



Minutes of the Board Meeting held on Tuesday 17 March 2020 at 4pm Link House, 2C New Mart Road, Edinburgh, EH14 1RL.

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

Action

1.0 DECLARATIONS OF INTEREST

Mr Hall confirmed that prior to the meeting Ms Cuthbertson had declared an interest in that she was carrying out work for Crosswinds, a company developing the area surrounding Edinburgh Airport, and she had been tasked with exploring the need for affordable housing in the area. As such she had sought Link's views through consulting Mr Culross. Mr Hall further confirmed that Ms Cuthbertson had advised that other housing providers were also being consulted and that Ms Cuthbertson had no financial interest in the land involved.

2.0 APOLOGIES

Apologies were received from Mr Dickson.

3.0 APPROVAL OF THE MINUTES OF THE MEETING HELD ON 21 JANUARY 2020

The minutes of the meeting held on Tuesday 21 January 2020 were approved.

Moved: Mr Mackie
Seconded: Mr Smith

4.0 MATTERS ARISING FROM THE MINUTES OF THE MEETING HELD ON 21 JANUARY 2020

4.1 Unite Pay Claim

Mr Turner advised that Unite had rejected the offer of 1.75%, It was noted that Link had gone back to the union and offered 2% but Unite had advised that it would not recommend to members to accept anything less than 2.5%.

After further discussion it was agreed that the offer of 2% would continue to be made to the union.

An update would be provided to the next meeting.

4.2 Any other matters arising

None

5.0 Chairs Update

The Board considered and discussed the previously circulated report.

The Board noted the Chairs Update.

6.0 Chief Executive Update

The Board considered and noted the previously circulated report.

It was noted that Link's business continuity plan would be activated if there was a full lockdown with regard to the Coronavirus pandemic.

The Board acknowledged that in that event there could be a requirement to move to emergency repairs operation only and that non-emergency repairs and planned maintenance would likely have to be suspended.

7.0 BLACKWOOD

The Board discussed and considered the previously circulated report.

Mr Turner introduced the report and described the work carried out to date and the review carried out by the Audit and Risk Committee.

It was not that the Heads of Terms represented a statement of intent and was not a legally binding agreement.

In terms of Section 6 of the Heads of Terms it was noted that Blackwood would not only be entitled to have one of its Board Members on the Link Group Board but the Board expected that Blackwood would treat that as a requirement.

It was further noted that Covid-19 had the capacity to delay the partnership process significantly and that could mean a delay in a tenant ballot being carried out.

8.0 HOUSING SERVICES

8.1 Water Management (Legionella) Quarter 3

The Board considered and noted the previously circulated report.

8.2 Gas Servicing Quarter 3

The Board considered and noted the previously circulated report.

8.3 Link Housing Association Write Offs – Quarter 3

The Board considered and discussed the previously circulated report.

The Board queried the number of tenants where balances were being written off as the report referred to 39 cases and also 49 cases. Mr Hall agreed to check with Mrs Green and update the Board at the next meeting.

The Board approved the proposed write offs of £40,751.36 subject to the number of cases being confirmed.

9.0 COMMERCIAL SERVICES

9.1 Property Acquisition Business Case – Private Sector Leasing (PSL)

The Board considered and discussed the previously circulated report.

Mr Smith sought confirmation that Link was allowed to supply properties for the PSL contract and Mr Culross confirmed that that the Council content with this and that this potential course of action had been highlighted in the recent tender by Link for the service.

It was noted that the properties would need to be spread across Edinburgh as the contract does not allow more than one PSL tenancy in one block or tenement stair.

It was further noted that the Landlord would be the City of Edinburgh Council.

The Board approved the business case for purchasing circa 200 properties and securing the investment of £30Million to fund the acquisitions.

9.2 DEVELOPMENT SUB COMMITTEE

The Board considered and discussed the previously circulated report.

