



Minutes of the Board Meeting held on Tuesday 17 November 2020 at 10:00 am via **Microsoft Teams**

Present:	Mr R Martin (Chair) Mr C Allan Mr I Dickson Ms C Cuthbertson Ms C Donaldson Mr J Flaherty Mr D Mackie Mr A Smith Ms P Biberbach Mr B McDougall Mr D Bittleson Ms S Blackhall	In attendance:	Mrs H Bayne Mr J Turner Mr N Pollard Mr N Hall Mr C Culross Miss Megan Paton (minutes)
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1. ELECTION OF CHAIR AND VICE CHAIRS

Mr Smith recommended to the Board that Mr Martin be re-elected as Chair, seconded by Ms Biberbach and unanimously approved.

Mr Martin joined the meeting at this point.

Mr Martin invited nominations from the Board for the position of Vice Chair.

Mr Smith and Ms Biberbach left the meeting at this point.

Ms Biberbach and Mr Smith were proposed as Vice Chairs by Mr Mackie, seconded by Mr Dickson and unanimously approved.

Mr Smith and Ms Biberbach joined the meeting at this point.

Mr Martin welcomed Ms Blackhall a current tenant of Link Housing Association and Mr Bittleston current Board member of West Highland Housing Association Board. Ms Blackhall had expressed an interest in joining the Board and was attending as an observer. Mr Bittleson had been put forward as the West Highland Housing Association nominated Board Member.

2. DECLARATION OF INTEREST

None.

3. APOLOGIES

There were no apologies.

4. APPROVAL OF THE MINUTES HELD ON 15 SEPTEMBER 2020

The minutes of the meeting held on 15 September were approved.

Moved:

Seconded:

5. MATTERS ARISING FROM THE MINUTES OF THE MEETING HELD ON 15 SEPTEMBER 2020

The Board considered the Matters Arising from the minutes of the meeting held on September 15 2020.

Included in the report was a list of recent projects approved by the Development Sub-committee which set out the additional 112 properties being acquired/developed under the acquisition route.

6. CHAIR UPDATE

The Board considered and noted the previously circulated report.

Mr Martin requested Mr Turner and Mr Hall provide the Board with detailed next steps of the Group Structure and a process on comparing the work of Link and similarly sized organisations.

Action

7. CHIEF EXECUTIVE UPDATE

The Board considered and noted the previously circulated report.

Mr Turner advised the Board that there is a requirement to secure funding for the development programme and it was planned to put this in place over the next few months. Mr Turner requested that the Board delegate consideration and approval authority to the Audit and Risk Committee to agree funding terms.

The Board approved to delegate authority to the Audit and Risk Committee to allow the Committee to consider and recommend proposed long term funding solutions for presentation at future Board meetings.

PARTNERSHIP UPDATE

8. Weslo Business Case

The Board discussed and considered the previously circulated report.

Mr Turner advised the Board the purpose of the Weslo Business plan was part of the approval process under the Transfer of Engagements and is used to inform several key stakeholders including Link Group

Board, Weslo Board, Scottish Housing Regulator and all of Link's funders and Weslo's funders. Mr Turner advised this Business Case will form the foundation on how Weslo will approach their tenants.

Mr Pollard confirmed that the Lothian Pension Fund cessation deficit is currently stated at £15.4M and normally this would be payable in a cash lump sum at the point the pension scheme was closed. It was noted that early discussions indicated that Lothian Pension Fund was willing for Link to over the scheme on an ongoing basis and this would not crystallise the debt owed by Weslo. Mr Pollard advised the Board Link is pursuing the option to agree to a repayment plan with Lothian Pension Fund to repay the ongoing deficit of £3.7M paid over 20 years at £230,000 per annum.

The Board questioned whether there will be a service reduction for Link tenants due to the significant investment required to Weslo properties to bring these up to standard. Mr Turner advised the Board that the Transfer of Engagements is due to be completed on 1 May and the Weslo Board have been notified that work will not begin until 5 months after the Transfer of Engagements is completed. This will allow sufficient time to ensure adequate resources are in place before the work begins.

