

MINUTE OF MEETING OF KEY BOARD HELD ON WEDNESDAY, 20 AUGUST 2025

At 6.00 p.m. at The Square, 70 Renton Street, Glasgow

Page 1 of 2

PRESENT

Sheenagh Simpson (online)
John Paterson (Chair)
David Meechan
Gillian Anderson
Dave Le Sage (online)
Dee Fraser
Paul Hush
Daniel McCafferty
Wendy Hall

IN ATTENDANCE

Andrea Wood (CEO)
Alison Wood (Director of Finance)
Gordon Anderson (Director of Housing, Development
and Corporate Services)
Glenn Harrold (Director of People and Organisational
Development)
Asa Brooks (Governance, Regulation and Compliance Manager)
Leam MacKeown (Inclusion Manager – Supporting TAG)

ACTION

1.1 APOLOGIES

The Board approved a leave of absence for Jack Crombie. Apologies were received from Ann McGuigan and Karen Jamieson.

The Chairperson announced that this was Dee Fraser's last meeting as a Board member, before retiring at the upcoming AGM along with Karen Jamieson. On behalf of the Board, he thanked Dee and Karen for their invaluable contribution to Key and wished them well for the future.

1.2 DECLARATIONS OF INTEREST

No interests were declared.

1.3 MINUTE OF PREVIOUS MEETING (18.6.25)

The minute of the meeting of 18 June 2025 was approved.

1.4 MATTERS ARISING

1.4.1 Adult Social Care Uplift 2025/26 (Old item 1.5.2)

The Board discussed the open letter, to which Key was a signatory, issued to Scotland's First Minister from 240 Scottish social care charities warning that the sector is under threat from a lack of investment and calling for immediate steps to address the crisis. The letter was covered in an article in the Herald. The Chief Executive confirmed that Key was not one of the providers featured in the article but the Board was pleased to note that there had been a positive response to it.

The Board recognised that the Scottish Parliament is about to reconvene and is hopeful that the letter and publicity around it will motivate the Scottish Government to take action in support of the sector.

MINUTE OF MEETING OF KEY BOARD
HELD ON WEDNESDAY, 20 AUGUST 2025

At 6.00 p.m. at The Square, 70 Renton Street, Glasgow

Page 2 of 3

ACTION

1.4.2 SHR Annual Submission (Old item 1.7)

The Board noted that the full submission required by the Scottish Housing Regulator in this year's Engagement Plan, was issued to the Regulator successfully on 19 June.

1.4.3 Annual Tender and Development Report (Old item 1.11)

The Chief Executive informed the Board that Key had completed and submitted its tender bid for joining the Glasgow City Council's new social care framework, with the expectation that all existing support will transfer over to the new framework from February 2026.

The Board noted that the Council had stated that it would not implement any uplifts to hourly rates in April 2026. This meant all bidders were required to attempt to predict and cost for the 2026/27 Real Living Wage a year in advance of it being announced.

1.5 STAFFING ISSUES

Home Office – Employer Visa Sponsorship

Glasgow Council has encouraged all providers in the city to consider becoming involved in the Employer Visa Sponsorship scheme. The Director of People explained that under the current criteria two of our employees would be eligible. After discussions with an immigration lawyer, we understand that Key would meet the criteria for obtaining a sponsor licence. The Board noted that we have the infrastructure to support sponsorship of this kind and gave approval for Key to make arrangements for providing these employees with five year's of sponsorship.

Pay Review Update

The Board noted that the recent pay offer had been rejected by Union members by a small majority. The Director of Finance confirmed that the offer was the maximum payable with the available funding and as such there was no capacity to enhance the offer on a consolidated basis. The Board discussed the paper, noting the support that Unite have shown for the financial difficulties facing Key and the need to improve the offer through cost-neutral measures. The proposal was approved and will be discussed with Unite at the JNC in September.

1.6 FINANCIAL REPORT 2024/25

1.6.1 Annual Accounts for Year to 31.3.25

The Director of Finance spoke to a presentation on the main aspects of the Annual Accounts, referring to the income and expenditure account and the balance sheet. It was noted that there was no financial activity for KHA Development Ltd as it is dormant, and

