

<b>COMMITTEE MINUTE RECORD</b>	
<b>Minute of:</b>	Ark Housing Association Board of Management
<b>Date Held:</b>	25 August 2022, 2.00pm
<b>Venue:</b>	Hybrid – Priory Board Room and Zoom
<b>Chair:</b>	Graham Mitchell
<b>Secretary:</b>	Bobby Duffy
<b>Present:</b>	Mr Graham Mitchell (Chair), Mr Neil McKnight (Depute Chair), Mr Ken Brown, Ms Catriona Clarke, Mr Dave Proudfoot, Dr Darcey Black, Ms Lucy Robertson, Mr Ian Logan
<b>In Attendance:</b>	Mr Bobby Duffy (Chief Executive Officer), Ms Victoria Knox (Director of People & Organisational Development), Mr Mark Hall (Director of Operations), Ms Caryn Innes (Director of Development and Business Improvement), Mr Stuart Green (Director of Finance), Ms Mary Bell (PA to CEO) (Minutes)
ITEM	
1.	<b>Welcome</b> The Chair welcomed all attendees to the 25 August 2022 Board of Management meeting noting that technology will be improved to enhance the meeting experience
2.	<b>Apologies:</b> Ms Kayleigh Bryan. Ms Joanna Mansell, Ms Anne Lane, Mr Nikolas Koutris
3.	<b>Declaration of Interest</b> It was noted that, Mr Ken Brown is also a member of Ark Services Limited (ASL) Board. In addition Mr Neil McKnight and Ms Catriona Clarke are also members of Ark Commercial Investment Limited (ACIL) Board.
4.	<b>Items for Approval</b>
4.1	<b>Minutes of Previous Meeting held on 26 May 2022</b> <ul style="list-style-type: none"> <li>o The Chair enquired if Members had any comments or queries in regards to the 26 May 2022 Board of Management meeting minutes.</li> <li>o The Chair highlighted the date errors in the minutes and the PA noted that the dates had been amended on the final minutes for Chair sign off.</li> <li>o Mr Brown highlighted the incomplete sentence at item 8.1 Business Plan SHR Submission and it was noted that this should have read “In addition the DDBI advised that the current service improvement plan included the financial management planning that is expected to develop new properties within the existing stock areas”.</li> <li>o Further to the above clarification Members approved the 26 May 2022 meeting minutes.</li> </ul> <b>Members approved the 26 May 2022 Board of Management meeting minutes</b>
4.2	<b>Actions</b> The action list was reviewed and the following was noted:- <b>31/3/22</b> <ul style="list-style-type: none"> <li>o It was noted the outstanding action from 31 March 2022 had been completed.</li> </ul> <b>26/05/22</b> <ul style="list-style-type: none"> <li>o The DOPD confirmed that she had the Compliance Assurance report in regards to reporting the qualification numbers against the plan for people expected to go through the qualification.</li> <li>o All items from 26 May 2022 have been completed apart from Item 9.1 Finance – This action will be carried forward.</li> </ul> The Chair highlighted today’s sizable agenda and requested that Members please keep questions concise throughout the meeting to allow for all agenda items to have the appropriate time for discussion and noted that as no questions had been intimated to the ET by Members in advance of today’s meeting there were no significant questions expected. The Chair added that he will recap at the end of each agenda item to ensure Members who are attending remotely have captured the discussions. <b>Members noted the updates and current status of the action list</b>
5.	<b>Policies for Approval</b> HS08 Moving & Handling – The DOPD noted that there had been no legislative changes to the Moving & Handling policy and that the only difference was that it had been updated to the new format. <b>Members approved Policy HS08 - Moving &amp; Handling</b>
6.	<b>(Removed for Security)</b>

