

Minutes of the Board Meeting held on Tuesday 19 November 2019 at 4pm Link House, 2C New Mart Road, Edinburgh, EH14 1RL.

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

Action

1.0 DECLARATIONS OF INTEREST

None

2.0 APOLOGIES

Apologies were received from Mrs Donaldson (Leave of absence).

3.0 APPROVAL OF THE MINUTES OF THE MEETING HELD ON 17 SEPTEMBER 2019

The minutes of the meeting held on Tuesday 17 September 2019 were approved.

Moved: Mr D Mackie
Seconded: Ms P Biberbach

4.0 MATTERS ARISING FROM THE MINUTES OF THE MEETING HELD ON 17 SEPTEMBER 2019

4.1 MetLife Funding

The Board noted that the £25M from MetLife had been duly received as planned on 28 October 2019.

4.2 Annual Assurance Statement

The Board noted that the annual assurance statement had been signed by the chair following approval at the September Board meeting and submitted to the Scottish Housing Regulator.

5.0 APPROVAL OF THE MINUTES OF THE MEETING HELD ON 22 OCTOBER 2019

The minutes of the meeting held on Tuesday 22 October 2019 were approved.

Moved: Mr D Mackie

Seconded: Mr A Smith

6.0 MATTERS ARISING FROM THE MINUTES OF THE MEETING HELD ON 22 OCTOBER 2019

6.1 Corporate Transformation Programme

The Board considered the summary of the discussion on the potential group structure changes and noted that over the next couple of months, the Chief Executive and Director of Finance and Corporate Services would attend the RSL subsidiary Board Meetings to finalise the new Intra Group Agreements and to explain further the rationale behind the potential new structure.

It was noted that following this exercise, the Board would be asked to finalise the new structure so that initial stakeholder engagement can take place.

The feedback from the afternoon session of the Strategy Day had been very positive when considering the Strategic Services Review.

It was further noted that feedback from that review would also be sought from individual subsidiaries.

7.0 LINK GROUP ACTIVITIES AND ACHIEVEMENTS

7.1 Chief Executive Update

Fountainbridge Fire

Mr Turner advised that the Health and Safety Executive had received the final police report and would be starting to interview staff involved shortly.

Private Sector Leasing Tender (PSL)

Mr Turner advised that the tender for the PSL Contract had now been submitted. It was noted that PSL now sits under the Development and Asset Management Directorate. The outcome of the tender should be known by February 2020.

Blackwood Homes & Care

The Board noted that Mr Turner, Mr Martin and Mr Flaherty would be attending a dinner with Blackwood's Board on Wednesday 20 November 2019.

7.2 Chair's Update

Mr Martin advised that he had met Fanchea Kelly, Blackwood's Chief Executive and the meeting had been helpful to understand Blackwood's aspirations with regard future joint working.

M Martin also advised that he had been working with the vice chairs to further explore their roles and the potential for them to have more specific role remits.

The individual annual reviews of Board members were now in progress.

Mr Martin reminded the Board that one of the key recommendations from the Strategic Services Review was to develop a group-wide strategic vision and this would be explored further the Convenors Group in the first instance.

8.0 PARTNERSHIP WORKING

The Board considered and discussed the previously circulated report.

Mr Turner advised that Link was waiting for updated financial projections as clarity was required as to how Blackwood could avoid having to implement real rent increases year on year.

It was noted that Link also needs to consider Blackwood's investment needs and how this could benefit members of the Link group.

Further the financial implications of Blackwood's plans to deliver innovative care services needed to be understood.

The Board agreed to add in Commercial due diligence to the list of due diligence requirements in order to ensure that there was a market for the Blackwood technology solutions

The Board approved the following recommendations:

- ***To approve the progression of the dialogue based on a future 'Constitutional Partnership' approach;***
- ***To approve the approach being taken to the Due Diligence process subject to the addition of Commercial Due Diligence.***

It was further agreed that a full report would be taken to the Audit and Risk Committee in early March 2020 and the Board thereafter in mid-March 2020.

The Board further noted the progress being made, associated timescales and the internal requirements that will need to be progressed from a Group perspective.

9.0 INTRA-GROUP AGREEMENTS

The Board considered and discussed the previously circulated report.

