

COMMITTEE MINUTE RECORD

Minute of: Ark Board of Management

Date Held: 26th August 2021, 14.00

Venue: via Zoom

Chair: Graham Mitchell

Secretary: Bobby Duffy

Present: Mr Graham Mitchell (Chair), Mr Neil McKnight, Ms Lucy Robertson, Dr Darcey Black, Mr Ken Brown, Mr Nikolas Koutris, Ms Joanna Mansell, Mr Ian Logan, Mr Dave Proudfoot

Observing: Ms Catriona Clarke


In Attendance: Mr Bobby Duffy (Chief Executive Officer) (CEO), Ms Victoria Knox (Director of People & Organisational Development) (DPOD), Mr Mark Hall, (Director of Operations) (DO), Ms Caryn Innes (Director of Development and Business Improvement) (DDBI), Mr Ron Watson (Director of Finance) (DF), (DMs Mary Bell (PA to CEO) (Minutes)

ITEM	
1.	Welcome The Chair welcomed all attendees to the Board of Management zoom meeting of 26 August 21 hoping last virtual meeting fingers cross safe distance meeting and extended a further welcome to Ms Clarke who was observing her first meeting
2.	Apologies: Ms Anne Lane, Dr Fraser Quin, Ms Kayleigh Bryan
3.	Declaration of Interest It was noted that, Mr Neil McKnight, Mr Ken Brown, Mr Ian Logan and Ms Lucy Robertson were also members of Ark Commercial Investment Limited (ACIL) Board and Ark Services Limited (ASL) Board.
4.	Items for Approval New Ark Member Approval The Chair requested Members approval for the co-option of one additional Member to the Board of Management and Ms Catriona Clarke's application was unanimously approved. Members approved that Ms Catriona Clarke be Co-opted to the Board of Management
4.1	Minutes of Previous Meeting held on 17 June 21 The Chair enquired if Members had any comments or queries in regards to the 17 June 21 BoM meeting minutes. <ul style="list-style-type: none"> Members noted that they were content to accept the 17 June 21 Minutes as an accurate record of the meeting. Members approved the 17 June 21 Board of Management meeting minutes
4.2	Matters Arising and Actions from Previous Minute Actions The action list was reviewed and updated and the following updates were noted:- 18 March 21 <ul style="list-style-type: none"> Item 9.1 - ET strategic planning dates to be circulated to Members. The CEO explained what this item related to and noted that the way working conditions have been it has been difficult to organise this but he will continue to consider how this can be achieved going forward. The CEO added that this item can be discussed at the Strategy meeting in October 21. Item 9.3 – Draft revised proposals for Windsor Square. The DDBI advised that this can be removed from the action list and will be reported through the agenda. 17 June 21 <ul style="list-style-type: none"> Item 4.1 - Proposals in regards to strengthening all Board, Sub-Committees and Subsidiary memberships to be finalised for this year's AGM. The Chair informed that plans have been put in place for all Committees and he will sign off the structure and provide clarity to all Members in advance of the 23 September 21 AGM. Item 6 – Revisit investment performance. The DoF noted that Brewin Dolphin are attending the 24 November 21 Finance Sub-Committee to present their annual report then a general review will be carried out and reported to the Board of Management. Item 9.4 - Review outcomes reporting to consider whether critical information is being missed and Review outcomes reporting to establish whether there is evidence of the pandemic impacting on people achieving their