7.	<p><b>Annual Accounts</b>  <b>Summary Report, Audit Report, and Technical Update, Ark HA, Letter of Rep, Letter of Support Ark Services Ltd and Ark Commercial Investments Ltd</b></p> <ul style="list-style-type: none"> <li>○ The DoF informed that the summary report provides an overview of the 2021/22 audited financial statements following the completion of the external audit by Chiene + Tait (C+T) and noted the year-end statutory adjustments as following: -             <ul style="list-style-type: none"> <li>○ Positive swing with the actuarial valuation of the Pension Scheme (SHAPS), Provision for Fife Legal Case based on best estimate and Late Accruals in recognition of invoices or costs identified after the closing of the management accounts.</li> </ul> </li> <li>○ The DoF noted that the audit had gone well and there had been no changes proposed to the accounts by C&amp;T. The DoF advised that he was seeking approval of the accounts and the letter of representation in addition to the letter of support for ACIL confirming that Ark HA will provide no less than 12 months financial support from the date of the letter.</li> <li>○ Mr Proudfoot highlighted the elements within the Audit Sub-Committee’s (ASC) annual report in regards to approval of the accounts noting that they were pleased to see through the internal audit that Ark have reasonable and effective risk management and governance process in place. Mr Proudfoot added that the external audit has proposed an unqualified opinion and no control weaknesses, for the fourth year, have been identified. In addition Mr Proudfoot noted that in technical terms, the accounting policies have been deemed to be appropriate and further noted that the financial statements comply with the accounting standards. Mr Proudfoot noted that this provided the ASC with assurance to recommend to the BoM that Ark’s accounts are approved.</li> <li>○ Mr Proudfoot advised that 9 issues, all improvements, 3 particularly for the ASC and 6 related to the Finance Sub-Committee had been brought attention noting that all 9 will be addressed through the normal monitoring process.</li> <li>○ Mr Logan advised that the Finance Sub-Committee (FSC) agreed that the process followed by ASC was clean and clear and noted that FSC members had scrutinised and questioned the accounts appropriately and are happy to recommend approval of the accounts to the BoM.</li> </ul> <p><b>Members Approved the Annual Accounts for 2021/22, Approved that the Chair signs the Letter of Representation and Letter of Support from ARKHA to ACIL</b></p> <p><b>Financial Strategy</b></p> <ul style="list-style-type: none"> <li>○ The DoF advised that the purpose of producing the Financial Strategy was to set out the key financial considerations to ensure the delivery of the strategic objectives within the Business Plan (BP) adding that the strategy builds on the principles set out in the SHR’s business planning recommended practice and supports evidence of complying with the regulatory standards. The DoF advised that the strategy had been written with built in flexibility and he was seeking approval from Members to change the review cycle to 3 years as opposed to 1 year to keep this in line with the Policy &amp; Procedures review cycle.</li> <li>○ Mr Logan noted that the Financial Strategy had been presented to the FSC and they were very much in support of creating a high level structure to support the BP and strategic objectives. Mr Logan also noted the FSC’s agreement to review on a 3 yearly basis.</li> <li>○ A discussion in ensued in regards to the flexibility within the strategy and Mr Logan noted that it will be flexible to move with any circumstances of change. The CEO clarified that in terms of the financial strategies they are essentially a set of guiding principles and work should be carried out in keeping with the delivery of the financial plan.</li> </ul> <p><b>Members approved the Financial Strategy and Review Change to a Minimum of 3 Years</b></p>
8.	<p><b>Items from Chair/CEO</b></p> <p><b>Chairs Remarks</b></p> <ul style="list-style-type: none"> <li>○ The Chair noted that the reviews that were carried out this year were slightly different and requested that if not already done so please forward all formal review paperwork to the DPOD to be signed off.</li> <li>○ The Chair advised that he had carried out a presentation for the ET in relation to the additional 3 questions and provided feedback from the thoughts of the Board Members. The Chair advised that there will be a summary version of the report forming part of the October strategy day for discussion, clarity and moving forward. A discussion took place in regards to feedback from the Chair and he noted that commentary was not largely different from the previous year and this is why he would like to move away from current format and move forward with the 3 specific questions. In addition the Chair noted that if there are any particular items of note feedback will be provided.</li> <li>○ The Chair noted that discussions are ongoing with the DPOD in relation to the format of the review sessions and the DPOD advised that she had provided a paper in May 2022 around the SFHA’s updated guidance around managing performance of the BoM and this will be brought into thinking for next year’s reviews.</li> <li>○ A discussion ensued in relation to what is expected from a regulatory perspective and the DPOD advised that Board effectiveness is owned by the Board and the work that is being planned is about both performance and the management</li> </ul>