- ***The Board approved the Weslo Business Case, subject to the completion of legal due diligence.***
- ***The Board approved the financial due diligence.***
- ***The Board noted the legal due diligence position and agreed to delegate authority to the Link Group Chair and Chair of the Audit & Risk Committee to sign off the final report.***
- ***The Board noted position with regards to the Pensions due diligence and approved the approach being taken to the ongoing negotiations***
- ***The Board noted the proposed timetable for the transaction moving forward.***

Item 11.2 was taken earlier in the agenda.

11.2 Business Reforecasting and Weslo Forecasting

The Board discussed and considered the previously circulated report.

Mr Turner advised the Board the projected rental increase profile had been reviewed and Link had revised down the rental growth profile from CPI of 2.5% in years 1 to 5, to CPI at 2% for the same period.

The Board approved the financial plans relating to the combined Link Group and Weslo business.

9. HOUSING SERVICES

9.1 Asset Management

The Board considered and noted the previously circulated report.

Mr McDougall enquired who is responsible for ensuring adequate testing of personal alarms in sheltered housing is carried out. Mrs Bayne advised this service is provided by Bield and agreed to provide Mr McDougall with further information if required.

9.2 LHA Q2 Write Offs

The Board considered and noted the previously circulated report.

Mr Flaherty confirmed he would circulate the HoMe PowerPoint that he presented at the Conveners meeting which highlighted the importance of early intervention and the work being carried to support tenants to sustain tenancies.

The Board approved the proposed write offs of £32,577.89

9.3 Terms of Reference

The Board considered and noted the previously circulated report.

Mr McDougal noted that similar organisations invited Tenancy Scrutiny Panels to attend Board meetings throughout the year and felt this would be beneficial. Mr Turner advised that the Tenancy Scrutiny Panel attend each Link Housing Association Board however agreed it would be beneficial if they could attend the Group Board at least annually.

The Board approved the Terms of Reference.

9.4 Lease for Community Garden Site Hillhouse Hamilton

The Board discussed and noted the previously circulated report.

The Board approved the recommendation to enter into a lease with the Hillhouse Link Tenants and Residents Association.

9.5 Tenants' Payment Policy

The Board discussed and noted the previously circulated report.

The Board approved the Tenants' Payment Policy.

10. COMMERCIAL SERVICES

10.0.1 Guide to Development Contractual Roles and Terminology

Mr Culross joined the meeting.

The Board discussed and noted the previously circulated report.

10.1 Development Sub Committee

The Board discussed and noted the previously circulated report.

The Board noted that the Development Sub Committee had approved the following 4 projects:

- **Pre Acquisition & Pre Tender Risk Assessment – King Street, Falkirk**

The Committee approved the request to enter into a 'Golden Brick' purchase agreement with G&N Homes for the sum of £794,004 then enter into a Design and Build contract with G&N Construction, for the delivery of 23 units for social rent at King Street, Falkirk for the sum of £2,383,785

- **Pre Acquisition & Pre Tender Risk Assessment – Boroughmuir School, Edinburgh**

The Committee approved the request to purchase part of the site at Boroughmuir High School in Edinburgh and enter into a subsequent Design and Build contract with CALA Homes (East) Ltd for the delivery of 17 Mid-Market Rent units, 9 new build and 8 refurbished flats in an annex at the former Boroughmuir School at Viewforth in Edinburgh, for the sum of £3,046,849 inclusive of the land value.

- **Pre Acquisition & Pre Tender Risk Assessment – Ferrymuir Gait, South Queensferry**

The Committee approved the request to purchase the site at Ferrymuir Gait in South Queensferry and enter into a subsequent Design and Build contract with AR (Ferrymuir Gait) Ltd for the delivery of 32 Social Rent units, 26 Flats and 6 terraced and semi-detached houses for the sum of £4,522,200 inclusive of the land value.

