



Minutes of the Board Meeting held on Tuesday 19 March 2019 at 4pm at Link House, 2c New Mart Road, Edinburgh.

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Present:	Mr R Martin (Chair)	In attendance:	Mrs H Bayne
	Ms P Biberbach		Mr C Culross
	Ms M Catterall		Mrs J Green
	Ms C Cuthbertson		Mr N Hall
	Mr A Diamond		Ms S Smith
	Mr I Dickson		Mr J Turner
	Mrs C Donaldson		
	Mr J Flaherty		
	Mr D Mackie		Mrs J Ferri (Minutes)
	Mrs H Sharp Webb		
	Mr A Smith		

## Action

### 1.0 DECLARATIONS OF INTEREST

Ms Cuthbertson declared an interest in Item 14.4 Subsidiary Board Membership.

### 2.0 APOLOGIES

Apologies were received from Mr Allan.

### 3.0 APPROVAL OF THE MINUTES OF THE MEETING HELD ON 21 JANUARY 2019

The minutes of the meeting held on Tuesday 21 January 2019 were approved.

Moved: Mr Diamond  
Seconded: Mrs Donaldson

### 4.0 MATTERS ARISING FROM THE MINUTES OF THE MEETING HELD ON 21 JANUARY 2019

#### 4.1 Rent Increase

Mr Turner advised the Board that the SMG had considered Link's position on tenant engagement, value for money, rent affordability and tenant satisfaction and a report would be submitted back to the March SMG regarding the Value for Money Strategy.

A further report would be brought back to the Board in due course.

#### **4.2 Upper Achintore**

The Board noted that the Section 107 Consent to the future disposal of undeveloped land to Lochaber Housing Association had been granted by the Scottish Housing Regulator on 12 February 2019.

#### **4.3 Authorised Signatories**

The Board noted that extract minutes, to implement the changes to the authorised signatories of Link and with regard to all Link's borrowing arrangements, have been prepared and are in the course of being implemented.

#### **4.4 Unite Pay Claim / Cost of Living Award**

The Board noted that UNITE had accepted Link Group Board's offer of a 2.1% increase on salaries for Link Group, Link Housing and Link Property employees with effect from 01 April 2019. The same offer made by the LinkLiving Board was accepted by UNITE. It was further noted that Horizon Housing Association's offer of 2.5% had been accepted by their staff representative group. Larkfield and West Highland, who are members of Employees in Voluntary Housing, have still to reach a settlement with UNITE.

#### **4.6 Any other Matters Arising**

### **5.0 LINK GROUP ACTIVITIES AND ACHIEVEMENTS**

The Board considered and discussed the previously circulated report.

It was noted that the format and content of this report was likely to change and as well as being expanded to allow the Chair to report on activities and events he had been involved in, further consideration would be given to how to incorporate Board members feedback on events and areas of interest.

### **6.0 STRATEGIC DEVELOPMENT FRAMEWORK**

The Board considered and discussed the previously circulated report.

The Board agreed that the Framework set out Link's housing delivery plans for the next three years in a comprehensive and well set out Strategy.

***The Board approved the Strategic Development Framework 2019 /2022.***

## 7.0 SHELTERED HOUSING

The Board considered and discussed the previously circulated report.

Mrs Green explained that the redesign of the sheltered housing service had been brought about by the withdrawal of support funding by local authorities and this reduced the amount of income available to deliver the service.

Link had consulted tenants on a number of options for the service and the Link Housing Board had been directly involved in the entire change and transition process.

A further report would be produced to seek approval of a redesigned service and the Board noted that one or more of the options presented to tenants could result in potential redundancies.

## 8.0 LINK PROPERTY BUSINESS CASE

The Board considered and discussed the previously circulated report.

Mr Culross explained that the Business Case had already been to the Link Property Board and that the Board was content to recommend it for approval.

The Board questioned why it needed to come to the Link Group Board if the Link Property Board had already approved it. It was proposed that in future the approval of any Business Cases related to the operation of Link Property would be delegated to Link Property's Board.

Ms Biberbach questioned whether Link could offer its services to other RSLs, Mr Culross confirmed that this was the plan for the future.

***The Board approved the recommendation that Link Property establishes a windows and doors installation team as part of the permanent establishment. It was further agreed that any future proposals to change Link's operating model would be delegated to Link Property Board for approval.***

## 9.0 FUNDING THE DEVELOPMENT PROGRAMME

The Board considered and discussed the previously circulated report.

Mr Hall explained the outcome of the discussions held with various investors and advisers. The Board noted that whilst so far none of the discussions had produced pricing which would justify agreeing to a funding deal, all the parties involved to date were very keen on the

high level of government grant support in Scotland, the lack of exposure to market sales risk and Link's strong credit rating. It was further noted that more discussions would be taking place and Link was also exploring the use of medium-term bank debt to finance part of the development programme.