		<p>outcomes. The DO reported that the points raised required further investigation and suggested that he would bring a response back to the 9 December 21 meeting. Members agreed with this approach.</p> <ul style="list-style-type: none"> ○ The remaining action in regards to adding the ET as Lead for Asset Management was completed. <p>Members noted the status of the Action List</p>
	4.3	<p>Year End Accounts</p> <ul style="list-style-type: none"> ○ The Audit Sub Committee Chair highlighted the two areas of internal and external audit that require to be taken into account when considering the year end accounts noting that the Internal Audit partners, TIAA had given reasonable assurance for all planned audits. The Audit Sub-Committee Chair added that the External Audit partners Chiene + Tait are proposing an unqualified opinion and have not identified any control weaknesses or Governance issues to be reported to the Board of Management, in addition he noted that both the Chiene + Tait and Audit Sub-Committee Members deemed that the accounting policies were appropriate noting that there were two changes made this year. The Audit Sub-Committee Chair pointed out that the financial statements comply with the accounting standards and recommended accounting practice. The Audit Sub-Committee Chair noted that assurance has been provided to Members on the appropriateness of the financial statements. ○ The Audit Sub-Committee Chair brought Members attention to the fact that there were a number of issues identified during the external audit process and these will be carried forward for implementation and monitored through the audit recommendation process. ○ The Audit Sub-Committee Chair confirmed that in terms of his remit the Audit Sub-Committee are recommending approval of the Year End Accounts. ○ The Finance Sub-Committee Chair advised that he was delighted that the Audit Sub-Committee had confirmed, prior to the Finance Sub-Committee meeting, that the audit had been conducted in accordance with all standards and recommended practice. The Finance Sub-Committee Chair highlighted that the Annual Accounts are as expected, noting that there had been a slight increase in turnover and a smaller operating surplus and further noted the mitigating factors that have been taken into consideration. ○ The Finance Sub-Committee Chair advised whilst the 18 August 2021 meeting was not quorate, the matters discussed were agreed by all those attending and therefore he as Chair (utilising the powers invested in the position) recommended approval of the Annual Accounts to the Board of Management and that Members were satisfied with performance and reporting and the suggested audit issues. <div style="background-color: black; height: 60px; width: 100%;"></div> <ul style="list-style-type: none"> ○ The Finance Sub-Committee Chair noted the comment that was highlighted in regards to the restricted reserves and were seeking to confirm that there is a plan in place to use the reserves within the coming years. ○ The Finance Sub-Committee Chair noted that the auditors have also requested confirmation if a contract liability exists in regards to the service equipment replacement account in order to justify holding this as a liability. The HoF explained how this expenditure was incurred and utilised noting that if Ark don't have a contractual liability to incur the expenditure it should flow through the accounts each year. The HoF added that Ark have not been asked to restate the financial statements this year but this is expected to arise next year. ○ The Finance Sub-Committee Chair noted the comment made in regards to the low return on cash reserves, adding that plans are in place for utilising this cash. In addition he noted his observation was that although the return is low the money is safe and should not be placed in a riskier investment. ○ The Finance Sub-Committee Chair highlighted the issues with the ACIL properties and the DDBI explained the situation and how this was being addressed and there will be a cost to remediate the issue of noise transmission. The DDBI added that the associated impact on ACIL is if Ark cannot get the sound issues resolved Ark may not get the HMO licence granted that ultimately means that ACIL will have to stop operating the service of student lets. The DDBI noted that she is hopeful to have a report available for the November 2021 Finance Sub-Committee and 09 December Board of Management meetings. ○ The Finance Sub-Committee Chair confirmed that in terms of his remit the Finance Sub-Committee are recommending approval of the Year End Accounts. ○ The HoF informed that the accounts summary paper included the overall Income and Expenditure results noting the deficit and the real impact that the move in the pension valuation had created. The HoF provided comfort to

	<p>Members by noting that although the surplus for the year was lower than last year, the drivers for this were the additional pension contributions and the impact of the staff bonus. The HoF highlighted that the Finance Sub-Committee and Board of Management receive management accounts on a regular basis and a reconciliation has been included between the management accounts and statutory accounts.</p> <ul style="list-style-type: none"> ○ The HoF asked Members to:- <ul style="list-style-type: none"> ○ Approve the 2020/21 financial statements; ○ Confirm the preparation of the financial statements using the going concern basis; ○ Confirm on-going support to Ark Commercial Investment Limited; ○ Delegate authority to the Director of Finance to approve any non-material changes to the accounts; ○ Approve the letter of representation for the auditors. ○ The HoF advised that the RSL Technical Update was included for information in regards to the key risks to the sector going forward. ○ The Chair restated that both Audit and Finance Sub-Committee Chairs have recommended approval of the Year End Accounts and asked if there were any comments or questions. There were no queries and as such the Chair asked Members to approve the Year End Accounts. <p>Members approved the Year End Accounts</p>
4.4	<p>Letter of Representation</p> <ul style="list-style-type: none"> ○ The Chair asked Members if they were content with the signing of the Letter of Representation. <p>Members approved that the Chair signs the Letter of Representation</p>
4.5	<div style="background-color: black; width: 100%; height: 300px;"></div>
4.6	<p>RSL Technical Update</p> <ul style="list-style-type: none"> ○ The Chair highlighted that the details contained within the RSL Technical Update were very interesting in regards to the key risk to the sector and noted that he will come back to this item at the Chairs remarks. ○ The Chair passed on his thanks to the DoF and HoF for their engagement with C+T through the process to produce the Financial Statements.