**MINUTE OF MEETING OF KEY BOARD
HELD ON WEDNESDAY, 20 AUGUST 2025**

At 6.00 p.m. at The Square, 70 Renton Street, Glasgow

Page 3 of 4

	<u>ACTION</u>
that the Community Lifestyles transfer had been disclosed in the accounts, and the subsidiary is no longer regarded as a going concern in its own right.	
Noting that the accounts had been considered in detail at the recent meetings of the Audit Committee and Finance Review Group, the Board approved the accounts for presentation to the membership at the forthcoming Annual General Meeting.	<u>DF</u>
1.6.2 <u>Letter of Representation</u>	
The Board approved the signing of the annual letter of representation to Key's auditor (Azets Audit Services Ltd), confirming the Board's confidence that it had taken all reasonable steps to make the auditor aware of any information relevant to its audit of the financial statements of Key Housing Association Limited for the year ended 31 March 2025.	<u>DF</u>
1.6.3 <u>Audit Management Report</u>	
The Director of Finance spoke to the Audit Management Report, in which it was confirmed that Key's latest Financial Statements give a true and fair view of the state of the group's and Key's affairs at 31.03.25, including income and expenditure for the year then ended. In particular, it was noted that there were no issues affecting the group's or Key's ability to continue as a 'going concern', and that the auditor had gained satisfactory assurance that the audit risks identified at the audit planning stage have been mitigated.	
1.6.4 <u>2024/25 Overall Review</u>	
The Director of Finance spoke to a presentation on Key's financial performance for the year ending 31.03.25, including income and expenditure details across all areas of activity and in each local authority area, together with details of the balance sheet.	
The Board accepted the Financial Review report.	
1.7 <u>AUDIT COMMITTEE</u>	
1.7.1 <u>Minute of Meeting (5.8.25)</u>	
The minute of the Audit Committee meeting of 5 August 2025 was noted.	
1.7.2 <u>Audit Committee Report</u>	
The Board received with approval the annual report from the Audit Committee for the year ending 31 March 2025, noting that the Committee had met on a quarterly basis during the year to consider Key's internal and external audit programmes. The internal auditor (TIAA Ltd) had presented audit reports during the year covering: corporate	

**MINUTE OF MEETING OF KEY BOARD
HELD ON WEDNESDAY, 20 AUGUST 2025**

At 6.00 p.m. at The Square, 70 Renton Street, Glasgow

Page 4 of 5

ACTION

governance (regulatory standards), payroll, project internal audit functions, project returns, rent setting/collection/arrears, duty of care (tenant & resident safety) and voids management, with the overall levels of assurance being given as 'Substantial' or 'Reasonable', and no 'urgent' recommendations.

The Board further noted the external auditor's report following the audit process for year ending 31 March 2025 and the Audit Committee's concluding view that the Board had met its responsibilities as detailed in the financial statements.

1.7.3 External Auditor – Year to 31.3.26

The Board approved a proposal to retain Azets Audit Services as external auditor for a further year, to 31 March 2026. This is the first of two one-year extensions permitted within our contract with Azets, now that the main three-year period of the contract ended on 31 March 2025.

1.8 PENSION SCHEME UPDATE

The Director of Finance gave a presentation on the history and current state of the Pension Scheme. Explaining that after 30 years (until 2013) of paying into the SHAPS Defined Benefit Pension Scheme, Key is responsible, along with other members, for covering any deficits that the Scheme develops, subject to valuation every three years. The Board noted that at the last valuation, of September 2024, the Scheme funding level reduced from 98% to 90%, meaning liabilities are higher.

The Board noted that a range of economic factors can contribute to the worsening financial position of the Scheme, including the success of the investments that are made, the changes to financial markets and Government bond yields, and the unexpected growth in inflation and earnings. The Director will be attending a webinar next week to find out more detail.

DF

The Board were assured that the Employer Committee of the Scheme (of which Key is a member) is advised by an independent actuary, and that advice has not raised any concerns about the manner in which the Scheme is run. However, the Chief Executive informed the Board that we will be seeking our own independent advice to ensure that our own position in the Scheme is being managed appropriately.

DF

The Board noted that our contributions towards the deficit will begin again in April 2026, at a rate lower than we were previously paying, so we do not require a concessionary agreement on this occasion.

1.9 AGM ARRANGEMENTS - UPDATE

The Governance Manager spoke to the report on preparations for the AGM to be held as an in-person meeting on Wednesday 10 September 2025 (with an option for online attendance). The Board noted that the meeting will include reports from Gillian Anderson

MINUTE OF MEETING OF KEY BOARD
HELD ON WEDNESDAY, 20 AUGUST 2025

At 6.00 p.m. at The Square, 70 Renton Street, Glasgow

Page 5 of 6

ACTION

(standing in for the Chairperson), the Chief Executive, National TAG and the My Home Group.

All Board members were asked to return proxy slips for the AGM, whether they were planning to attend or not, to help achieve quorum.

The Board noted that Karen Jamieson and Dee Fraser will step down from the Board at the AGM without seeking re-election. John Paterson will retire and seek re-election, whilst co-optee Daniel McCafferty will stand for full election to the Board for the first time. Community Lifestyles' directors, Liz Matheson and Mary Parker will also seek to be elected to the Board at the AGM.

It was noted that there will be a short Board meeting after the AGM.

1.10 SECRETARY'S REPORT UNDER RULE 68

Noted with approval by the Board.

1.11 BOARD SUCCESSION AND TRAINING PLAN

Noting that the draft plan, setting out the Board's priorities for recruitment and succession, had been discussed in detail at its Governance Session in June, the Board approved the amended plan.

The Chief Executive updated the Board that James Cox was seeking to join the Board as a TAG representative co-optee for a year and in September 2026 the Board would invite a member of the My Home Group to join. The Board also noted that Operational Manager Andrea Duffield would attend the start of the Board meeting in October to delivery a presentation on Key's Quality Assurance Framework.