- **Pre Acquisition Risk Assessment - Off The Shelf Purchase Of 3 Flats In West Pilton, Edinburgh**

The Committee approved the request to purchase 3 completed new build units at West Pilton Place, Edinburgh from Salus Development Ltd in the sum of £495,000. The off the shelf purchase will deliver 3, two bedroom new build units within a flatted development with associated car parking and amenity space.

10.2 Disposal of 44 1F1 Cumberland Street

The Board discussed and noted the previously circulated report.

The Board approved the disposal of 44 1F1 Cumberland Street, Edinburgh.

10.3 Disposal of 426 Balmore Road

The Board discussed and noted the previously circulated report.

The Board approved the disposal of a piece of land at 426 Balmore Road Glasgow.

10.4 Disposal of 16 Michael Terrace

The Board discussed and noted the previously circulated report.

The Board approved the disposal of 16 Michael Terrace, Chapelhall.

10.5 Control of Variations Annual Report

The Board considered and noted the previously circulated report.

Mr Culross left the meeting at this point.

11. GROUP SERVICES

11.1 Financial Report

The Board considered and noted the previously circulated report.

Mr Pollard presented the financial position at the six-month point in the year. It was noted that the revenue budget shows an operating surplus of £3,483,708 which is better than the budget by £244,994 (7.56%).

Mr Pollard advised the Board that future variable borrowing is being considered to balance out the current fixed position. Mr Martin enquired if rental income is showing any challenge, Mr Pollard advised the current rental arrears position is strong at 3.9% down from 4.3% and confirmed the number of tenants on Universal Credit has risen.

Mr Smith enquired if lenders were content with Links current position given the initial projections that lending was based upon have changed due to COVID. Mr Pollard advised he has spoken with lenders and they have no concerns at the moment.

Mr Pollard explained that several of the current revolving credit facilities are due to expire in the next 2-3 years and this was being considered in the context of overall funding discussions.

Ms Cuthbertson asked that a note be made on the financial appendices stating there is a shelf facility as part of the MetLife funding. Mr Martin noted a glossary would be beneficial to the Board members.

11.2 Business Reforecasting and Weslo Forecasting

This item was discussed under item 8 Weslo.

11.3 Quarterly Loan Covenant Compliance

The Board considered and noted the previously circulated report.

The Board noted that Link had not breached any of its loan covenants in the period to 30 September 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.

Mr Pollard noted that all lenders had been notified in relation to the HSE letter and confirmed with all lenders there is no breach of any loan conditions.

11.4 Key Performance Indicators

The Board considered and noted the previously circulated report.

11.5 April- September 2020 Vaulting Complaint and Feedback

The Board considered and noted the previously circulated report.

Mrs Bayne confirmed that there had been a reduction in stage one complaints. Mrs Bayne further noted that Vaulting Complaints Staff group now consist of representatives from each partner and has been working well.

11.6 Standard and Poors

Mr Dickson left the meeting at this point.

The Board considered and noted the previously circulated report.

The Board noted that on Friday 6th November a virtual meeting was held between Link and S&P for the annual management meeting to review the financial and other information which had been submitted to S&P, at its prior request.

Ms Cuthbertson enquired when the next review will take place, Mr Pollard advised this would be in November 2021.

The outcome would be known soon.

11.7 Treasury Management Mid-Year Review

The Board considered and discussed the previously circulated report.

The Board agreed to delegate authority to the Audit and Risk Committee to agree funding proposals for approval by the Board.

POLICIES AND STRATEGIES

12. GOVERNANCE POLICIES

12.1 Risk Management Strategy

The Board discussed and noted the previously circulated report.

Mr Hall noted Link's Risk Management Strategy had been reviewed and updated to reflect how Link currently operates within the risk framework, which is in line with best practice.

The Board approved the revised Risk Management Strategy.

12.2 Anti-Money Laundering Policy

The Board discussed and noted the previously circulated report.