4.7	<p>Policies</p> <p>The DPOD advised that the Complaints policy was in the papers for approval and the Complaints procedure had been added to show the changes from SPSO are reflected throughout both policy and procedure adding that Ark do not have any flexibility in making changes to the framework and that this is explained in the covering paper.</p> <ul style="list-style-type: none"> o G12 - Complaints Policy <ul style="list-style-type: none"> o Mr Proudfoot noted that the policy only mentions Ark and doesn't specifically mention the Ark Group. The DPOD advised that she will add this to the policy and clarify this action at the 23 September 2021 Board of Management meeting. o G12a - Complaints Procedure <ul style="list-style-type: none"> o Mr Proudfoot noted the changes to the procedure and logged that there was a lot of good information contained within and further noted the new term of 'resolved' is mentioned throughout but there was no guidance included in regards to coming to the decision of upheld or not upheld to ensure consistency. The DPOD advised that training is being designed around the new policy and procedure around complaints handling and this will form part of the training process. The DPOD advised that she will make reference to training in the procedure and confirm the changes back to the Board of Management. <p>The DPOD informed that the relevant procedures to the following Health & Safety policies have been updated and approved by the Policy & Procedure Working Group as per the process.</p> <ul style="list-style-type: none"> o HS03 - Risk Assessment o HS04 - Incident Reporting o HS05 - Fire Safety o HS07 - COSHH o HS09 - Display Screen Equipment o HS19 - Your Home, My Workplace <p>Subject to the changes noted above Members approved all policies.</p>
Items for Discussion/Decision	
5.	<p>SHR Assurance Statement</p> <ul style="list-style-type: none"> o The CEO advised that he had produced a summary paper detailing why the SHR Annual Assurance Statement had been brought back to the Board of Management for approval adding that the SHR had asked for commentary in relation to how Ark had responded through the Covid-19 pandemic. The CEO noted that a further update had been received from the SHR in relation to Ark making mention in regards to how equalities data is gathered in relation to tenants and staff. The CEO asked Members to approve the updated Assurance Statement that complies with regulatory requirements. o A discussion ensued in relation to resistance from people providing equalities data and the CEO advised that work is in progress to gather equalities data but it is voluntary to provide this information. The CEO added that the SHR accept that there will be gaps and have recently published guidance on how equalities information can be collected. The CEO advised that the DO has convened a meeting to explore this and report the most up to date position to the SHR when required. The CEO confirmed that collecting equalities data from staff is carried out on the same basis as for tenants. o The Chair asked Members if they were content that he signs the updated Assurance Statement. <p>Members noted they were Content for the Chair to sign the Annual Assurance Statement for issue to the SHR</p>
6.	<p>Chairs Remarks</p> <ul style="list-style-type: none"> o The Chair confirmed that all reviews had been completed and he will pick up some comments during his remarks. o The Chair noted that he is looking forward to getting together in person to make presentations and discussions easier. o The Chair informed that one issue that had arisen was the timing of pre-meetings and asked that this meeting take place two weeks prior to the Board of Management meeting and papers be sent out earlier than one week in advance to give members a chance to review and raise questions on any items presented in the papers to allow members of the ET and SLT to prepare a response for the Board meeting. The Chair added that a more inclusive format will allow each Member to be aware of any questions and responses collectively and a process will be devised for this to transpire. o The Chair highlighted attendance at meetings and remarked that come the AGM individual mobile numbers should be made known to each Chair and if a Member cannot make a meeting at short notice it is a matter of courtesy to let the Chairs know either by text or phone call. The Chair asked that a plan for this be put in place for the Board of Management meeting being held after the AGM.



