



**MINUTE OF THE 44th ANNUAL GENERAL MEETING
HELD
NORTON HOUSE HOTEL
EDINBURGH EH28 8LX
At 11.45am
On THURSDAY 23rd SEPTEMBER 2021**

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 21/01 Those Present:

Mr Graham Mitchell (Chair), Ms Kate Douglas, Mr William Duncan, Ms Ann Lyon, 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), Mr Yaseen Yousaf (Non-Executive Director - Ark Commercial Investments Ltd), Ms Kayleigh Bryan (Co-optee), Ms Lorraine Charnley (Nominated Member), Mr Colin Phillips (Assistant Director of Care & Support), Ms Lyn Docherty (Head of Compliance & Improvement), Mr David Gray (Head of Asset Management), Ms Jean Stevenson (Head of Information Communication Technology), Mr Michael Catlin (Head of Organisational Development), Mr Stuart Green (Head of Finance), Ms Kirsty McKenzie (Care & Support Administration Assistant, Ms Mary Bell (minutes)

ARK Board Members (in addition to Mr Graham Mitchell)

Mr Ian Logan, Ms Joanna Mansell, Mr Neil McKnight, Mr Dave Proudfoot, Mr Ken Brown

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
- Mr Colin Cackette
- Mr Alistair Wallace

Apologies: Dr Darcey Black, Mr Colin Cackette, Ms Catriona Clarke, Mr Ian Dochard, Mr Patrick Hanson, Ms Bronwyn Harwood, Mr Nikolas Koutris, Ms Anne Lane, Mr Mike Morrice, Dr Fraser Quin, Mr Henry Robson, Mr Oliver Saint, Mr Peter Slater, Ms Caroline Tough, Mr Alistair Wallace, Ms Susan Wright, Rev David Wright, Mr Stuart Yorkston

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. 3 Members have resigned since the 2020 AGM.

A form was included with the papers asking whether people wished to continue as members of the Association. This year, of 41 members asked, the responses were:

- Continue as member 40
- End membership 01
- No response 13

Item 21/02 Minutes of 2020 Annual General Meeting

The Minutes of the 43rd Annual General Meeting held on 23rd September 2020 were taken as read, and approved as a true record of the meeting (proposed by Mr Ian Logan) 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 21/03 Chair's Report

1. Introduction

I am delighted to welcome you all here today, our first physical meeting of the Board and members since February 2020.

When reflecting on the year since the previous AGM, it is hard to get away from the impact Covid-19 has had on all of our lives, the lives of our customers and the overall impact on the business. Following Government guidance our main office, the Priory, has remained closed with only employees required to work from there attending.

Despite this, it has been another very busy and successful year for Ark Group. We have had another year of strong financial performance and the Board were able to make some key financial decisions, which I will touch on later and in a few minutes, Mr Ron Watson will provide a more detailed report on the financial performance for 2020/21.

Within 2 weeks of last year's AGM we launched our Business Plan for 2020 to 2025, also containing our new Vision, Mission and Values and at the same time we introduced the new Ark Brand, which we believe more accurately represents the whole scope of our business within the Ark Group.

We are and will remain a housing association; however from a branding perspective, which you can see around the room, we have chosen to drop housing association from our name and have opted for a brand that reflects the People, Housing and Care, that is central to our identity and the activities which are essential to ensure we continue to meet our core purpose and social responsibility as an organisation.

2. Our business plan has four overarching strategic objectives and when thinking about today's annual report, I have structured my update to demonstrate how my senior team are leading delivery of our strategic objectives. There have been a lot of successes in the past year despite the restrictions placed upon us by Covid-19 and I have selected a number of highlights to update you on today.