***The Board agreed to establish a working group with authority to agree funding sources and pricing in the event that Link was presented with competitive opportunities prior to the next Board meeting. The working group would have full authority to agree funding packages. It was agreed that the working group members would be:***

***Mr R Martin***

***Mr A Smith***

***Ms C Cuthbertson***

***Mr I Dickson***

***Mr C Allan***

***The Board considered the proposal to borrow £18M from Allia Social Impact Investments Limited as part of an overall facility of up to £25M. The Board reviewed the terms of the facility and agreed that Link should borrow £8M at 2.52% fixed over 10 years.***

***The Board approved the facility document with the intention of drawing down the £8m tranche prior to the end of March and further approved the submission of a notifiable disposal event to the SHR in relation to the facility.***

***It was noted that a wider publicity angle will be explored with the Scottish Government in due course.***

***The Board further agreed the following minute:***

***£25 million Master Facility Agreement with Allia Social Impact Investments Ltd***

- 1. It was reported that the meeting of the Board of Management of the Association had been duly convened and that a quorum was present.***
- 2. The Chair advised the Meeting that the Association's solicitors had been adjusting with Allia Social Impact Investments Limited ("Allia") the terms of a master facility agreement (the "Master Facility Agreement"), pursuant to which the Association could borrow, by agreement with Allia, up to £25 million, and with the first proposed loan being in the sum of £[8 million] (the "Loan"). The Chair advised that the terms of the Master Facility Agreement had now been finalised.***

3. *There was produced to the meeting a copy of the final draft of the Master Facility Agreement.*
4. *It was reported to the meeting that in accepting and signing the Master Facility Agreement and borrowing the Loan in full, the Association would not breach its rules or any existing contractual or statutory obligations and that the Association is fully empowered to enter into the Master Facility Agreement and to perform its obligations thereunder.*
5. *It was resolved as follows:-*
  - a. *that the Association enter into the Master Facility Agreement;*
  - b. *that James Neil Hall, Jonathan Mark Turner, Craig Ian Archibald, Lorraine Ann Utterson and Stephen Hadden be and are hereby authorised to approve, finalise and execute the Master Facility Agreement on behalf of the Association and to execute any other documentation pursuant thereto on behalf of the Association.*
  - c. *that James Neil Hall, Jonathan Mark Turner, Craig Ian Archibald, Lorraine Ann Utterson and Stephen Hadden be and are hereby authorised to sign and/or despatch all documents, certificates and notices to be signed and/or despatched by the Association under, or in connection with, the Master Facility Agreement.*
  - d. *that the documents executed in accordance with 5b and 5c, above, where appropriate, may be embossed with the seal of the Association.*

## 10.0 FINANCIAL REPORTS

### 10.1 Director's Report

The Board considered and noted the previously circulated report.

### 10.2 Gift Aid

The Board considered and discussed the previously circulated report.

*The Board approved the execution of a written resolution of Link Homes (2001) Limited (in the form provided with the Board papers) to transfer all its taxable profits for the year ending 31 March 2019 to Link Group Limited.*

*The Board approved the execution of a written resolution of Link Housing Association Limited (in the form provided with*

***the Board papers) to transfer all of its taxable profits for the year ending 31 March 2019 to Link Group Limited.***

***The Board agreed that Mr Hall as Company Secretary was delegated authority to sign the resolutions on or before 31 March 2019.***

## **11.0 BUSINESS PLAN**

### **11.1 Draft Business Plan**

The Board discussed and considered the previously circulated report.

The Board noted that the Business Plan had a variety of audiences including Stakeholders and lenders.

Mrs Bayne explained that the Business Plan was a refresh and update on the 2018 Plan since the strategic objectives had not changed. In terms of presentation, the text reflected the key areas the SHR intended to focus on in terms of service quality, homelessness, stock quality, financial health and governance.

### **11.2 Budgets**

The Board considered and discussed the previously circulated report.

Mr Hall explained that Link was now very directly involved in funding the development programme and consequently the financial position in years 1 and 2 reflected the increased interest charges being incurred, ahead of rental income being received.

It was noted that the position for year 2 was also particularly sensitive to the timing of property completions as 1,725 properties were scheduled to be handed over.

*Mrs Donaldson left the meeting at this point.*

***The Board approved the revenue and capital budgets 2019/20 to 2023/24.***

## **12.0 PROCUREMENT STRATEGY**

The Board considered and discussed the previously circulated report.

***The Board approved the revised Procurement Strategy to ensure Link's continued compliance with procurement legislation and to promote best practice in procurement in Link.***

## 13.0 LETTING POLICY

The Board considered and discussed the previously circulated report.

***The Board approved the revised Lettings Policy with effect from 01 May 2019.***

## 14.0 GOVERNANCE

### 14.1 Regulatory Self-Assessment

The Board considered and discussed the previously circulated report.