Mr Turner advised that the existing agreements were out of date and required updating to comply fully with the regulatory guidance on group structures.

It was noted that Harper Macleod had been engaged to draft the new agreement which had been to the RSL subsidiary boards for consultation.

Mr Turner drew the Board's attention to the narrative being added to the inter-group agreements to explain their purpose and rationale.

The Board agreed that the new draft agreement was very clear in setting out roles and responsibilities and the schedules defined what services would be provided by the parent company and what would be delivered by group members.

It was noted that a final version would be brought for approval in early 2020.

10.0 LINK PROPERTY GAS SERVICING CONTRACT – BUSINESS CASE

The Board considered the previously circulated report.

Mr Culross advised that the Link Property Board had already reviewed the Business Case and it was content to recommend approval.

Mr Culross confirmed that there would no additional insurance required to carry out the service. It was noted that this was an expensive service to deliver and it was hoped that by taking the process inhouse Link would be able to deliver a more effective service and prolong boiler life.

The Board noted that the proposed timeline was achievable, and that the recruitment process would take place in early February / March 2020 to allow an anticipated start date of 1 April 2020.

It was further noted that there were no immediate plans to sell the service out with Link at this time. Once the service was established, the plan would be to sell to the RSL subsidiaries in the first instance.

The Board approved the recommendation that Link Property establish a Gas Servicing/Repairs contracting team and undertake the maintenance and servicing for Link Group's domestic boilers.

11.0 FINANCIAL REPORTS

11.1 Directors Report

The Board considered and discussed the previously circulated report.

Mr Hall explained that the overall financial position was ahead of budget at the six-month point in the year, mainly as result of the deferral of fees associated with funding and because of other budget savings across several expenditure categories.

It was noted that the available funding reduced in May 2020 as a result of the expiry of the short-term bridge with the Royal Bank of Scotland. Mr Hall advised that Link may terminate the bridge arrangement sooner as there was no requirement to use the facility, particularly given that Link had access to further funding through the shelf arrangement with MetLife.

11.2 Standard and Poors (S&P)

The Board considered and discussed the previously circulated report.

The Board noted that on 31st October 2019, S&P attended Link's office for the annual management meeting to review the financial and other information which had been submitted to S&P, at its prior request.

Mr Hall advised the Link was aiming to retain its existing A+ rating and if possible, have the negative outlook revised to stable.

The outcome would be known soon.

11.3 Treasury Management Outturn Report

The Board considered and discussed the previously circulated report.

The Board noted the Annual Treasury Outturn Report.

11.4 Intercompany Loan Agreement

The Board considered and discussed the previously circulated report.

The Board approved the recommendation to provide an intercompany loan of £2.5m to Larkfield for 5 years at a margin of 1.25% above 3-month LIBOR, provided that the definition of LIBOR was extended to allow for SONIA when LIBOR ceased to operate.

12.0 WELFARE REFORM UPDATE

The Board considered and discussed the previously circulated report.

Mrs Green advised the Board that Link was continuing to manage the roll out of Universal Credit. It was noted that Link was in a better position than it expected when making the original projections.

The Board noted that there was a slight increase in former debt and that this was due to a much more robust system with regards to the arrears process.

13.0 MID MARKET RENT POLICY

The Board considered and discussed the previously circulated report.

The Board approved the revised Mid-Market Rent Policy.

14.0 LAND DISPOSAL AT BUTTERBIGGINS, GLASGOW

The Board considered and discussed the previously circulated report.

The Board approved the request to dispose of the land outlined in the report for the sum of £119,325 to Glasgow City Council Health and Social Care Partnership (HSCP) to enable the development of an 8-bedroom children's care home subject as part of the overall project subject to the necessary due diligence being completed.

15.0 GOVERNANCE

15.1 Subsidiary Board Membership

The Board considered and noted the previously circulated report.

15.2 Operational change

This item was moved to the end of the meeting.

15.3 Standing Orders

The Board considered and discussed the previously circulated report.

It was noted that the resolution referred to in section 5(e) could either be Board signatures on one document or through separately signed copies of the resolution.

The Board approved the revised Standing Orders.

15.4 Valuing Complaints and Feedback Policy

The Board considered and discussed the previously circulated report.