	<p>process. The Chair noted his preference for review and also how the BoM and ET can collaborate to achieve the best outcome. In addition the Chair stated that conversations will continue with the Depute Chair and CEO in regards to issues to be discussed.</p> <p><b>Members noted the Chairs Remarks</b></p>
9.	<p><b>CEO Remarks</b></p> <p><b>AGM</b></p> <ul style="list-style-type: none"> <li>The CEO advised that the 29 September 2022 AGM and BoM meeting will take place at the Hilton Hotel North Bridge Street, Edinburgh and noted the plan for the day. The CEO advised that colleagues from across the organisation will be in attendance at the AGM and the session being planned for the afternoon in regards to the employee survey that has recently been completed. The CEO noted that there had been a 55% return rate to the survey and the responses highlighted very interesting and positive feedback. In addition the CEO noted that a focus will be placed on sharing the results from the survey and the plans for implementing the actions.</li> </ul> <p><b>October Strategy Day</b></p> <ul style="list-style-type: none"> <li>The CEO noted that the 27 October 2022 strategy day will be held at the same venue commencing 10.30am with a finish date no later than 3.30pm. The CEO added that further to BoM approval on 26 May 2022 for engagement with an external consultant for BoM development the first hour of the strategy day will be spent face to face with the consultant to commence the development sessions. The CEO added that the remainder of the strategy day is still to be scoped out.</li> </ul> <p><b>Members noted the CEO's Remarks</b></p>
<b>Items for Discussion/Approval</b>	
10.	<b>Session 21/22</b>
10.1	<p><b>SHR Self-Assessment Outcome Report</b></p> <ul style="list-style-type: none"> <li>The CEO informed that the SHR Self-Assessment process had been concluded and that the ET's view was that Ark is fully compliant with all standard statements within the framework. The CEO added that all information relating to the process had been provided to TIAA who had carried out their audit and it was pleasing to have achieved substantial assurance for the evidence bank held and the process that is in place.</li> <li>The CEO noted the non material, non-compliance issue from last year, advising that this has been addressed and closed off. The CEO confirmed that the TIAA audit report was submitted to the SHR along with the Self-Assessment report and other supporting documents.</li> <li>Mr Proudfoot noted that as a result of the ASC's remit to review the Self-Assessment process the internal audit by TIAA was carried out noting that substantial assurance is an excellent outcome and that Health &amp; Safety has been the only other audit in Ark that has achieved substantial assurance. Mr Proudfoot shared his thoughts in regards to the Senior Audit Manager carrying out the Self-Assessment audit as opposed to audit staff and noted that the ASC had reviewed the schedule of evidence reporting on quality as opposed to volume and reported that the ASC recommended approval to the BoM for signing the SHR Annual Statement further to one small change being made.</li> </ul> <p><b>Members noted and approved the SHR Self-Assessment Outcome Report</b></p>
10.2.	<p><b>Annual Assurance Statement 2021/22</b></p> <ul style="list-style-type: none"> <li>The CEO noted that the Annual Assurance Statement for 2021/22 was produced following the audit process and that it is a fuller document than previously on the basis that the SHR are now asking for commentary on a key number of governance areas.</li> <li>Members a noted the change and approved that the Chair signs the Annual Assurance Statement.</li> </ul> <p><b>Members noted and approved that the Chair signs the Annual Assurance Statement for 2021/22</b></p>
10.3	<p><b>ACIL Rent Review</b></p> <ul style="list-style-type: none"> <li>The DoF advised that he was seeking Members approval to review and reduce the intercompany rent charge applied by Ark to ACIL for 2022/23 noting the key reasons for this decision being made and added that the revised rent charge should ensure the longer term financial sustainability of the ACIL model.</li> <li>The DDBI confirmed that the review of the rent charge is purely for the lease from Ark to ACIL and that there is no change to the rent charge to students. The DDBI explained that the rent charged for Ark to ACIL is based on Ark HA's rent policy and not on commercial rents.</li> <li>A discussion ensued in relation to the loss of festival lets and how this has affected income for ACIL and the Chair noted that the intercompany rent change is for internal accounting purposes only.</li> <li>It was noted that Ms Clarke and Ms Robertson are both Non-Executive Members of ACIL and will not be included in the decision for the reduction of ACIL rent to Ark HA.</li> </ul>