We aim to become an organisation that will "have a reputation for excellence and be recognised as a high quality provider of housing and care", this is our first strategic objective

and this year the Executive Team and Senior Leadership Team have worked very hard to make progress against this objective; whilst at the same time adjusting our operations to respond to Covid-19, in particular we have successfully:-

- Restructured the property maintenance team and created the Asset Management team, whose main focus during Covid-19 restrictions, has been on health and safety related emergency repairs and heating and compliance related safety checks to properties and systems. They have continued to provide advice and support for all our customers, contractors and have ensured our supply chain is still available and accessible to fulfil our demands; not an easy task during such a difficult time. As restrictions have begun to ease the asset team have implemented plans to visit all our properties and meet our customers and they have now completed a full survey of the condition of our housing stock. The Board will be keen to receive the outcome of this work.
- Throughout the pandemic the Housing Services team have continued to provide all critical housing services including attending properties to ensure that allocations could continue in line with government guidelines. A total of 30 allocations were made in the year and the team have continued to stay in touch with our most vulnerable tenants, by telephone, ascertaining whether they needed any additional support and signposting them to any 3rd party agencies to receive further assistance.
- The Care and Support leadership and management teams had to respond very quickly to the raft of guidance being issued by the Scottish Government at the beginning of the pandemic, with the main focus of ensuring the safety of our supported people and our more vulnerable employees within care and support, amongst many activities the team:-
 - Reassessed the support needs of every supported person to ensure they were kept safe in light of lockdown and the pandemic
 - Updated risk assessments and guidance on a weekly basis and sometimes more often as national guidance was updated
 - Reviewed, revised and enhanced Infection Control measures to ensure the continued safety of our supported people and staff
 - Revised working practices established including work from home for managers, with no disruption to service provision
 - Managed staff absence as a result of Covid-19 and supported those who were shielding and implemented an organisation wide monitoring system for absence and positive cases
 - Introduced and co-ordinated testing and vaccination requirements for our staff

I am sure you agree this has been a significant effort on the part of all of those teams and the Board offers a huge thanks for their efforts and diligence in ensuring high levels of service provision, through a challenging period.

Also within the context of aiming to have a reputation for excellence and be recognised as a high quality provider of housing and care:-

- We completed the deregistration of Alloa Care Home. The primary benefits of this for the residents is that they now have full tenancy rights and they can now claim full benefits

- entitlement and have moved away from receiving food and personal allowance, enabling them to have more choice and control
- We submitted a successful tender bid for West Lothian Adults with a Disability Framework In February 2021; this outcome retained £900k of annual income with the potential for up to an 8 year period, a significant success.
 - We developed detailed proposals for new property developments at two sites, one in Penicuik and one in Livingston. This is a key strategic decision by the Board and one which will mean significant investment now and in future years. The Executive Team have now implemented the procurement process and identified a preferred development partner with contract negotiations ongoing; however as a result of significant challenges in the property construction sector such as, cost of building materials rising very quickly and supply chains being impacted by Covid-19 and Brexit, the projects at this point have not progressed as planned. The Board remain committed to Ark playing its role in the supply of new social housing for those with particular needs and once the sector settles down, we will expect to receive updated proposals from the Executive team on how the projects can progress once again.
3. The second strategic objective is that we will “be known as an excellent employer where employees will enjoy rewarding careers”, we have made good progress against this objective and in the past year:
- The Learning & Development team have moved to a more digital approach to L&D delivery and building upon our E:learning system, Learpro, they have implemented more accessible and flexible delivery methods to support ongoing development of our people and, the SVQ team had a successful year with excellent results in the latest SQA inspection
 - We have improved salaries and allowances across the organisation by 2.2% in April 2021, to ensure we remain a Scottish Living Wage Employer
 - And in December last year the Board were delighted to be able to make a one off recognition payment of £500, to all permanent employees of Ark and issued all relief staff with a voucher worth £75, as a thank you for their hard work and commitment during a very difficult year
 - We re-focused our recruitment activities with a greater use of Ark social media channels and increased our staffing levels across Ark through amended and more efficient processes. As a result, have increased our permanent staff levels to 85% of all posts.
 - The People & OD team created a new Agile Working Policy that facilitates home working, where appropriate and ensures that staff who work remotely, are kept safe and are supported appropriately by Ark
 - The Pay & Benefits team launched a new employee assistance programme. Care First who offer weekly well-being webinars, face-to-face counselling and a dedicated support line. The team also launched an employee discounts platform for the first time on the 1st October 2020, through our supplier, Sodexo

Again I am sure you agree this is good steady progress of Ark becoming an employer of choice where people wish to remain to enjoy a rewarding career.

