-opted August 2020)
 - Ms Joanna Mansell (Co-opted August 2020)
 - Dr Fraser Quin (Co-opted August 2020)

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 20/07 Any Other Business

Mr Duncan said that it was very good to hear that the organisation is so healthy and about ARK's response to Covid-19 with no cases to date. Mr Duncan added that it is obviously a concern for parents and guardians of supported people about the steps that are being taken to minimise the risk of infection and noted that organisations in general are trying to reduce the amount of cash handling. Mr Duncan informed that he knew that ARK is in the process of changing banks to reduce travel and to provide more bank products for supported people and asked for an update on progress.

Mr Watson advised that progress is being made and the Head of Finance has been in discussions with a number of banks in terms of alternative ways of provisioning services. Mr Watson informed that ARK is waiting on confirmation from the banks in writing that they will provide local services for ARK before officially informing people.

Mr Duncan said he was pleased to hear that progress is being made and thanked Mr Watson for his response.

There was no further business to be discussed.

The Chair thanked members for attending, wished everyone well and declared the 43rd AGM closed at 10.40am.