<b>Members noted and approved the ACIL Annual Rent Review</b>	
11.	<b>Items for Discussion/Noting</b>
11.1	<p><b>Management Accounts Period 3 &amp; Q1 Forecast</b></p> <ul style="list-style-type: none"> <li>○ The DoF highlighted the following performance in regards to the results to the end of period 3 and forecast to year-end noting that the accounts have been scrutinised by the FSC:-               <ul style="list-style-type: none"> <li>○ Reduction in surplus in Care &amp; Support due to higher staffing costs incurred that are a reflection of the recruitment challenges within the sector and higher agency spend</li> <li>○ Housing and Central Overheads budgets are performing well year to date, noting that an element of this is timing of expenditure that is expected to fall back in line with budget as the year progresses</li> <li>○ Treasury Management evaluation of the Brewin Dolphin investment reflective of stock market conditions</li> <li>○ The forecast has extrapolated performance to date and there are no fundamental changes to highlight, other than the past service pension deficit contributions which are coming to an end on 30 September 2022, which had been budgeted to continue to 31 March 2023. In addition, the forecast does not assume any further movements in the Brewin Dolphin investment.</li> </ul> </li> <li>○ The DoF noted that ASL is reporting a statutory surplus that is adverse to budget which is due to changes in the layout / usage of two properties, reducing net rental income. There have been no voids in the year to date. The quarter one forecast projects a full-year surplus before gift aid donation that is lower than budget based on an extrapolation of performance to date.</li> <li>○ The DoF advised that ACIL is reporting a deficit adverse to budget for the year to date. This is driven by lower student let income as a result of lower occupancy than assumed in the budget in the year to date. Following a rent review process, and steadily increasing occupancy across the first quarter of the year, the revised forecast projects a small surplus by year-end.</li> <li>○ Further to discussion and agreement by Members an increase has been made to the core programme for investment.</li> <li>○ The DoF confirmed that there are no major concerns in relation to rent arrears, noting that two thirds of the tenants are in receipt of housing benefit. A discussion ensued in regards to the cost of living crisis, and what help can be provided to tenants. The DO advised that the issues faced need to be assessed and understood prior to considering an outcome. The Chair highlighted that the availability for funds from the Scottish Government are running low and he expects the DO to present a plan for intervention for Members consideration.</li> </ul> <p><b>Members noted the Period 3 Management Accounts and Q1 Forecast</b></p>
11.2	<p><b>Compliance Assurance Q1 Report</b></p> <ul style="list-style-type: none"> <li>○ The CEO noted that the quarterly compliance assurance report is improving in terms of the quality of information being presented to the BoM and provides Members with the right level of assurance that Ark are compliant with the areas reported.</li> </ul> <p><b>Members agreed and noted the Q1 Compliance Assurance Report</b></p>
11.3	<p><b>Programme for Improvement Q1 Report</b></p> <ul style="list-style-type: none"> <li>○ The CEO advised that the Q1 report related to 2022/23 programme for improvement and noted that focus is being placed on 21 areas for improvement with 64 milestones identified. The CEO added that 15 milestones had been identified for completion in Q1 and all have been completed within the appropriate timescale. The CEO said that the ET are mindful not to provide too much information but show how they are progressing with the areas for improvement noting how the report is formed and how it is linked to the Business Plan in terms of the high level strategic aims.</li> </ul> <p><b>Members noted the Q1 Programme for Improvement and agreed the Report Format</b></p>
11.4	<p><b>West Adam Street Options Summary Report</b></p> <ul style="list-style-type: none"> <li>○ The DDBI advised that the West Adam Street summary report focuses on a moment in time and noted that a full options report will go through the governance process and be brought back to the 15 December 2022 BoM meeting for a final decision. The Chair stated that the summary report had captured everything required and stated that he had visited west Adam Street and provided his thoughts about the condition of the property noting that he believes there has been a historical lack of oversight and management of the letting agent. The Chair added that he was looking forward to receiving the options appraisal and asked that it is provide to Members well ahead of the 15 December 2022 meeting to give them significant time to consider and come to an opinion for discussion and agreement at the meeting. The Chair asked that the Housing Management team give careful consideration to not allow the property to deteriorate any further.</li> </ul>

