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| **COMMITTEE MINUTE RECORD****Minute of:** Ark Board of Management**Date Held:** 27 June 2024, 2.00pm **Venue:** Hybrid **Chair:** Ian Logan **Secretary:** Bobby Duffy  |
| **Present:** Mr Ian Logan (Chair),Ms Catriona Clarke (Depute Chair), Mr Dave Proudfoot, Mr Darcey Black **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 Nina Adamson (PA to CEO) (Minutes), Ms Dana McLennan (Business Support Assistant)  (Minutes items 1-6 & actions) |
| **ITEM** |  |
|  | **Board of Management Pre-Session**A pre-session took place at 13.15 on Data Protection Annual Report – Michaela, Head of Compliance and Improvement and Trish, RGDP.  |
| 1. | **Welcome**The Chair welcomed all attendees to 27 June 2024 Board of Management meeting and Ms Adamson to the organisation thanking her for her support. It was noted that Mr Belfall would not attend meeting due to a potential conflict of interest. Agreement was made between Chair and Mr Belfall to exclude Mr Belfall from this meeting in a view to resolve in the coming weeks.  |
| 2. | Apologies: David Belfall, Lucy Robertson, Oliver Saint, Donna Downie, Craig Unsworth, Joanna Mansell, Victoria Knox |
| 3. | **Declaration of Interest**There were no declarations of interest.  |
| 4. | **Items for Approval** |
|  | 4.1 | **Minutes of Previous Meeting held on 28 March 2024**In response to Mr Proudfoot’s query CEO stated this will be resolved by next board meeting**Minutes of Previous Meeting held on 30 May 2024**Mr Proudfoot highlighted below statement which referred to 28th March 2024 minutes.“Minutes amended as appropriate & brought back to meeting in June for Mr Proudfoot’s approval”. Mr Proudfoot stated in future he would be happy for any amendments to be sent via portal/e-mail for his approval. **Members approved the 28 March and 30 May 2024 Board of Management meeting minutes**  |
|  | 4.2 | **Actions & Matters Arising** The action list and matters arising from 30 May meeting were reviewed and the following was noted: - **28/03/24****Item 8** – Chairs Remarks - Tenants and Residents safety training session - Ms Adamson awaiting reply from 5 board members, 4 have responded day likely to be a Thursday for training session in September- Partially complete, keep on actions. **30/05/24****Item 5**- Policies & procedure processes - Chair, CEO, Board Member (DP) & DPOD met on 19th June. Agreed that P&PRG remit would be changed to give more responsibility/delegation to group to all organisational policies. Board would continue to approve Governance policies only. DPOD to bring forward a formal proposal to the August BoM meeting. Partially complete, keep on actions.**Item 8** – Chairs Remarks - Executive Team/board development feedback now summarised & agreed with CEO, next stage is to discuss with BoM as part of developmental process. Summary of feedback sent to Ms Ewart with proposal of meeting dates and awaiting a response as Ms Ewart currently on holiday. Chair will report back to BoM once meeting date is finalised if no date carry over to next meeting - Partially complete, keep on actions. **Members noted the updates and status of the action list and matters arising**  |
| 5. | **Policies for Approval**  |
|  | **G50 Notifiable Events policy**CEO thanked Mr Proudfoot for his feedback in advance of the meeting and asked if Mr Proudfoot was satisfied with the responses given. Mr Proudfoot noted his comfort with the minor changes planned for policy following his feedback. **Members approved G50 Notifiable Events policy** |
| 6. | **SHR Loan Portfolio Return** |
| 6.1 | DFDI highlighted that SHR Loan Return is one of the three financial returns submitted to regulator, no change to this year. **Members approved submission of Loan Portfolio Return to Scottish Housing Regulator.** |
| 7. | **Governance Structure Proposal** |
| 7.1 | CEO summarised the key elements from paper 7.1 and discussion was opened by Chair asking members if there were any questions pertaining to the paper.A discussion ensued regarding voting rights and governance within the subsidiary companies of the group: ACIL and ASL. It was clarified that only the parent company holds voting rights, while subsidiary members are non-voting participants. The parent company retains control over subsidiary decisions and can call for a vote if necessary. The subsidiaries can still operate and make decisions, even though their members are non-voting, with certain issues being escalated to the Board of Management for approval. Concerns were raised about the legal structure, and it was noted that existing governance documents might need some revisions to align with regulatory requirements. There was also a discussion on the roles and responsibilities of Directors within the subsidiaries and the importance of maintaining a clear distinction between the parent company and its subsidiaries. All question of clarity were responded to by the CEO and Chair and the BoM agreed to move forward with the creation of the Ark Group Subsidiary Companies Board and related recruitment activities. Chair thanked all for their work and valuable input.**Members agreed in principle proposal of new Governance Structural Support**  |
|  | **Items from Chair and CEO** |
| 8. | **Chairs Remarks** **Annual appraisals**: Chair requested that all members respond to Nina with availability and extended options to August for appraisal meetings to take place. **Mary Bell**: It was noted that MB’s last working day is today and that MB had chosen not to join the meeting. Chair noted that he wished a note to be captured in the minutes regarding the BoM’s thanks to MB for all her work and support, patience, Minute taking and everything she has contributed. Chair noted that he saw MB recently in the new premises and a personal thanks was extended at that time. Board wished Mary all the very best. **Members noted the Chairs Remarks**  |
