



Minutes of the Board Meeting held on Tuesday 16 March 2021 at 10:00 am via **Microsoft Teams**.

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Present:	Mr R Martin (Chair)	In attendance:	Mr J Turner
	Mr C Allan		Mr N Pollard
	Mr I Dickson		Mr N Hall
	Ms C Cuthbertson		Mr C Culross
	Mr J Flaherty		Ms S Smith
	Mr D Mackie		Miss Megan Paton (minutes)
	Mr A Smith		
	Ms P Biberbach		
	Mr D Bittleston		
	Ms S Blackhall		
	Mrs C Donaldson		

**1. DECLARATION OF INTEREST**

None.

**2. APOLOGIES**

There were no apologies.

Mr Martin advised the Board Mr McDougal had resigned from the Link Group Board, and Ms Prichard, the Vice Chair of Horizon, has agreed to take his place on the Link Group Board. It was further noted Mr McDougal would withdraw from the Conveners Group and Ms Prichard as a current Member would continue in Mr McDougal's place.

**3. APPROVAL OF THE MINUTES HELD ON 19 January 2021**

The minutes of the meeting held on 19 January 2021 were approved.

Moved: Ms Biberbach  
Seconded: Mr Smith

**4. APPROVAL OF THE MINUTES HELD ON 25 February 2021**

The minutes of the meeting held on 25 February 2021 were approved.

Moved: Mr Flaherty  
Seconded: Mr Mackie

**5. MATTERS ARISING FROM THE MINUTES OF THE MEETING HELD ON 19 January 2021**

**5.1 Development Sub**

Mr Culross advised the Board that due diligence checks on the 'Golden Brick' purchase agreement with G&N Homes had raised a number of concerns. This has resulted in Link stepping back from the project and both G&N Homes and Falkirk Council have been notified of this decision.

**5.2 Any Other Matters Arising**

None.

**6. MATTERS ARISING FROM THE MINUTES OF THE MEETING HELD ON 25 February 2021**

There were no matters arising.

**7. CHAIR UPDATE**

The Board considered and discussed the previously circulated report.

Mr Martin advised the Board Link Group Board Member appraisals were taking place and a report would be brought to the May Board in the form of a skills matrix and setting out any development and training needs. Mr Martin further advised that although the appraisals had taken in March this year, going forward theses would be carried out in August/September in the run up to the AGM.

The Board noted the success of the Horizon Housing Association online conference and suggested a similar event be held by Link Group. Mr Turner advised Link was leading on work with Housing Associations Charitable Trust on a social impact reporting tool. As this is developed over 6-9 months this may form the basis for a conference,

The Board noted the Chairs Update.

**8. CHIEF EXECUTIVE UPDATE**

The Board considered and discussed the previously circulated report.

**2021 Staff IRPA Award**

Mr Turner advised that after the first ballot 86% of members had rejected the 1% proposal. It was noted that Unite had proposed a 3.5% increase.

After further discussion, the Board agreed to maintain the 1% IRPA position taking account of Link's operating context, pay freezes in the public sector generally and current inflation.

### **Weslo Transfer Update**

Mr Turner advised the Board the tenant ballot commenced in March and will run until the end of March with the expectation Link will be notified of the outcome by Weslo on the 1st of April. Mr Turner advised the current feedback from tenants is positive and in favour of the transfer.

Mr Turner further advised the Board that the current four contractors working in Weslo have now given their notice and will leave on the 2nd April (Interim CEO, Interim Asset Manager, Interim Repairs Manager, Interim QS). Link's Asset management and Repairs teams are already closely working with Weslo teams, and it is not envisaged there will be an issue with these roles not being filled for the two months prior to transfer.

After discussion with the interim CEO and the Weslo Chair, the preference was that Link supports the final two months of operations through Link providing interim management services rather than another third party being involved at this late stage.

## **PARTNERSHIP UPDATE**

9.

### **Weslo**

#### **9.1 Weslo Lender Consent**

The Board considered and discussed the previously circulated report.