	<ul style="list-style-type: none"> <li>o The DDBI explained how the student and tenants tenancies options and this will be in negotiations with TC Young's guidance. The DDBI noted the available options for West Adam Street advising that a new letting company, Uomega is being contracted and how the building is managed internally with the H&amp;S Manager attending the property on a weekly basis and the Head of Housing having regular contact. The DDBI added that the preferred option would be to liaise with tenants, improve the environment and security and also liaising with the University.</li> </ul> <p><b>Members noted the West Adam Street Options Summary Paper</b></p>
11.5 a/b	<p><b>Stock Condition Survey Summary Reports – Ark HA &amp; Ark Services Ltd</b></p> <ul style="list-style-type: none"> <li>o The DDBI advised that under investment had been identified during the stock condition survey for ASL noting that there is no base information available to compare and quantify the financial situation and noted the key findings. The DDBI added that a various scenarios have been modelled based on life remaining as well as the current conditions of the main components of the assets and not solely SHQS components. The results highlight areas where investment remains outstanding dating back to 2002 and this informs where future and priority investment is needed.</li> <li>o A discussion ensued in regards to the planning scenarios and how investment would be used to update and renew elements of the properties.</li> <li>o The DDBI added that the summary report does not include works or investment required to achieve EESSH2 or retrofit to achieve Net Zero, however this will be fully incorporated into the Asset Management Strategy and 10 year investment plan.</li> </ul> <p><b>Members noted the Stock Condition Summary Report for Ark Services Ltd</b></p>
11.6	<p><b>Annual Performance Review Summary</b></p> <ul style="list-style-type: none"> <li>o The CEO noted that the review summary report included themes from Members discussions and feedback provided to the ET at the Annual Performance Review meeting in June 2022 for their information.</li> </ul> <p><b>Members noted the Annual Performance Review Summary</b></p>
11.7	<p><b>Audit Sub Committee Chair Annual Report 2021/22</b></p> <ul style="list-style-type: none"> <li>o The Chair of the Audit Sub-Committee noted that Members had achieved their remit for year and that there were no matters arising to be added to the Annual report presented.</li> </ul> <p><b>Members noted the Audit Sub-Committee's Annual Review Report 2021/22</b></p>
11.8	<p><b>Finance Sub Committee Chair Annual Report 2021/22</b></p> <ul style="list-style-type: none"> <li>o The Chair of the Finance Sub-Committee informed that the annual report sets out an analysis on the focussed aspect of finance and the competing demands. The Chair added that Mr Brown had attended his last FSC meeting on 17 August 2022 and extended thanks to Mr Brown on behalf of Members for his valuable support and input.</li> </ul> <p><b>Members noted the Finance Sub-Committee's Annual Review 2021/22</b></p>
11.9	<p><b>Audit Sub Committee Minutes</b></p> <ul style="list-style-type: none"> <li>o Members noted the minutes from the 18 May 2022 Audit Sub-Committee Meeting</li> </ul> <p><b>Members noted the 18 May 2022 Audit Sub-Committee minutes</b></p>
11.10	<p><b>Ark Commercial Investments Ltd Minutes</b></p> <ul style="list-style-type: none"> <li>o Members noted the minutes from 26 May 2022 Ark Commercial Investments Ltd meeting</li> </ul> <p><b>Members noted 26 May 2022 Ark Commercial Investments Ltd meeting minutes</b></p>
11.11	<p><b>Ark Services Ltd Minutes</b></p> <ul style="list-style-type: none"> <li>o Members noted the minutes from the 26 May 2022 Ark Services Ltd meeting</li> </ul> <p><b>Members noted 26 May 2022 Ark Services Ltd meeting minutes</b></p>
11.12	<p><b>Rule 68 Compliance</b></p> <ul style="list-style-type: none"> <li>o Members confirmed that they were compliant with Rule 68</li> </ul> <p><b>Members noted and confirmed Rule 68 compliance</b></p>
12.	<p><b>Standing Items</b></p>
12.1	<p><b>AIMS</b></p> <ul style="list-style-type: none"> <li>o The DO noted that AIMS continues to roll out in the Fife East locality advising that the system will be fully implemented by Christmas 2022 as per the plan. Development update system building .... Not stage 2 as yet. West Lothian signed of first on site stall</li> </ul> <p><b>Members noted the AIMS Update</b></p>
12.2	<p><b>Development Update</b></p>

		<ul style="list-style-type: none"> <li>o The DDBI noted that the target for 2<sup>nd</sup> stage work to commence at the site in West Lothian is mid-September due to the delayed construction process and progress is being made with the West Lothian Council.</li> </ul> <p><b>Members noted the Development Update</b></p>
	12.3	<p><b>22/23 Programme for Improvement</b></p> <ul style="list-style-type: none"> <li>o The CEO noted that there was no further information to add to the 22/23 Programme for Improvement report.</li> </ul> <p><b>Members noted the 22/23 Programme for Improvement Update</b></p>
	12.4	<p><b>Corporate Transition Project</b></p> <p><b>Priory Relocation/Disposal</b></p> <ul style="list-style-type: none"> <li>o The DDBI reported that the Priory Relocation/Disposal project is progressing and that a fuller update will be provided at the 15 December 2022 BoM meeting.</li> </ul> <p><b>Systems Replacement</b></p> <ul style="list-style-type: none"> <li>o The CEO noted that a meeting had taken place with the consultant from DTL in regards to Ark’s draft digital strategy and focus will be placed upon this item at the 27 October 2022 strategy day.</li> </ul> <p><b>Members noted the Corporate Transition Update</b></p>
11.	<b>AOB</b>	
	There was no other business to discuss and the meeting was 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.	
12.	<b>Date of Next Meeting: Thursday 29 September 2022 AGM</b>	

**2022 Dates for Board of Management Meetings – commencing 14.00**  
**Board Member Only sessions will commence at 13.30 unless agreed otherwise**  
 🚦 27 October – Strategy Day  
 🚦 15 December

**ACTIONS**

Meeting Date	Agenda Number	Action	Who	Status
26/05/22	9.1 – Finance	Column to be added to report for comparison purposes	SG	C/F
25/08/22	11.1 – Finance	Plan for intervention for tenants to be presented to Members	MH	