The Board noted that the Development Sub Committee had met twice since the January Board Meeting and had approved the following 11 projects:

- **Tender Risk Assessment Update – Broomhill Hospital, Kirkintilloch**

The Committee approved the request to enter into a PPC(S) 2000 contract with McTaggart Construction Ltd for the delivery of 45 houses and flats for social rent at Broomhill Hospital, Kirkintilloch in the sum of £5,391,917

- **Tender Risk Assessment Update– Kilsyth Road, Kirkintilloch**

The Committee approved the request to enter into a PPC(S) 2000 contract with McTaggart Construction Ltd for the delivery of 23 houses and flats for social rent at Kilsyth Road, Kirkintilloch for the sum of £3,310,173.60,

- **Pre Acquisition Risk Assessment – Abbey Quarter, Phase 4, Paisley**

The Committee approved the request to purchase the site bounded by Smithhill Street and Lawn Street in Paisley, known as Abbey Quarter Phase 4, from Park Lane Developments (Renfrewshire LLP) in the sum of £800,000. The site will deliver approximately 73 new build units within a flatted development with associated car parking and amenity space.

- **Pre Acquisition Risk Assessment – Butterbiggins Road, Phase 2, Glasgow**

The Committee approved the request to purchase the site at Butterbiggins Road from PL Larkfield SVP Ltd in the sum of £1,800,000. The site will deliver approximately 121 new build flats for retirement living, amenity and a small element of family flats with associated car parking and amenity space.

- **Pre Tender Risk Assessment – Butterbiggins Children’s Care Home, Glasgow**

The Committee approved the request to enter into a Design and Build contract with Ashleigh (Scotland) Ltd for the delivery of an 8 bedroom children’s care home at Butterbiggins Road, Glasgow for the sum of £1,194,538.04.

- **Pre Tender Risk Assessment – Ravenscraig Hospital, Inverclyde**

The Committee approved the request to enter into an NEC4 contract with McTaggart Construction Ltd for the delivery of the Junction works in relation improving access to the development of 198 units of mixed tenure housing at the site of the former Ravenscraig Hospital, for the sum of £1,271,960.43.

- **Pre Tender Risk Assessment – Whyteside Hotel, Lewis Road, Polmont**

The Committee approved the request to enter into a Design and Build contract with JR Construction (Scotland) Ltd, for the delivery of 32 units for social rent at Lewis Road, Polmont in the sum of £5,055,426

- **Pre Acquisition Risk Assessment – Granton Harbour, Plot 26, Edinburgh**

The Committee approved the request to purchase the site known as Plot 26, Granton Harbour, Edinburgh from McTaggart Construction Ltd in the sum of £3,696,000. The site will deliver 132 new build units within a flatted development with associated car parking and amenity space.

- **Pre Acquisition & Pre-Tender Risk Assessment –140 Dumbarton Road, Old Kilpatrick, Dunbartonshire**

The Committee approved the request to enter into a Purchase Missive with JR Construction (Scotland) Ltd for the acquisition of the site and a Design and Build Contract for the delivery of 48 units, parking spaces and associated amenity space for the sum of £7,871,300 including a land cost of £550,000.

- **Pre-Tender Risk Assessment – Butterbiggins Road, Phase 2, Glasgow**

The Committee approved the request to enter into a Design and Build contract with Ashleigh (Scotland) Limited for the delivery of 121 new build flats. Sixty amenity and family units will be delivered for Govanhill HA across 4 blocks of flats, with sixty-one NSSE and MMR retirement living units being delivered for Link for the sum of £18,970,225.

The Committee approved the request to enter into a Stage 1 enabling contract with PL Larkfield SVP Ltd in the sum of £1,174,000.

- **Pre-Tender Risk Assessment – Riverside Walk, Block 3, Paisley**

The Committee approved the request to purchase a further 8 completed new build units at Riverside Walk, Paisley from Nixon Blue (Old Sneddon Street) Limited in the sum of £1,105,200. The off the shelf purchase will deliver 8, 2 bedroom new build units within a flatted development with associated car parking and amenity space.