***The Board approved the recommendation to sign the Letters of Consent for the lenders and agreed to delegate authority to the Group Chief Executive and Group Financial Director to sign on behalf of the company.***

#### **9.2 Weslo Lothian Pension Fund (LPF) Agreement**

The Board considered and discussed the previously circulated report. The report set out the proposals to reduce the financial impact of the pension liability on the finances of Link Group from the original cessation liability sum of £15.8 mio which would otherwise be levied on Link Group.

The proposal for a 20-year payment profile amounting to payments of £300k plus inflation (CPI assumed at 1.9%) totalling £7.22 mio which would immediately generate financial savings to Link Group on what would otherwise have been due under the cessation agreement and Mr Pollard this is the least that Link Group will pay to LPF, equating to an Net Present Value of £5.54 mio.

***The Board approved the recommendation for Link Group Board***

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***to enter into the LPF pension deficit funding proposals. The Board further agreed to delegate authority to the Chief Executive and the Group Finance Director of Link Group to execute the legal agreement.***

## **GROUP UPDATES**

### **10. COMMUNITIES**

#### **10.1 Communities Update**

The Board considered and discussed the previously circulated report.

Ms Smith explained Link had made a successful application to the Kickstart fund for 37 job placements with placements across all Group Partners and central support departments. Three cohorts of 12/13 are planned to ensure that each group of young people has some peer support and so that a comprehensive support programme can be in place for them. The first cohort of 12 will start in March.

The Board noted the update.

#### **10.2 Link Housing Association Write Off's – Q3**

The Board considered and discussed the previously circulated report.

The Board queried the meaning of "*notice other private landlord*" and Ms Smith agreed to confirm meaning at the May Board meeting.

***The Board approved the proposed write offs of £114,376.28.***

#### **10.3 Assests Planning Health and Safety Quarterly Report**

The Board considered and discussed the previously circulated report.

The Board noted the Asset Planning Health and Safety Quarterly report.

#### **10.4 Annual Return on the Charter and Benchmarking**

The Board considered and discussed the previously circulated report.

The Board discussed the statistics noted within the report and noted that there were 14 areas where Link's performance was better than the Scottish average although there was room for improvement with some of the indicators.

The Board also noted the various actions and plans instigated in 2020/21 which were designed to improve Link's performance.

## **11. COMMERCIAL**

### **11.1 Commercial Update**

The Board considered and discussed the previously circulated report.

Mr Culross highlighted to the Board that following the Strategic Services Review a key objective was to rationalise governance and reporting arrangements and group all commercial activities into one subsidiary and as a result a company proposed to be named as CzerØ would be established through changing the name of Link Property.

The Board noted that the number of development completions was projected to increase at the same time as the requirement for private finance reduced. Mr Culross explained that this was a result of the mix of projects now in the programme which included a number with higher grant requirements. Mr Culross also confirmed that the programme for Off the Shelf Acquisitions agreed by the Board in 2020 had been largely replaced with sites now being developed as part of the normal programme.

### **11.2 Development Sub Committee**

The Board considered and discussed the previously circulated report.

## **12. CORPORATE SERVICES**

### **12.1 Corporate Services Update**

The Board considered and noted the previously circulated report.

### **12.2 Link Group Business Plan**

The Board considered and discussed the previously circulated report.

Mr Hall confirmed that the Link Group Business Plan was being presented in a new style and approach designed to make progress with achievement of the plan easier to track and report.

The Board noted certain language used within the Business Plan was complex/corporate and queried whether this could be amended as it could be difficult for tenants to follow. Mr Hall explained there were a number of audiences the Business Plan is targeted towards with Investors, lenders and the Scottish Housing Regulator being the main

audiences. There was a variety of ways in which Link communicated with tenants and the business plan was not one of these methods.

Mr Smith highlighted on page 13 where it details the appraisal of the Chair is carried out by the two Vice Chairs of Link Group Board however this should also include the Chair of the Audit and Risk Committee.

