

MINUTE OF MEETING OF KEY BOARD
HELD ON WEDNESDAY, 23 AUGUST 2023

At 6.00 p.m. – in the Square, 70 Renton Street, Glasgow

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PRESENT

John Paterson (Chair)
Jack Crombie
Ann McGuigan
David Meechan
Gillian Anderson
Angus Turner
Rebecca O'Donnell
Musab Hemsli
Paul Hush (online)
Brian Kemsley

IN ATTENDANCE

Andrea Wood (CEO)
Alison Wood (Head of Finance)
Gordon Anderson (Head of Housing, Development
and Corporate Services)
Grace Semple (Head of HR)
Jean Ramsay (Head of Support) (online)
Asa Brooks (Governance, Regulation and Compliance Manager)
Leam MacKeown (Inclusion Manager – Supporting TAG)

1.1 APOLOGIES

The Chairperson welcomed and introduced Brian Kemsley, the new Chairperson of National TAG, to the Board.

Apologies were received from Sheenagh Simpson, Dee Fraser, Dave Le Sage and Karen Jamieson.

1.2 DECLARATIONS OF INTEREST

No interests were declared.

1.3 MINUTE OF PREVIOUS MEETING (21.6.23)

The minute of the meeting of 21 June 2023 was approved.

1.4 MATTERS ARISING

1.4.1 SHR Annual Assurance Visit (old item 1.7)

Chief Executive reminded the Board that the SHR had visited Key as part of a thematic study of how landlords assure themselves about compliance with regulatory requirements before submitting their Annual Assurance Statements. The report on their thematic review has now been published.

The Board noted that the report highlighted the inclusion of people we support on the Board as an area of positive practice. They recognised in particular the support the Inclusion Manager gives our TAG colleagues with Board meetings and papers, including when annual assurance items are being considered by the Board. The report can be circulated to Board members on request.

ACTION

ACTION

1.4.2 Elsie Normington Foundation Update (old item 1.11)

The Board noted the update.

1.5 STAFFING MATTERS

Chief Executive updated the Board on the pay negotiations for 2023/24. She confirmed that she had met with the Union on the 11th July and had agreed that before the next ballot was progressed she would deliver a programme of online briefings for all staff to help people understand the financial picture and provide an opportunity to ask any questions about the pay offer. These briefings had taken place during July with written information being shared thereafter to all staff.

The Board noted that the Chief Executive had met again with the Union in August and had since drafted a joint statement for progressing to ballot. A meeting to discuss this has been arranged for the 31 August and a further update would then be provided.

The Chief Executive reiterated the importance of trying to keep open communication channels with the Union as we navigate through this year's negotiations. The Board acknowledged the difficulties and welcomed the joint work that was taking place to call for better funding on a local and national level.

1.6 FINANCIAL REPORT 2022/23 (P)

1.6.1 Annual Accounts for Year to 31.3.23

Head 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.

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.

1.6.2 Letter of Representation

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 2023.

ACTION

1.6.3 Audit Management Report

Head 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 31.03.23, 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 2022/23 Overall Review

Head of Finance spoke to a presentation on Key's financial performance for the year ending 31.03.23, 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 AUDIT COMMITTEE

1.7.1 Minute of Meeting (8.8.23)

The minute of the Audit Committee meeting of 8 August 2023 was noted.

1.7.2 Audit Committee Report

The Board received with approval the annual report from the Audit Committee for the year ending 31 March 2023, 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: staff recruitment and retention, health & safety, care and support income management, staff development, planned and cyclical maintenance and cyber security, 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 2023 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 31.3.24

The Board approved a proposal to appoint Azets Audit Services as external auditor. This is the second year of a three year contract running until 31 March 2025, with the option to extend further to years ending 31 March 2026 and 2027. Head of Finance informed the Board that extension would typically be the preferred option if the contract is operating well for both parties.

ACTION

1.8 AGM ARRANGEMENTS - UPDATE

Governance Manager spoke to the report on preparations for the AGM to be held as an in-person meeting on Wednesday 13 September 2023 (with an option for online attendance).

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 agreed to hold a short Board meeting immediately after the AGM, to elect office bearers.

1.9 SECRETARY'S REPORT UNDER RULE 68

Noted with approval by the Board.

1.10 ISSUES ARISING FROM BOARD APPRAISALS

The Board discussed whether some external support would be beneficial in the area of managing risk to the organisation and agreed that the Chief Executive will explore this further, making use of relevant professionals in order to do that.

In addition, the Board would like to spend more time having a detailed look at the risk management plan and register the next time these are being reported.

1.11 NOTE OF GOVERNANCE SESSION (21.6.23)

Chief Executive presented the report on the proceedings of the Board Governance Session held on 21.06.23, which was noted by the Board.

The Board confirmed that the review of the composition of the Board was very reassuring – with members having wide and varied professional experience of different business areas.

1.12 SHR REGULATORY FRAMEWORK CONSULTATION

Head of Housing advised the Board that officers have provided a written response to the Scottish Housing Regulator's short consultation paper. This had been issued by the Regulator as part of its review of the Regulatory Framework.

Key's response was provided to and noted by the Board.

CEO

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1.13 REVIEW GROUPS

1.13.1 Finance (8.8.23)

Head of Finance spoke to the report which was noted by the Board.

1.14 MODERN SLAVERY STATEMENT

Head of Human Resources spoke to the report which was approved by the Board, and will be published on our website.

2. COMMUNITY LIFESTYLES

2.1 Directors' Meeting (15.8.23)

The minute of the Directors' meeting held on 15.08.23 was noted.

2.2 Annual Accounts to 31.3.23

The Board approved the Annual Accounts for Community Lifestyles Ltd for the year to 31 March 2023. These had been considered and approved by the Directors and will now be submitted to the AGM of Community Lifestyles being held on 5 September 2023.

2.3 Key Representative to Lifestyles' AGM (5.9.23)

Members noted that the AGM of Community Lifestyles Ltd would be held on the evening of 5 September 2023. 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. It was observed that in practice Key's elected Chairperson would normally take on this role. As Sheenagh Simpson was absent from the present meeting, the Chief Executive agreed to contact her to ask if she would attend.

CEO

3. KHA Development Ltd

3.1 Directors' Meeting (23.8.23)

The Board heard that the KHA Development Directors had been unable to arrange their meeting and therefore a minute could not be presented as anticipated. However, the meeting would be arranged for before Key's AGM and the minute will be presented at the October Board meeting.

3.2 Annual Accounts to 31.3.23

The Board deferred its approval of the Annual Accounts for KHA Developments Ltd until the Directors had met.

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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 2023.

4. QUARTERLY REPORTS

Noted by the Board.

5. HOUSING, DEVELOPMENT AND ADMINISTRATION ISSUES

The Board provided in principle agreement to Key purchasing the property in Annan, using grant funding from the Scottish Government as well as self-financing the balance from reserves.

The Board also provided delegated authority to the Chief Executive and Head of Housing to conclude final details of the purchase within the parameters set out in the report.

6. AOB

Chief Executive informed the Board that the Head of Housing had become a Board member of another Housing Association.

7. DATE OF NEXT MEETING

The Board will next meet on Wednesday, 13 September 2023.