The Development Sub Committee meeting dates were approved as noted below:

Thursday 30 April at 1.30 pm
Wednesday 17 June at 1.30 pm
Monday 10 August at 1.30 pm
Monday 19 October at 1.30 pm
Monday 14 December at 1.30 pm

10.0 GROUP SERVICES

10.1 Financial Report

The Board considered and noted the previously circulated report.

10.2 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 5 March 2020 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.

10.3 Consolidated Accounts for the Period 1 April 2019 – 31 December 2019

The Board considered and noted the previously circulated report.

10.4 Sustainability Statement

The Board considered and discussed the previously circulated report

Mr Turner advised that Link wanted to make a statement this year in its business plan to demonstrate Link's commitment to sustainability.

The Board noted that there was a sustainability accreditation which Link was currently working towards. It was further noted that it was hoped achieving this would positively influence the supply chain and may help drive behavioural change in tenants.

The Board approved the proposed Sustainability Statement and agreed the development of a wider Sustainability strategy in the coming year.

10.5 Link Group Business Plan 2020 - 2025

The Board considered and discussed the previously circulated report.

Mrs Bayne advised that she hoped that next year's business plan would be considerably reduced in size.

It was agreed to add in an aspirational statement regarding the £30M property acquisitions for the PSL contract.

HB

The Board approved the Link Group Business Plan for 2020 – 2025 subject to the above amendment.

10.6 Budgets 2020/2021

The Board considered and discussed the previously circulated report.

Mr Hall advised that the overall revenue projections showed a stronger position than had been the case when they were produced in 2019 and this had been as a result of the low rates achieved when the funding was put in place in mid 2019.

Slippage in the development programme had had the result of deferring some borrowing needs although funding in the region of £52M would be needed towards the end of the 2020/21 financial year. It was noted that this could be accommodated by the Revolving Credit Facilities and the shelf arrangement Link had with MetLife, which amounted to £105M in total.

The Board noted that as a result of the flatter development programme completions were now expected to be 1,333 properties in 2021/21.

Mr Culross confirmed that Link had been successful in its bid to manage all the areas in Scotland for the Scottish Government as agents for administration of the First Homes Fund, which had a positive impact on the 2020/21 budget forecast.

The Board approved the revenue and capital budgets 2020/21 to 2024/25.

10.7 Annual Assurance Statement

The Board considered and discussed the previously circulated report.

The Board noted that the Scottish Housing Regulator (SHR) had now issued feedback on the Annual Assurance Statement, confirming that Link's statement had covered all required statutory and regulatory aspects.

10.8 Board Appraisals

The Board considered and discussed the previously circulated report.

It was agreed that the process had been very useful and demonstrated that the Board works well and challenges appropriately.

It was noted that Link needed to ensure that there always sufficient strength and depth of experience and expertise across the group to ensure effective governance.

The Board approved the recommendations included in the report and agreed the draft development plan.

HB

10.9 ARC and Benchmarking

The Board considered and discussed the previously circulated report.

It was noted that in a number of cases the ARC indicators, although useful for the SHR, did not necessarily provide Link with data which could be used to better manage business operations.

10.10 Key Performance Indicators (KPI's) Quarter 3

The Board considered and discussed the previously circulated report.

The Board noted the KPI's for quarter 3.

10.11 Customer Satisfaction and Feedback

The Board considered and noted the previously circulated report.

POLICIES AND STRATEGIES

11.0 WHISTLE BLOWING POLICY

The Board considered and discussed the previously circulated report.

The Board approved the updated policy.

12.0 REDUNDANCY POLICY

The Board considered and discussed the previously circulated report.

The Board approved the updated policy.

CORPORATE GOVERNANCE

13.0 INTRA GROUP AGREEMENTS

The Board considered and discussed the previously circulated report.