JT

The Board agreed further work around branding would be beneficial in due course.

***The Board approved the 2021 Link Group Business Plan.***

### **12.3 Budget Report 2021/22**

The Board considered and discussed the previously circulated report.

Mr Pollard advised the Board the Link Group's overall operating performance in terms of rents, management costs per unit, voids and bad debts demonstrated that Link was performing well. The effects of the delay in development units completing and being available for letting was however having an adverse effect on Link Group's short term financial performance. Short term interest cover and gearing covenants have deteriorated slightly in comparison to prior years as a result.

The report detailed the forecast covenant levels and explained levels remain well within the thresholds set and the headroom in the financial plans is substantial at £4.95 mio but the wider economic uncertainty, potential risk of further pandemic lockdowns, national or localised, and their impact on the development programme delivery are key risks which could affect operating performance further.

***The Board approved the revenue and capital budgets for 2021-22 to 2025-26.***

### **12.4 Finance Report**

The Board considered and noted the previously circulated report.

### **12.5 Funding Execution**

The Board considered and discussed the previously circulated report.

Mr Pollard advised the Board at the Audit and Risk Committee meeting on the 3rd March 2021 the Committee endorsed a recommendation to approve the RBS proposals for formal Link Group Board approval and delegated authority to execute the funding agreements. Mr Pollard further advised the Bank of Scotland proposal will be brought to a future Board.

***The Board approved the following:***

- ***The existing Facility A of £24.3 mio of outstanding borrowing has its margin increased by [REDACTED] but its term reduced by three years from December 2035 to March 2032 and a bullet repayment profile agreed.***
- ***The new Facility B Term Loan of £60 mio for a 10-year term at a margin of [REDACTED]***
- ***The existing Facility C Revolving Credit facility (RCF) to be extended by £5 mio from £25 mio to £30 mio and its term extended to March 2025 from May 2023 at [REDACTED] margin.***
- ***The existing Weslo Housing Management (WHM) borrowing of £15 mio drawn and £21 mio revolving credit facility is to be transferred to LG as Facility D with a margin reduction from [REDACTED] to [REDACTED] and a repayment date of August 2028.***
- ***To delegate authority to Mr Pollard and Mr Turner Director to execute the legal agreements associated with the Royal Bank of Scotland borrowing.***

As required by the Royal Bank of Scotland's solicitors the Board agreed the following minute:

**“Restated and Amended Loan Facilities from The Royal Bank of Scotland plc (the “Bank”) of up to (a) circa £114.3 million and then (b) circa £125.3 million**

1. It was reported that the meeting of the Board of Management of Link had been duly convened and that a quorum was present.
2. The Chair advised the meeting that Link's solicitors had been adjusting with the solicitors representing Link's funders, The Royal Bank of Scotland plc (the “Bank”), the terms of an amendment and restatement agreement to be entered into among Link, the Bank (in its capacities as agent, arranger and lender) and Prudential Trustee Company Limited and The Law Debenture Trust Corporation P.L.C. (the “Amendment and Restatement Agreement”), in order to (a) initially amend and restate Link's existing facilities with the Bank (the “First Restated Facilities Agreement”) to include the provision of loan finance of up to circa £114,300,000 and (b) subject to and upon completion of the proposed transfer of engagements by Weslo Housing Management to Link, to further amend and restate Link's existing facilities with the Bank (the “Second Restated Facilities

Agreement”) to include the provision of loan finance of up to circa £125,300,000.