| 9. | **CEO/Remarks/Reports****Board recruitment:** DPOD is currently managing this process and has spoken to agencies as it was decided this approach would support what we are trying to achieve. Recruitment will take place over the summer months with new members being brought on to Boards at the AGM. **New Office relocation** CI: The target entry date to the new office was 1st July and it was decided to push back by a week to allow all works to be complete. Staff teams will be phased in from 8th July. The discussion focused on the challenges encountered and initially, some tasks didn't happen on time, particularly the installation of data cables. The IT team scheduled the transfer the physical server over a weekend, and this was complete as planned. Despite the delays, the office move is now confirmed, after which the Priory will be decommissioned. The staff have been informed of the delay, and their response has been understanding. Overall, IT has done an excellent job managing the situation.BD: Extends an invite to BoM to visit the new office at Lochside. The next BoM meeting will be hybrid, but Board members welcome along any time. **Board engagement with Corporate Objectives**: We discussed previously corporate objectives and board engagement, and ET have highlighted potential areas for further input from Board. An update will be added to the Board Portal in due course.**Members noted the CEO Remarks** |
| 10. | **Items for Discussion/Decision**  |
|  | **Session 2023/24** |
|  | **Strategic Focus**  |
| 10.110.2 |  |
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| 10.3 | **Property Development & Strategic Asset Management** |
|  | CI: Noted that we are now using new report formats therefore the report format is slightly changed from last update. This paper is an information updated and it pulls out on the front page the relationships and importance of the work streams and their impact on financial plan. **Crusader Rise**: Confirmed we are waiting on further updates from building control granting habitation to allow handover from the Contractor. They have everything they need for going forward and provisional handover date of 9th Aug has been set. Further update will be provided at the Aug BoM meeting. **Windsor Square:** Following from BoM additional approval, we have progressed with signing of the contract and have started on site. We have 2 plots constructed (30%) in factory and have done a part payment and ‘soft’ start on site for works. A late request from Midlothian council was received to revise Section 75 Agreement developer contribution to fully remove the requested education contribution, which will generate a saving of circa £100k. Subject to the legal process this might delay the start on site, which is supported by the DDCE to benefit the overall contract financial position.**Coming Home project**: Joint piece of work for MH & CI and respective teams and we have secured budget this year for 3 properties/self-builds. However, under ‘Coming Home’ agenda, we will work with Local Authorities and will pick up in future with MH. **Other projects:** As soon as we have consent, we will get the Priory onto market and Savills currently pulling together the marketing and sales package. **HMO:** Long-term voids: most HMOs commissioners not wanting to use it for group living and it can be challenging getting the right match of people to share. We have some voids at Forres and are looking to remodel as ‘self-contained’. MH initiated a conversation with Moray council about this. The challenge with HMO reconfigurations is mainly cost and it is unlikely that we will receive grant funding for it. We already have a grant in the building from original build, for the investment to be viable we may have to maximise rent levels, some financial modelling work needs to be done. Will be a good test case to appraise business model and financial vs. social valueCI asked for questions from the BoM and the discussion centred around issues with the Winsor Square, Crusader Rise and Moray projects. Concerns were raised about reconfiguring existing properties to better suit tenants' needs and whether this would impact current housing availability. The conversation also focussed on significant commercial issues with contractors at Crusader Rise, including delays and quality concerns. The project is 54 weeks late on a 52-week contract, and the organisation plans to apply penalties for these delays. The board expressed concerns about the financial implications, particularly regarding rental income losses. There is also a potential contract and legal dispute with the contractor, with the possibility of contract termination. The board requested to be kept informed of developments, recognising the potential ramifications of the situation.**Members noted update of Property Development & Strategic Asset Management**  |
| 10.4 | **Performance Reporting** |
|  | Corporate Objectives 23/24 |
|  | BD: Summarised the report and noted that out of the 17 objectives agreed; we have delivered 11 and 6 are currently ‘amber’ which means they have commenced but are not fully complete. CEO extended his thanks to the teams for all their hard work on their delivery. Chair noted his thanks for the reviewed reporting and stated that the approach made sense and added his thanks to the Executive Team for all their hard work. **Members notes update ofPerformance Reporting Corporate Objectives 23/24** |
| 11. | **Items for Noting**  |
| 11.1 | **Period 2 Management Accounts**The DFDI summarised the financial performance of the Ark Group for the first two months of the new financial year, noting that overall, the Group has made a surplus, but caveated this positive result as being too early to be confident over until more months have progressed. The DFDI did not have any specific issues to bring to members attention. Members noted the new format but indicated that it presented too much information, and in particular would like to see Care & Support results by Local Authority. The DFDI noted the feedback and will revise for next round of meetings.**Members noted Period 2 Management Accounts** |
| 11.2 | * **ACIL Exceptions Reporting**
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|  | DP: Noted that there have been no ACIL meetings since last BoM therefore, nothing to report. **Members noted no update of ACIL Exceptions Reporting** |
| 11.3 | **ASL Exceptions Reporting** |
|  | LR not present to provide update. CI confirmed no update available.**Members noted no update of ASL Exceptions Reporting** |
| 12.  | **AOB**   |
|  | Board noted ongoing challenges with the Portal in relation to notifications, posting files and one drive. It was agreed that the original portal guidance would be revisited and a further training session would be offered as a pre-board. IL: Closed the meeting and noted that he is looking forward to seeing all on 29th August. |
|  | **Date of Next Meeting: Thursday 29 August 2024**  |