It was agreed that the new agreement considerably strengthened the assurance framework within the group and provided consistency across all the RSL group members.

It was noted that in the absence of the Chief Executive the Chair would designate a substitute, although in that event it was recognised that there was in place delegated authority for business as usual operations.

The Board approved the revised Intra Group Agreement.

14.0 GIFT AID / DEED OF COVENANT

The Board considered and discussed the previously circulated report.

Mr Hall advised that KPMG had pointed out that in order for Gift Aid to be accounted for in the recipient's accounts the exact amount needed to be known unless a Deed of Covenant was in place.

The Board resolved that:

- 1 That Link Group, in its capacity as the sole member of Link Housing Association Limited (company number SC216300) ("Link Housing") approves and authorises the grant by Link Housing of a deed of covenant, the effect of which will be to pay qualifying charitable donations annually, in favour of LinkLiving, Lintel Trust and Link Group, and that with immediate effect.***

The Board is also asked to resolve that the Gift Aid for the year ending 31 March 2020 is to be distributed as follows:

- Lintel Trust - £20,000***

- **LinkLiving Ltd - £190,000**
- **Link Group Ltd – the balance of Gift Aid for the year ending 31 March 2020 after the above payments.**

2 That Link Group, in its capacity as the sole member of Link Homes (2001) Limited (company number SC216271) ("Link Homes") approves and authorises the grant by Link Homes of a deed of covenant, the effect of which will be to pay qualifying charitable donations annually, in favour of Link Group, and that with immediate effect.

3 That Link Group, in its capacity as the sole member of Link Property Limited (company number SC216273) ("Link Property") approves and authorises the grant by Link Property of a deed of covenant, the effect of which will be to pay qualifying charitable donations annually, in favour of Link Group, and that with immediate effect.

15.0 AUDIT AND RISK COMMITTEE

The Board considered and discussed the previously circulated report.

The Board noted that two Audit and Risk meetings had taken place since the last Board meeting. The first meeting was on 12 February 2020 and concentrated solely on the progress of Blackwood Homes and Care due diligence.

The Board noted that three internal audits had taken place since the November 2019 Audit and Risk meeting and these had all been positive.

The internal audit programme for 2020/21 was approved and the external audit Planning Memorandum for the 2020 audit was considered and noted.

It was also noted that the Risk registers had been reviewed and updated.

16.0 BOARD REMUNERATION

The Board considered and discussed the previously circulated report.

It was noted that a consultancy firm would be engaged to take forward the issue of Board Remuneration.

The Board approved the recommendation to establish a sub-committee tasked with the role of scoping and commissioning a

piece of consultancy work to review options for a remuneration strategy for the group.

It was agreed that the sub-committee would be formed of:

Mr Martin

Mr Allan

Mr Mackie

Ms Biberbach

Mrs Donaldson

Mr Smith

It was further agreed that Mr McDougall would be invited to join the sub-committee.

17.0 MEMBERSHIP APPLICATION

The Board considered and discussed the previously circulated report.

The Board approved the application for membership from Mr Gavin Cabrey, a tenant from Glasgow.

18.0 SUBSIDIARY MEMBERSHIP

The Board considered and discussed the previously circulated report.

The Board noted the appointment of Wendy Farmer as Chair of the Board of Lintel Trust.

The Board further noted the resignation of Elaine Byrne from the Link Housing Association Board and Janice Flanagan from the Board of Horizon Housing Association Ltd.

19.0 ANY OTHER BUSINESS

The Board noted that potential Government restrictions on movement as a result of Covid-19 would impact on Link's operations. Mr Turner confirmed that Link's Business Continuity Plan provided for a pandemic and Link was currently preparing for off-site working for staff.

It was further noted that any "lockdown" would affect Board meetings and these may have to be held by conference or video call.

13.0 DATE OF NEXT MEETING

Tuesday 19 May 2020 at Link House, 2c New Mart Road, Edinburgh, EH14 1RL

The Meeting closed at 5:45pm.