	<ul style="list-style-type: none"> Internal & External Audit – The Chair proposed that the auditors be asked to attend a full Board meeting halfway through the financial year to provide presentations to give Members an opportunity to hear directly on accounting/audit plan etc. and for Members who are not part of the Finance and Audit Sub-Committees to have an opportunity to ask questions and seek clarity or comfort if they have any areas of concern. Succession planning – The Chair advised that come the AGM he will have been Chair for three years and it is normal in the Association rules that the Chair remains in place for a period of five years. The Chair noted that with the Depute Chair resigning, he has taken time to consider the way forward noting that a Depute Chair is a very important role for Ark, particularly from his perspective as it provides support to the Chair. The Chair stated that he was pleased to say that he has had conversations with Mr McKnight in regards to becoming Depute Chair and that he had spoken to his CEO in this regard who has cleared this appointment. The Chair was delighted to inform that Mr McKnight will commence as Depute Chair at the AGM and he hoped Members approved and will support Mr McKnight in this role. <p>Members noted the Chair's Remarks and approved Mr McKnight's positions as Depute Chair</p>
7.	<p>CEO Remarks/Reports</p> <ul style="list-style-type: none"> AGM – The CEO advised that a physical event is planned for this year and will be held at the Norton House Hotel, Edinburgh noting that the main reason for this was accessible parking. The AGM is planned for 23 September 2021 and the prime reason for the physical event is since lockdown there has been two rounds of Board recruitment, changes to ET and SLT members and new Subsidiaries Company members. The CEO stated that this was an opportunity for people to meet each other for the first time and the day will be planned to include business and a social gathering. SFHA Model Rules – The CEO noted his thanks to Members for attending the SGM and advised that the new model rules have now been registered with the FCA and the process has been concluded. <p></p> <p>Members noted the CEO Remarks</p>
8	<p>Standing Items</p>
8.1	<p>Development Programme 20/21 Progress Report</p> <ul style="list-style-type: none"> The DDBI advised, that as agreed, in terms of information that would be presented to the Board of Management she had submitted a copy of the papers that were discussed at the Finance Sub-Committee meeting. The DDBI informed that an internal dashboard had been created bringing together the high level progress in terms of project risks and the financials. The DDBI provided an update in regards to the demolition work being carried out at Windsor Square noting that this will commence week beginning 30 August 2021. The DDBI informed that she had hoped the options re-appraisal for the new build at Windsor would have been finalised for August 2021 but due to the intensity in priority for Crusader Rise, both internally and externally the Asset Team have not been able to conclude in this time frame. The DDBI noted that there are proposed layouts that are now a workable solution and the team are running through the development appraisals and re-assessing rent levels etc. In addition she said that over the next month a position will be reached with internal colleagues to finalise a proposal to bring back to the 24 November 2021 Finance Sub-Committee meeting and the Board of Management meeting being held on 09 December 2021. The DDBI noted that the programme was not outwith the planned timeframe as this had been pushed back to take place later on in the five year plan due to internal capacity. The DDBI summarised the Finance Sub-Committee report in regards to Crusader Rise noting the current position as unreachable due to the impact of the huge increase in costs. The DDBI advised that there is opportunity to do another procurement exercise to go to the wider market and noted what peer organisations are experiencing. The DDBI stated that further understanding of the market is required before finally reaching a conclusion and that she is not recommending moving forward with this project as it is not viable adding that the Summers Inman