4. The third strategic objective is that we will, build our technological and digital capability to support a successful business. It has never been more important than in the last year to ensure a focus and investment in building our technological capabilities and:-
- At the start of the pandemic the immediate task for the ICT team was to ensure all staff who needed to work remotely had the right tools to do their jobs. This was a huge task but was achieved fairly quickly with laptops, mobile phones etc. being configured and distributed to enable remote working
 - To ensure effective collaboration Microsoft (MS) Teams was introduced and installed and has been a great success. Many ICT infrastructure improvements have also been achieved during this very busy time. Software to allow ICT to remotely support laptops has been installed and has helped to ensure that the increase in ICT support calls is managed more effectively
 - Although the pandemic itself forced us to ensure that we could conduct business activities remotely, a successful Business Continuity Test was also carried out
 - Work was completed on assessing a new online facility, Near Me, which will provide a more streamlined platform for tenants to engage with Ark staff.
 - We have continued to implement the new Ark Information Management System (AIMS) in new services. The system is now 'live' in Edinburgh, East Lothian, Midlothian, Angus and Perth & Kinross
 - And, following publication of the new business plan, which contained the new Brand, the Ark website was re-branded and the Executive team are currently completing a procurement process to completely re-design the Ark website

I am confident you will continue to receive annual reports from the Chair of Ark for years to come which demonstrates our relentless progress to becoming an organisation that uses digital technology to improve the lives of our community in Ark.

5. The fourth and final strategic objective that provides the framework for our ambitions is that we will, have in place Leadership to create a culture of excellence throughout the business. No organisation can survive and thrive without exceptional leadership and the Board and the Executive team have been very busy, putting the building blocks in place to ensure Ark has the right leadership within the Board and the senior teams, to continue to drive the business forward.
- This work has been going on for three years, since I took up my role as Chair in September 2018 and in February 2019, the new CEO took up post
 - By the summer of 2020 we had restructured the Executive team, creating the two new posts which I reported to you at last year's AGM and since then we have restructured the senior Leadership Team, introducing several new posts and attracting exciting new talent to Ark
 - In April this year, we introduced a new management and leadership structure across the care and support business, which saw almost all of those colleagues affected by the change move to more senior posts
 - And this work has been underpinned over the last three years by an annual transition at Board level where members have left us and new members have joined. We have also

taken the opportunity to recruit new Non-Executive Directors directly to our subsidiary companies, in keeping with key guidance from the SHR. Overall this has been quite a transition and as Chair I am very proud of the three Boards we have put together within Ark Group, and now look towards a period of settlement, where we can continue to offer constructive challenge and scrutiny of the work of the senior team at Ark.

I hope you agree that this has been a very successful year for Ark, through difficult times and one we can look back on knowing that we have continued to make progress towards the improvement we all wish to see in Ark.

6. I would like to finish by offering my thanks to all of my colleagues on the Board for giving their time and expertise so generously and ensuring Arks' governance processes were of the highest standard. I would also like to thank all colleagues across Ark for their massive efforts over the past year which I am sure you agree has been significant and to Ms Mary Bell for her diligent administration of the Ark Group Boards and for the organisation of today's event. Just before I hand over to Mr Ron Watson to give his presentation of the annual accounts, this is in fact his final AGM as Ark's Director of Finance, as he will be retiring in March of next Year. Ron thank you for your service to Ark and the contribution you have made over the years and being a key part of the Executive Team, through the many changes we have seen in that period.