The Board approved the revised Valuing Complaints and Feedback Policy and noted the updates on the new draft SPSO Model Complaints Handling Procedure (MCHP).

16.0 SUB COMMITTEE REPORTING

16.1 Audit Committee

The Board considered and discussed the previously circulated report.

The Board noted that three internal audits had taken place since the July 2019 Audit and Risk meeting. These were:

- Customer Engagement and Satisfaction Audit
- Expenditure and Creditors Audit
- Compliance with Legislation and Regulation Audit (as regards private letting activities including mid-market rent).

It was noted that all three audits had received high levels of assurance, few control points were raised (four over the three audits) and all were low priority.

16.2 Development Sub Committee (DSC)

Ms Biberbach advised the Board that the last meeting of the DSC had been cancelled due to it not being quorate.

The Board agreed that going forward all members of the Board could serve as Development Sub Committee members in order for the Development Sub Committee to remain quorate at all times.

17.0 QUARTER 2 UPDATES

17.1 Key Performance Indicators (KPI's) – Quarter 2

The Board considered the previously circulated report.

The Board reviewed the KPI's for quarter 2. It was agreed that the result for West Highland HA's void loss days appeared inaccurate at 1.37 days and Mrs Bayne agreed to check the position.

17.2 Customer feedback for Q2

The Board considered and discussed the previously circulated report.

The Board noted the customer feedback for quarter 2.

17.3 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 12 November 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.

17.4 Link Housing Association Write Offs – Quarter 2

The Board considered and discussed the previously circulated report.

The Board approved the proposed write offs for Quarter 2 of £116,030.60.

17.5 Gas Servicing

The Board considered and discussed the previously circulated report.

17.6 Water Management (Legionella) Quarterly Report

The Board considered and discussed the previously circulated report.

18.0 CONTROL OF VARIATIONS ANNUAL UPDATE

The Board considered and discussed the previously circulated report.

[REDACTED]

[REDACTED]

19.0 UNITE PAY CLAIM

The Board considered and discussed the previously circulated report.

The Board noted that Employers in Voluntary Housing (EVH) had agreed a 1.6% increase.

Mrs Bayne advised that a report would be brought to the Board in January.

20.0 SENIOR MANAGEMENT GROUP REMUNERATION POLICY

This item was moved to the end of the meeting.

21.0 CHAIR REMUNERATION

This item was moved to the end of the meeting.

22.0 ANY OTHER BUSINESS

22.1 8/4 and 8/5 Royal Circus, Edinburgh

Mr Culross advised the Board that as per the Asset Management Strategy, properties at 8/4 and 8/5 Royal Circus, Edinburgh would be disposed of on the open market.

The Board reaffirmed its approval of the process to dispose of the properties in question.

Mrs Bayne, Mr Culross, Mrs Green and Ms Smith left the meeting at this point.

15.2 Operational Change Proposal

The Board considered and discussed the previously circulated report.

The Board approved the following in principle from 1 April 2020:

- ***The Board would work towards changing the meeting cycle to quarterly meetings with two new formal meetings (a Board Strategy Day and Board Annual Assurance meeting) being put into the calendar;***
- ***LGB meetings would move to a start time of 9.30 for 10.00am start and 12.00pm finish;***
- ***SMG attendees at Board meetings to be reduced to the Group Chief Executive and Director of Finance and Corporate Services with attendance by other members of staff to support specific agenda items.***

Ms Catterall left the meeting at this point.

Mr Hall and Mr Turner left the meeting at this point.

20.0 SENIOR MANAGEMENT GROUP REMUNERATION POLICY

The Board considered, discussed and approved the previously circulated report.

Mr Hall re-joined the meeting at this point.

Mr Martin left the meeting at this point.

21.0 CHAIR REMUNERATION

The Board considered and discussed the previously circulated report.

It was noted that the Vice Chairs and Chair of the Audit and Risk Committee had requested anonymous feedback from fellow Board members, Link Chief Executive, Link SMG Members and the Head of Human Resources on the performance of the Chair. Feedback received had been very positive.

Following the appraisal, the recommendation was being made to the Board to continue to remunerate the chair.



15.0 DATE OF NEXT MEETING

Tuesday 21 January 2020 at Link House, 2c New Mart Road, Edinburgh, EH14 1RL

The Meeting closed at 6:40pm.