		<p>tender report came back as not value for money. The DDBI noted that the Hadden Group are not giving a value for money price on some items and are not willing to take on any liability or risk exposure. The DDBI noted work will continue to reach a conclusion with the Hadden Group but her recommendation is that Ark continue with a Public Contract Scotland tender that will open up to the market place across Scotland. The DDBI advised that after this a final proposal and business case will be made to move forward or mothball until there is confidence and stabilisation in the market place.</p> <ul style="list-style-type: none"> ○ The DDBI highlighted the amount of spend that is required to come to a conclusion and it is important to do this for Arks internal process to be satisfied that the decision made is correct and also strategically with Ark's relationship with West Lothian Council and Scottish Government who are very supportive of this project as they are in dire need of specialist units and are enabling Ark to start to develop again. ○ The DDBI advised that a land valuation is being carried out at Crusader Rise and as part of the final business case and that it will be a fully concluded exercise with a strong recommendation. ○ The Chair stressed that he was personally pleased that the project had been delayed due to the difficulty Ark could have been in if the project had commenced. The Chair added that to take stock for another few months to complete the full global report for the 09 December 2021 meeting will be a fully informed decision. The further added that it is essential to go to the next stage to close off the business case. ○ Mr Logan enquired if there West Lothian Council could partner Ark and turn the development into a joint venture or another Housing Association. The DDBI advised that the challenge with this is the small size of the development noting how LA's do support Housing Associations and the amount of grants that have been requested from the Scottish Government. The DDBI advised that the development is too small in numbers and too rich for other Housing Associations advising the reasons. ○ Mr Logan enquired about funding from local businesses and the DDBI advised that if other funding comes in that the Scottish Government would reduce their grant. ○ The Finance Sub-Committee Chair noted that he and Mr Logan were in agreement at the Finance Sub-Committee meeting in regards to the development not being viable and that he was very reassured by the ET that every aspect will be explored. The Finance Sub-Committee Chair added that expenditure commitments may be required elsewhere in the business adding that he concurs with all that has been said and looks forward to receiving the final proposal. <p>Members noted the Development Progress Report and discussions</p>
	8.2	<p>AIMS</p> <ul style="list-style-type: none"> ○ The DO advised that AIMS is progressing as per the plan that was presented in March 2021 and has been rolled out to West Lothian, the Western Isles and has commenced in Moray and on track for completion in October 2021. The DO informed the Falkirk and Clackmannan are commencing in October for completion by the end of 2021. The DO noted that AIMS will have been rolled out to 60% of the services leaving Borders, Fife East and Fife West to be concluded in 2022. The DO advised that he is still on track to providing a much fuller report for the 09 December 2021 meeting. <p>Members noted the AIMS update</p>
	8.3	<p>Finance Report – Period 4</p> <ul style="list-style-type: none"> ○ The HoF noted that the paper provides a summary of financial performance against budget for the four months to 31 July 2021 for Ark Group, together with details of key movements between the 2021/22 budget and quarter one forecast. The HOF informed that to date the results have been very positive noting the three key drivers as the additional income in Care & Support, reduced expenditure in Central Overheads and the gain on the value of investments. The HoF noted that in terms of forecast there are no out of the ordinary issues and is a continuance of performance to date. <p>Members noted the Finance Report for Period 4</p>
	8.4	<p>Fife Legal Case</p> <ul style="list-style-type: none"> ○ The DPOD noted that as expected there is no further update to provide at this stage. <p>Members noted that there was no update in regards to the Fife Legal Case</p>
9		Quarterly Reports
	9.1	<p>Programme for Improvement</p> <ul style="list-style-type: none"> ○ The CEO advised that this was the first time the programme for improvement had come to the Board since the format was approved earlier in the year. The CEO noted that he had provided a summary paper for the programme for improvement and commented that from a monitoring tool perspective this has been working