1.12 NOTE OF GOVERNANCE SESSION (18.6.25)

The Chief Executive presented the report on the proceedings of the Board Governance Session held on 18.06.25, which was noted by the Board.

She confirmed that we will send out a note to Board members confirming which members are linked with which TAG groups. Daniel McCafferty expressed his interest in becoming a link with Lanarkshire TAG.

IM

1.13 REVIEW GROUPS

1.13.1 Finance (5.8.25)

The report was noted by the Board.

MINUTE OF MEETING OF KEY BOARD
HELD ON WEDNESDAY, 20 AUGUST 2025

At 6.00 p.m. at The Square, 70 Renton Street, Glasgow

Page 6 of 7

ACTION

1.14 ANNUAL ASSURANCE REPORT

The Governance Manager spoke to the report, which highlights areas of non-compliance with the Scottish Housing Regulator's Regulatory Framework, or areas of compliance that we believe could be strengthened.

The Board noted that there were no areas of non-compliance. However, it was recognised that our Reserves Policy and Treasury Management Policy should be updated to strengthen our compliance in those areas. This work will be carried out in time for the preparation of the Annual Assurance Statement in October.

The Board approved a change to when they would receive these compliance reports, which will now be three times a year: March, June and October.

2. COMMUNITY LIFESTYLES – MINUTE OF 26TH AGM

2.1 Director's Meeting (12.8.25)

The minute of the last full meeting of directors', held on 12.08.25, was noted. The Chief Executive explained that four directors will stay in place to oversee any residual actions required since transfer, to approve the accounts in August 2026, and then to wind up the company.

2.2 Annual Accounts to 31.3.25

The Board approved the Annual Accounts for Community Lifestyles Ltd for the year to 31 March 2025. These had been considered and approved by the Directors and will now be submitted to the AGM of Community Lifestyles being held on 2 September 2025. The Board noted that these accounts disclose the transfer of Community Lifestyles' business to Key on 31 May, and confirm that as such, the auditors no longer see Community Lifestyles as a going concern.

2.3 Key Representative to Lifestyles' AGM (2.9.25)

Members noted that the AGM of Community Lifestyles Ltd would be held as a short virtual meeting on the evening of 2 September 2025. It was also noted that at least one Board member (who is not also a Director of Community Lifestyles) is required to attend this AGM, to represent Key, and John Paterson volunteered to attend.

3. KHA DEVELOPMENTS LTD

3.1 Directors' Meeting (20.8.25)

Director of Corporate Services gave a verbal overview of the meeting held between KHA Development directors immediately before this Board meeting.

MINUTE OF MEETING OF KEY BOARD
HELD ON WEDNESDAY, 20 AUGUST 2025

At 6.00 p.m. at The Square, 70 Renton Street, Glasgow

Page 7 of 8

ACTION

It was noted that the accounts were approved and, given the absence of any planned activity in the foreseeable future, the directors had agreed to maintain the dormant status of the company.

3.2 Annual Accounts to 31.3.25

With Key being the sole shareholder of KHA Developments Ltd, the Board approved the Annual Accounts for KHA Developments Ltd.

3.3 Ongoing Financial Support

The Board approved Key Housing Association's continued support for KHA Developments Ltd for a further year from 1 April 2025.

4. QUARTERLY REPORTS

The Board noted the report, which were the first created since the transfer of Community Lifestyles into Key.

5. HOUSING, DEVELOPMENT AND ADMINISTRATION ISSUES

5.1 Bank mandates

The Board approved the signatories on the new bank mandates for the accounts presented, and noted the amended bank mandates that were also presented.

5.2 Service transfers (South Ayrshire and Stirling)

As part of the arrangements by which officers report to the Board on any service transfers where TUPE is involved, the Director of Corporate Services informed the Board that a proposed transfer from Turning Point to Key in South Ayrshire had passed all of our diligence tests and would proceed.

The Director also confirmed that we had recently been approached to take over a Blackwood service in Stirling, and that the diligence process is ongoing.

5.3 Planned replacement programme – additional budget request

The Director of Housing advised the Board that due to staffing vacancies, spending on the planned replacement programme had slowed. To allow the programme to recover from some of these delays the Board agreed to increase the cyclical replacements budget for the current year from £1,789,685 to £2,293,457.

MINUTE OF MEETING OF KEY BOARD
HELD ON WEDNESDAY, 20 AUGUST 2025

At 6.00 p.m. at The Square, 70 Renton Street, Glasgow

Page 8 of 8

ACTION

5.4 Share applications

The Board approved the applications for two Association memberships and use of the seal on the related share certificates.

5.5 New Board member

The Board approved the co-option of TAG representative James Cox to the Board, subject to successful completion of the Board Member Code of Conduct.

5.6 Lease agreements

The Board noted the signing of a new lease agreement for a worker base in Glasgow and noted a renewed lease for offices in Stirling.

6. AOB

No other business was considered.

7. DATE OF NEXT MEETING

The Board will next meet on Wednesday, 10th September 2025.