***The Board agreed that the Self-Assessment review process had been completed and further agreed the action plan as set out in the report.***

### 14.2 Annual Assurance Statement

The Board considered and discussed the previously circulated report.

The Board was advised that on 28 February 2019, the Scottish Housing Regulator (SHR) published its new Regulatory Framework.

It was noted that a key change was the requirement for landlords to publish an Annual Assurance Statement to confirm that they are meeting regulatory standards. Link Group Ltd will be required to submit a Statement covering Link Group, Horizon, Larkfield and West Highland by the end of October 2019.

***The Board approved the proposed framework for the preparation of the Link Group Annual Assurance Statement on behalf of Link Group and the subsidiary RSLs.***

### 14.3 ARC and Benchmarking

The Board considered and discussed the previously circulated report.

The Board noted the report on ARC and Benchmarking for 2017/18 and the actions that had been taken to improve performance.

### 14.4 Subsidiary Board Membership

***The Board approved the appointment of Ms Caroline Cuthbertson to the Board of LinkLiving Ltd***

The Board noted the appointment of Ms Elaine Byrne as Vice Chair of Link Housing Association Ltd.

## **14.5 Shared Ownership Buyback**

The Board considered and discussed the previously circulated report.

***The Board noted the buyback of the property at 10 Deanston Grove, Coatbridge and agreed to delegate the authority to approve any future buyback requests to the Senior Management Group.***

## **15.0 SUB COMMITTEE REPORTING**

### **15.1 Audit Committee**

Mr Dickson advised the Board that Sub Committee had met immediately before the Board meeting and had reviewed the internal audit reports and the Committee was satisfied with the reports and actions being taken. The internal audit plan for 2019/20 was approved.

The Committee had also received the interim audit report for 2019 from KPMG and there had been no issues raised by KPMG. There had been a debate and discussion about audit fees, and this would be further concluded by the Committee at its next meeting.

The risk registers for the group had also been reviewed and more work would be undertaken to separate strategic and high-level risks from the operational risks.

### **15.2 Development Sub Committee**

Mr Culross advised the Board that the Development Sub Committee had met immediately before the Board meeting and had approved the following:

- to purchase the site at Broomhill Hospital from CALA Homes Ltd in the sum of £675,000 and to authorise the Stage 1 Works cost to the sum of £1,190,250. The site will deliver 45 affordable mixed tenure new build units within a mix of flats and houses with associated car parking and amenity space.
- to enter into a Partnering(PPC(S) 2000) contract with McTaggart Construction Ltd. for the delivery of 149 units for social rent, a mixture of 1 & 2 bed cottage flats, 2, 3, & 4 bed terraced houses including 16 wheelchair exemplar properties for the sum of £27,120,438.86.
- to purchase the site at Amochrie Road, Paisley and enter into a Design and Build contract with JR Construction (Scotland) Ltd for the delivery of 36 flatted units for social rent at

Amochrie Road, Paisley for the sum of £5,514,654, including the land value of £432,000.

- to purchase the site at Lewis Road, Polmont from JR Construction (Scotland) Ltd in the sum of £675,000. The site will deliver up to 32 new build units for social rent comprising 20 terraced houses and 12 flats, with associated car parking and amenity space.

## **16.0 QUARTER 3 UPDATES**

### **16.1 Key Performance Indicators**

The Board considered and noted the previously circulated report.

### **16.2 Customer Feedback – Quarter 3**

The Board considered and noted the previously circulated report.

### **16.3 Consolidated Accounts for the Period 1 April 2018 to 31 December 2018**

The Board considered and noted the previously circulated report.

### **16.4 Quarterly Loan Covenant Compliance**

The Board considered and discussed the previously circulated report. The Board noted that Link had not breached any of its loan covenants in the period to 11 March 2019 and to the date of the meeting. It was further noted that it was not anticipated that Link would fail to meet any of its covenants in the period until the next review is due as there were no circumstances foreseen that would cause any covenant breaches.

### **16.5 Link Housing Association Write Offs – Quarter 3**

The Board considered and discussed the previously circulated report.

***The Board approved the write offs of former tenant arrears of £1,250.59.***

### **16.6 Gas Servicing**

The Board considered and noted the previously circulated report.

### **16.7 Water Management (Legionella) Quarterly Report**

The Board considered and noted the previously circulated report.

**17.0 ANY OTHER BUSINESS**

**17.1 Strategy Day**

*The Board agreed that the proposed strategy day planned for 26 April 2019 would be postponed until September 2019.*

**17.2 July Board Meeting**

*It was agreed that the July Board meeting originally scheduled for 16 July 2019 would be held on 23 July 2019.*

**18.0 DATE OF NEXT MEETING**

Tuesday 21 May 2019 at Link Academy House, 2c New Mart Road.

The Meeting closed at 5:40pm.