		<p>well for the ET and SLT and hopefully will provide Members with more information in terms of the range of work that is going on in a number of areas across the organisation. The CEO advised that two targets had been met and the other two are ongoing with revised completion dates and the reasons for this are set out in the paper.</p> <p>Members noted the Programme for Improvement Update</p>
	9.2	<p>Compliance Assurance Report</p> <ul style="list-style-type: none"> ○ The CEO advised that the agreed format for the compliance assurance report has now been populated for this particular meeting and will provide assurance that across areas of compliance that Ark continue to meet its responsibilities in terms of a compliance point of view and the areas of compliance are kept in focus to ensure they are being delivered. <p>Members noted the Compliance Assurance Report</p>
10.		<p>Strategic Discussion - Coming Home Report</p> <ul style="list-style-type: none"> ○ The DO delivered a presentation in regards to the Coming Home Report noting that it was a report on out of area placements and delayed discharge for people with learning disabilities and complex needs. The DO provided background information to the report, the findings and recommendations along with information on the additional aim of the report. The DO informed how the report will inform Ark's Business Plan. ○ Mr McKnight highlighted that it will be interesting to see if capital will be released in terms of the particularly around the specific housing design and how it would be good to be able to assist families in any way to get back together and that he is very pleased that this is part of the Ark business plan. The DO advised that there has been no mention of capital investment but a 20mil change fund had been introduced in February 2021 for across Scotland but it is unclear where the money is going at present. The DO added that he is soon attending a meeting that will hopefully provide some clarity. <p>Members noted the Coming Home Report Presentation</p>
11.		Items for Noting Only
	11.1	<p>Audit Sub-Committee Report</p> <ul style="list-style-type: none"> ○ The Chair advised that the Annual Audit Sub-Committee report had been circulated for information ○ The Chair of the Audit Sub-Committee highlighted that the Audit Sub-Committee had achieved its remit for the year and there were not matters to highlight apart from those discussed at item 4.3. <p>Members noted the Audit Sub-Committee Annual Report</p>
	11.2	<p>Finance Sub-Committee Report</p> <ul style="list-style-type: none"> ○ Ms Bell will update the report as requested. <p>Members noted the Finance Sub-Committee Annual Report</p>
	11.3	<p>Ark Commercial Investments Ltd (ACIL)</p> <ul style="list-style-type: none"> ○ There were no queries raised in regards to the 22 June 2021 ACIL Minutes. <p>Members noted the 22 June 2021 ACIL Minutes</p>
	11.4	<p>Ark Services Ltd (ASL)</p> <ul style="list-style-type: none"> ○ There were no queries raised in relation to the 22 June ASL minutes. <p>Members noted the 22 June 2021 ASL minutes</p>
	11.5	<p>Rule 68 Compliance</p> <ul style="list-style-type: none"> ○ The CEO advised that the Paper for Rule 68 Compliance was for Members to note prior to the AGM. <p>Members noted Rule 68 Compliance</p>
	11.6	<ul style="list-style-type: none"> ○ The Chair of the Audit Sub-Committee noted that their meeting minutes and the Finance Sub-Committee minutes had not been presented to the Board of Management since December 2020. The Chair asked Ms Bell to add these items to the 23 September 2021 folder for the Board of Managements information. <p>Members noted that the 2021 Audit and Finance Sub-Committee minutes will be added to 23 September 2021 agenda for information</p>
12		<p>Co-optee Appointments</p> <ul style="list-style-type: none"> ○ Ms Kayleigh Bryan ○ Ms Catriona Clarke ○ Ms Lorraine Charnley ○ The CEO confirmed that the Rules state that respective Members should observe a Board of Management meeting prior to being co-opted then become full Members at the AGM. ○ Due to Ms Lorraine Charnley not observing a meeting she will join the Board of Management through a different Rule.

	<ul style="list-style-type: none"> o The Chair asked Members for approval that Ms Kayleigh Bryan and Ms Catriona Clarke be Co-opted onto the Board of Management. Members approved Ms Kayleigh Bryan and Ms Catriona Clarke becoming Co-optee Members of the Board of Management
	There were no further matters to be discussed and the meeting closed at 4.00pm
	It was noted at the end of the meeting that there were no potential impacts identified in relation to people with a protected characteristic.
13.	Date of Next Meeting: Thursday 23 September 2021 AGM & BoM Meeting – Norton House Hotel

Meeting Dates in 2021

-  Thursday 28th October
-  Thursday 09th December

ACTIONS

Meeting Date	Agenda Number	Action	Who	Status
17/06/21	9.4	Review outcomes reporting to consider whether critical information is being missed Review outcomes reporting to establish whether there is evidence of the pandemic impacting on people achieving their outcomes	MH MH	To be reported back at 09 December 21 meeting
26/08/21	6	Mobile numbers to be shared with all Chairs – plan for 23 September BoM meeting Internal and External Auditors to be invited to attend a full Board meeting halfway through the year	VK VK	Completed
	7	Clarify change to Complaints policy to reflect the Ark Group Clarify reference to training within the procedure	VK VK	