Thank you!

Item 21/04 Report and Presentation of 2020-2021 Accounts

This item was presented by Mr Ron Watson, Director of Finance and made reference to the Group Financial Statements for 2020-2021

Introduction

A summary of the Financial Statements for the year to 31 March 2021 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 (3.2%) on the previous year primarily due to an increases for our supported living hourly rates and an increase in our rent charges by 2.4% following a consultation with tenants. Mr Watson noted that these increases had helped fund the 3.3% increase in the Scottish Living Wage and other inflationary increases.

Operating expenditure increased by 6.6% on the prior year, resulting in the group reporting a reduction in operating surplus from the previous year. The key reason for the decrease was the decision to pay Ark's pension deficit quicker than originally planned which had added additional costs into the financial year.

Housing activities across the group delivered a decreased surplus from the previous year due to higher depreciation costs as we look to demolish and rebuild properties at our site in Penicuik and investment in the Asset Management team.

Care and Support activities reported a deficit mostly due to the impact of the additional pension costs.

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.

Due to the pandemic demand for student accommodation at Ark Commercial Investment Limited was lower than the previous year and the cancellation of the Festival resulted in a loss of income. This was managed by reducing the intercompany charge to Ark Housing and Mr Watson noted that student demand has significantly increased for the 2021/22 financial year.

Mr Watson advised that the ARK Group presents an improving Balance Sheet position with an increased closing cash balance. Mr Watson reported that net current assets have increased due to the improved cash and debtor/creditor position. Mr Watson informed that long term creditors, which includes loans and housing association grants had reduced and pension liabilities had increased.

Mr Watson highlighted, that this year has seen the best financial performance to date and noted the following group results summary:-

- Total loss for the year is not reflective of the strong underlying performance;
- Care & Support and Housing Services both generating surpluses (once impact of additional pension deficit costs and one-off staff recognition payment are excluded);
- No significant impact from Covid-19 pandemic in 2020/21 results, but long-term impact of pandemic to both sectors still to be understood;
- Results include investment in our housing stock, and development of new social housing;
- Group is in a strong financial position to support the long-term strategy that will see the transformation of Ark over the next five years and beyond.

A copy of the Summary of Financial Results 2020/21 is available on request.

The Chair thanked Mr Ron Watson for his presentation.

Item 21/05 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 2021-2022, subject to member approval at today's AGM. Mr Ken Brown proposed that Chiene + Tait should be appointed to provide External Audit Services to the Ark Group for the period 2021-2022, and this was then seconded by Mr Dave Proudfoot and the membership confirmed Chiene + Tait as Ark Groups external auditors 2021/22.

Item 21/06 Election for the Board of Management

There have been 3 resignations from the Board of Management since the 2020 AGM.

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:



- ❖ Dr Darcey Black
- ❖ Mr Nikolas Koutris
- ❖ Ms Anne Lane
- ❖ Mr Ian Logan
- ❖ Ms Kayleigh Bryan (Co-optee) August 2021
- ❖ Ms Catriona Clarke (Co-optee) August 2021

Retiring Board Members and Co-optee members are eligible for re-election; from the 6 retirees, all confirmed that they are willing to remain on the Board of Management. 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 all retiring members re-elected without the need for a vote.

Ms Lorraine Charnley, was successful through the Board recruitment process; however due to personal commitments was unable to attend the August Board meeting to be Co-opted onto the Board; however the Board confirmed Ms Lorraine Charnley's appointment at the May 2021 meeting. There is nothing with the Rules that say you must be co-opted before becoming a full Board member; therefore as there remain vacancies on the Board under Rule 40.1 I declare Lorraine's appointment to the Board without the need for a vote.

Item 21/07 Any Other Business

There was no further business to be discussed.

The Chair thanked members for attending, wished everyone well and declared the 44th AGM closed at 12.15pm.