Mr Allan queried section 3.5 and section 6.2 in the policy where it states that it is incumbent on Link to be satisfied the purchaser's solicitor has carried out the necessary anti-money laundering checks. Mr Allan advised he did not feel that this is an obligation of Link.

Mr Allan highlighted section 7.3 and noted that not everyone may be able to provide all aspects of identification especially relating to address and queried whether an element of discretion should be applied in special circumstances

Mr Hall noted Mr Allan's points and agreed to investigate both matters.

Action

12.3 Anti-Fraud, Bribery and Corruption Policy

The Board discussed and noted the previously circulated report.

The Board approved the Anti-Fraud, Bribery and Corruption Policy.

13. Lintel Trust

The Board discussed and noted the previously circulated report.

Mr Hall explained that since the July Board 2020 meeting consultations have taken place with all relevant staff who will transfer under TUPE and are content with the arrangements. Mr Hall further confirmed the transfer is scheduled to take place in early December 2020.

Mr Smith noted in the report it stated: *Memorandum has been shared with Link and there are matters of concern*. Mr Smith queried whether there are matters of concern or if this was an error. Mr Hall confirmed this was an error and there are no matters of concern.

Mr Hall reported to the meeting on the matters relating to Link's membership of Lintel Trust and confirmed that the purpose of this item of business was to consider and if thought fit approve the cancellation of Link's membership in Lintel Trust, a Scottish Charitable Incorporated Organisation registered (number SC006002) and having its registered office at Link House, 2C New Mart Road, Edinburgh, EH14 1RL ("Lintel") and the admission of the London Borough of Hillingdon ("LBH") as a member of Lintel in Link's place.

The Board noted that the detailed arrangements of the cancellation of its membership in Lintel and the admission LBH as a member of Lintel would be recorded in an agreement which had been adjusted between the various solicitors acting for Link, Lintel and LBH (the "Agreement").

The Board members considered and resolved as follows:

- ***that the cancellation by Link of its membership in Lintel in terms of the Agreement would be in the best interests of Link; and***
- ***that LBH be admitted as a member of Lintel in Link's place, with effect from the completion date, and that any one of Jon Turner or Neil Hall, Link's Chief Executive and Company Secretary respectively, be authorised and instructed to finalise any matters relating to the Agreement or any other documents relating to the transaction and to sign the Agreement and all such other documents and take all such other steps as they may consider appropriate in connection with the transaction, including but not limited to, approving the special resolution to amend the terms of Lintel's constitution and authorise the appointment any new members and/or charity trustees to Lintel on behalf of Link.***

14. **Diary Dates**

The Board noted the previously circulated report.

15. **Governing Body Member Code of Conduct**

The Board discussed and considered the previously circulated report.

The Board approved the updated Model Code of Conduct for Governing Body Members.

Mr Hall confirmed the Governing Body Member Code of Conduct would now be circulated all group Boards and Board members.

16. **Membership Application**

The Board considered the previously circulated report.

The Board approved the application for membership for Ms Margaret Mitchell and Mr David Bittleston.

17. **Board Membership**

The Board considered the previously circulated report.

The Board confirmed the appointment of Mr David Bittleston to the Link Group Board to fill a casual vacancy on the Link Group Board.

The Board further noted the changes detailed in the report within the Boards of Horizon Housing Association, Larkfield Housing Association and West Highland Housing Association.

The Board approved the appointment of June Jamieson to the Board of Link Housing Association Ltd.

Mr McDougal, Mr Martin, and Mr Turner left the meeting at this point.

18. **Chair Remuneration**

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. An appraisal of the chair's performance during the year had been carried out by the two vice chairs and the chair of the Audit and Risk Committee

Feedback received had been very positive. Following the appraisal, the recommendation was being made to the Board to continue to remunerate the chair.

The Board approved the recommendation to continue to remunerate the chair. An increase in remuneration to £16,225 per annum was approved, with effect from 15th September 2020.

19. Any Other Business

None.

20. DATE OF NEXT MEETING

Tuesday 19 January at 10:00 am Via Microsoft Teams.

Meeting Closed at 12:24.