

**MINUTE OF MEETING OF KEY BOARD
HELD ON WEDNESDAY, 14 MAY 2025**

AT 6.00 p.m. – AT 70 RENTON STREET, GLASGOW

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PRESENT

John Paterson (Chair)
Ann McGuigan
David Meechan
Gillian Anderson (online)
Dave Le Sage (online)
Rebecca O'Donnell
Dee Fraser (online)
Paul Hush
Daniel McCafferty

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)
Jean Ramsay (Director of Support)
Asa Brooks (Governance, Regulation and Compliance Manager)
Leam MacKeown (Inclusion Manager – Supporting TAG)

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1.1 APOLOGIES

Apologies were received from Sheenagh Simpson, Jack Crombie, Karen Jamieson and Brian Kemsley.

1.2 DECLARATIONS OF INTEREST

There were no declarations of interest.

1.3 MINUTE OF PREVIOUS MEETING (12.3.25)

The minute of the meeting of 12 March 2025 was approved.

1.4 MATTERS ARISING

There were no matters arising.

1.5 STAFFING ISSUES

The Board noted the report.

1.6 REVIEW GROUPS

1.6.1 Finance (6.5.25)

The Director of Finance updated the Board on the review group meeting which had considered the five-year financial projections and associated analysis. The Board noted that the financial modelling for year 1 included detailed consideration of the impact of the increased employers' national insurance contributions, income/expenditure related to the Real Living Wage uplift and changes related to the transfer of Community Lifestyles.

The Director of Finance explained that the model then projects forward from the current year budget, based on assumptions around support/housing activity and

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	<u>ACTION</u>
<p>cost/income increases. Having considered this in detail at the meeting the Review group had approved (under delegated authority) the Five-Year Projections for onward submission to the SHR by 31st May 2025.</p>	<u>DF</u>
<p>1.6.2 <u>Housing and Development (14.5.25)</u></p>	
<p>The Director of Housing provided a verbal update of the meeting, which had taken place directly before the Board meeting. It was noted that the Annual Return on the Charter (ARC) was approved by the Review Group, acting under delegated authority from the Board, and that a copy of the ARC would be circulated by email to the full Board for comment and questions, before it was submitted to the Scottish Housing Regulator.</p>	<u>DH</u>
<p>The Board noted that review group had also considered the Housing Strategic Plan which included the identification of a series of objectives and risk analysis, but without a finalised Asset Management Strategy. The Director of Housing confirmed that a finalised full version of the Plan will be presented to the Board meeting in June, as part of an overall package of material to be submitted to the Scottish Housing Regulator by the end of that month, in line with requirements of Key's Engagement Plan.</p>	<u>DH</u>
<p>1.7 <u>AUDIT COMMITTEE – MINUTE OF MEETING (6.5.25)</u></p>	
<p>The Board noted that the annual internal audit report had been presented to the Audit Committee, which included seven audits, three of which had substantial assurance and four of which had reasonable assurance.</p>	
<p>1.8 <u>RISK MANAGEMENT REVIEW</u></p>	
<p>The Board discussed the Risk Management Review for 2025 which analysed the main risks facing Key over the coming years and outlined the actions being taken to mitigate these. It was noted that detailed discussion relating to plans for mitigating the impact of the increase to employers' national insurance contributions and the required investment in systems development would take place in a confidential session later in the meeting.</p>	
<p>The Board acknowledged the significance of the risk landscape and the importance of continued mitigation efforts to address areas of significant risk. It was noted that in most risk areas, the net risk, after risk control and mitigation, remained at an acceptable level.</p>	
<p>The Board also inquired about the potential impact of recent immigration reforms on service provision. The Director of People confirmed that around four staff members are currently employed with visa arrangements and noted that while the immediate impact is limited, these reforms could constrain future recruitment.</p>	
<p>The Board agreed that the risk management plan should be updated to incorporate the points raised as appropriate.</p>	