 **2024 Dates for Board of Management Meetings – commencing 14.00**

**Board Member Only sessions will commence at 13.30 unless agreed otherwise.**

* **26 September (AGM & BoM meetings)**
* **31 October**
* **12 December**

**ACTIONS**

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| **Meeting Date**  | **Agenda Number** | **Action**  | **Who**  | **Status**  |
| **28/03/24** | **Item 8** -Chairs Remarks - Tenants and Residents safety training session | Ms Adamson awaiting reply from 5 board members, four have responded day likely to be a Thursday for training session in September- keep on actions.  | NA | Ongoing |
| **30/05/24** | **Item 5** - Policies & procedure processes-  | Agreed that P & PRG remit would be changed to give more responsibility/delegation to group to deal with policies that are operational/routine. Board would approve policies around governance or any policies relating to strategic matters only. DPOD to present proposal to board members during August meeting.  | VK |  Ongoing |
|  | **Item 8** - Chairs Remarks- Executive Team/board development feedback  | Summarised & agreed with CEO, next stage to discuss with board as part of developmental process. Summary of feedback sent to Ms Ewart with proposal of meeting dates awaiting response as Ms Ewart currently on holiday. Chair to report back to board once meeting date is finalised if no date carry over to next meeting- keep on actions | IL | Ongoing |
| **27/06/24** | Discussion following **Item 5** - Mr Black having issues accessing board portal | NA to email IT on BD behalf to report  | NA | Outstanding |
|  | **Item 10.4** - Habitation certificate update  | Request update brought back to board regarding habitational certificate for Crusader Rise - financial implications of delay. | CI | Outstanding |
|  | **Item 11.1** - In response to feedback relating to high level of detail included in new Management Accounts reporting format | DFDI to pull details from Excel report to provide a scaled down version for Augusts Finance & Audit sub meeting. | SG | Outstanding |
|  | **Item 13** - In response to issues regarding board portal | DFDI to arrange meeting with board members and IT either face to face or during pre-board session to resolve issues. | SG | Outstanding |