3. The Chair advised that agreement had been reached between Link and the Bank and the purpose of the meeting was to consider the terms of the Amendment and Restatement Agreement and all related documentation and, if thought fit, approve and authorise the execution, delivery and performance of the latest drafts of the following documentation:
  - a. the Amendment and Restatement Agreement (appending the First Restated Facilities Agreement);
  - b. a second version of the Amendment and Restatement Agreement (appending the Second Restated Facilities Agreement);
  - c. a Fee Letter in relation to the First Restated Facilities Agreement to be entered into between the Bank and Link; and
  - d. an Officer’s Certificate to be given by an authorised signatory of Link in respect of both the First and then Second Restated Facility Agreement; (together the “Documents”).
4. It was reported to the meeting that in accepting and signing or authenticating the Documents and in borrowing the Total Commitments (as defined in the First and Second Restated Facilities Agreements) in full, Link would not breach its rules or any existing contractual or statutory obligations and that Link is fully empowered to enter into the Amendment and Restatement Agreement on both occasions and to perform its obligations thereunder.
5. It was resolved as follows:-
  - a. that Link enter into the Documents;
  - b. that Link delegate authority to any of the Group Chief executive or the Group Finance Director (the

"Authorised Signatories"), to negotiate, finalise, approve and accept the whole terms and conditions of, and the transactions contemplated by, the Documents and any other document which he considers necessary or desirable in connection with the Documents.

- c. that any of the Authorised Signatories be and are hereby authorised to execute or authenticate the Documents on behalf of Link and to execute or authenticate any other document which they consider necessary or desirable in connection with the Documents on behalf of Link.
- d. That any of the Authorised Signatories be and are hereby authorised to sign and/or authenticate and/or despatch all documents, certificates and notices to be signed and/or authenticate and/or despatched by Link under, or any other document which they consider necessary or desirable in connection with, the Documents.
- e. that the execution or signing or authentication of any of the Documents or any other documents referred to in this paragraph 5 may be by electronic means including, without limitation, by DocuSign."

*Ms Biberbach left the meeting.*

### **12.6 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 31 December 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.

### **12.7 Audit and Risk Committee**

The Board considered and noted the previously circulated report.

### **12.8 Key Performance Indicators**

The Board considered and noted the previously circulated report.

### **12.9 Annual Assurance Statement 2021**

The Board considered and discussed the previously circulated report.

The report detailed the process that is undertaken and the work involved in enabling each Partner subsidiary to conclude that they complied with all the relevant regulatory requirements, standards and outcomes set out in the Scottish Social Housing Charter, all relevant legislative duties and the Standard of Governance and Financial Management.

The Board noted Link Group is required to submit the Annual Assurance statement on behalf of the four RSLs by the end of October 2021.

***The Board approved the following:***

- ***The proposed framework and timetable for the preparation of the Link Group AAS on behalf of Link Group and the Partner Companies.***
- ***The focus of Group Partners assurance for 2021 is their statements of assurance to the Link Group Board.***
- ***The Group Partners' statements of assurance include an update on their position in relation to equalities and human rights.***

### **12.10 Group Member Board Membership**

The Board considered and noted the previously circulated report.

The Board noted the resignation of Councillor Andrew Vennard from the Board of West Highland Housing Association Ltd with immediate effect. Argyll and Bute Council will appoint another Councillor in due course.

*Mrs Donaldson left the meeting.*

## **POLICIES AND STRATEGIES**

### **13. Retirement Policy**

The Board considered and discussed the previously circulated report.

***The Board approved the recommendation to remove the Retirement Policy and replace it with Retirement Guidance.***

**14. Any Oher Business**

Mr Hall advised the Board there are a small number of polices that are reserved to the Board that require minor updates, these will be circulated to the Board by Mrs Bayne prior to the next Board meeting. The Board agreed to formalise/ approve the updated policies at the May Board pending no material changes.

Mr Hall advised the Board an additional Board Meeting would be required in April between 15<sup>th</sup>-29<sup>th</sup>to accept the Transfer of Engagements of Weslo to Link. Miss Paton will contact Board Members to obtain a suitable date and time.

Mr Martin advised the Board Ms Biberbach has been invited to sit on the Scottish Government Housing Advisory Panel.

**15. DATE OF NEXT MEETING**

**Tuesday 18 May 2021 at 10:00.  
Meeting Closed at 12:12**