	<u>ACTION</u>
Finally, the Board noted that the Risk Map for our housing services would be reviewed at the next Housing Development Review Group and would be presented, along with the Group and Support Risk Management plan for approval at the June Board.	<u>CEO</u>
1.9 <u>SHR ENGAGEMENT PLAN</u>	
The Governance Manager spoke to the report, which was noted by the Board. The Engagement Plan published by SHR at the end of March states that Key's regulatory status is "compliant" and Key remains "systemically important" due to the scale of our operations. The SHR has requested various documentation, including 30 year projections, to be submitted to them by the end of June. This will be brought to the Board for approval before submission. The Board noted that the SHR had also sought assurance that we're dealing with the eNICS funding issue.	<u>CEO</u>
1.10 <u>ANNUAL PROCUREMENT REPORT</u>	
The Board noted the report, acknowledging that the procurement activities set out ensure that we meet our legal requirements as an RSL. The two largest procurement exercises to be undertaken later this year relate to repairs and maintenance and occupational health.	
1.11 <u>WRITE-OFF OF NON-RECOVERABLE DEBT</u>	
The Director of Finance spoke to the report, outlining the debtor balances which will inform part of the year-end external audit.	
Noting the circumstances behind each of the debtor cases, and the ongoing attempts to recover debt where possible, the Board approved the write-offs of the non-recoverable debt for Key, as detailed in the report.	
1.12 <u>BOARD GOVERNANCE SESSION (18.6.25)</u>	
The Governance Manager spoke to the report. The Board noted the draft programme for the Governance Session due to be held on 18 June, which would include a review of the collective appraisals from Board members, the annual review of the composition of the Board and an assessment of compliance with the regulatory standards.	
1.13 <u>GOVERNANCE REVIEW – TRANSFER OF LIFESTYLES TO KEY</u>	
The Chief Executive spoke to a final paper on the transfer of Community Lifestyles to Key. She confirmed that the main aspects of the project plan in place to progress the transfer had been completed under delegated authorities provided to the CEO and Directors on the 4 th December 2024. The Board noted that legal support had been provided by Morton Fraser McRoberts who had assisted in producing the documentation and in advising on the sufficiency of all actions to be taken to ensure the Board meet	

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their obligations as directors and charity trustees. This included the actions required to transfer all of Lifestyle's assets, staff and activities to Key, with Key agreeing to meet any liabilities.

The Board further noted the intention for Community Lifestyles to remain registered with Companies House, operating with a smaller board, at least until any residual aspects of the transfer are completed.

The Board, having had sight of the Transfer Agreement and Assignment Agreement, and having heard confirmation of regulatory approval of the Care Inspectorate, and notification to the Office of the Scottish Charity Regulator and the SHR, gave approval for the transfer to take place on 31 May 2025.

The Board congratulated officers on the significant work undertaken to bring the transfer to completion.

The Board noted that Community Lifestyles' Board members not currently on Key's Board were being invited to join. These members would remain in place with Community Lifestyles until after the AGM, with Key's Chairperson to confirm transition plans.

1.14 SYSTEMS DEVELOPMENT

This item was taken in camera and a confidential minute sent to the Board under separate cover.

1.15 ADULT SOCIAL CARE UPLIFT

This item was taken in camera and a confidential minute sent to the Board under separate cover.

2. HOUSING, DEVELOPMENT AND ADMINISTRATION ISSUES

2.1 Bank Mandates

The Board noted the amended bank mandates that were presented.

2.2 Lease agreement

The Board noted the signing of a new lease agreement for offices in Kilmarnock.

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3. AOB

3.1 Pension update

The Director of Finance informed the Board that a pension paper will be brought to the June Board meeting. Employers have been advised of the September 2024 valuation of the overall Scheme deficit and contributions will commence from April 2026.

The Board discussed the possibility of obtaining additional information to clarify the reasons behind the ongoing deficit. The Director of Finance agreed to investigate this further and provide an update at the June meeting.

3.2 Retiral from the Board

Vice Chairperson John Paterson spoke on behalf of the Board to acknowledge the retirement of Rebecca O'Donnell from the Board, and to thank her for her long service of five years.

4. DATE OF NEXT MEETING

The Board will next meet on Wednesday, 18th June 2025.

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