



**MEETING of the
GOVERNING BODY OF
SCOTTISH VETERANS RESIDENCES
at Whitefoord House, Edinburgh, Friday 13 December 2019**

Record of Decisions

Present: George Lowder MBE, Chair
Jonathan Tweedie, Vice Chair (VC)
Rev Neil N Gardner (NG)
Richard Edlmann (RE)
Troy Johnson (TAJ)
Clive Masson (CM)

In attendance: Jeremy Chittleburgh, Treasurer (JC)
George Corbett (DCEO)
Susie Hamilton, Head of External Relations (HER)
Martin Nadin OBE, Chief Executive (CEO)
Susan Duthie, Company Secretary (Minutes) (CS)

Apologies: Lt Cdr Keith Conway, RD RNR (KC)
Maj Roddy Laing (RL)
Sqn Ldr Derek Morrison (DM)
Sue Bomphray (SB)
Tony Jones (TJ)
Iain Lindsay, representing MNWB (IL)
Pippa Shields (PS)

	Subject	Raised by	Additional Documents	Decision
1	Chairman's Introduction	Chairman		
	The Chairman thanked everyone for attending.			
2	Apologies	CS		
	As noted above.			
3	Previous Minutes	CS		Accepted
3.1	Minutes of the Governing Body Meeting of SVR held on 6 Sep 19 were reviewed. There were no matters arising.			
3.2	Minutes accepted: Proposed by: N Gardner Seconded by: R Edlmann			

4	Action Log			Approved
	<p>Actions:</p> <p>50. The merger is complete with the exception of <i>SVR Exitus</i> being struck off the Companies House Register. As is normal practice, Companies House has sought objections to removal from the Register over the next 2 months. If none received we will be able to request that OSCR strikes <i>SVR Exitus</i> off the charity register. CEO will update the Constitution following publication of new SFHA Model Rules 2019. New rules are expected to be published early 2020. c/f</p> <p>55. Risk Management See serial 9 c/f</p> <p>56. Whitefoord House dining room was re-opened by the Lord Provost for City of Edinburgh on 11 Dec 19. Chairman thanked the team for the hard work that went into a successful refurbishment. Also thanks to HER for an excellent launch event and photo exhibition. Action closed.</p> <p>57. Rosendael Lodge See 7.4 c/f</p> <p>58. The Art Clubs have not engaged in the design of blazer badges. Decision to close this action and it can be re-opened if required.</p> <p>63. Bowling Green See 7.6 c/f</p> <p>65. Annual Assurance Statement now published along with the Action Plan. Now falls under BAU. Action closed.</p> <p>66. Service updates, c/f.</p>			
5	Sub-Committee Reports	Chairs		
5.1	<p>All of the Sub-Committees have now met at least once.</p> <p>Audit & Risk Committee No update - next meeting 13 Jan 20.</p> <p>5.2 Quality Committee No update - next meeting 4 Feb 20.</p> <p>5.3 Investment, Finance & Remuneration Committee met on the 28 Nov 19 prior to the GB meeting. (Minutes circulated separately).</p> <p>5.31 It had been agreed out of committee, for the CEO to move the Bellrock Close woodwork section of the Art Club and lease a new site for the equipment. HER has received the lease from the solicitors today. The equipment can remain at Erskine until the lease is agreed and signed in the New Year.</p> <p>5.32 Staff Remuneration Previous challenges had led to the need for a wider review of pay and banding. The CEO had reviewed the pay scales with MagentaHR. He reported that generally SVR employees are paid slightly above the market rates for similar external roles but noted that 4 employees are paid below, and 6 employees are paid at a rate significantly higher than comparable market rates. Regularising the ranges would balance remuneration with a competitive offer against the market rate, and provide progressive, hierarchical, salary ranges that acknowledge required competencies</p>			

	<p>and breadth of responsibility. As well as a consistent and fair approach to salary setting across SVR, going forward. Chairman added there would be further individual discussions with the 6 employees, but that this work had been overdue and we now had a coherent salary structure for the organisation. CEO also recommended that those currently being paid the Real Living Wage should receive the 'nationally-agreed' recommended increase to £9.30 per hour wef 1 Jan 20. VC asked if there had been any feedback to the proposed bandings. CEO and Chairman confirmed they had received feedback from some of the 6 affected staff and this required further discussions. CS confirmed that due to the number of employees SVR does not require a gender pay gap analysis, but one had been carried out and shown no issues.</p> <ul style="list-style-type: none"> ▪ Recommendations from the IRFC: <ul style="list-style-type: none"> ○ A 2.5% increase for staff within the proposed salary ranges. ○ An annual increase of £500 (equivalent to 2.8%) for the member of staff who is below the relevant band minimum. ○ Conformity with the National Living Wage increase from £9.00 per hour to £9.30 per hour. ○ No salary reductions. ○ To take effect from 1 Jan 20. <p>It is proposed that the above recommendations are accepted (with the exception of the 6 ongoing discussions).</p> <p>Decision: Proposals Approved Chairman added that a pay agreement for longer than one year was considered, but decided to keep with the one year at this time. Discussions are to be held earlier in the year in 2020.</p>
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6	Treasurer's Report	Treasurer	Mgt Accts Draft Budget 2020	
6.1	Overview	The accounts at the 9 month point showed a healthy income, although the void levels have been rising especially in Whitefoord House.		
6.2	Budget	Chairman commended the proposed budget for approval.		
6.21		The Treasurer has added an additional 3 lines of budget after the IRFC discussion. These are: <ul style="list-style-type: none"> • Commission a Sustainability Review of SVR and its environmental impact to inform measures the organisation may be able to undertake to reduce emissions. • Tender for an Internal Audit Service to deliver 10 – 15 days annual activity. • Commission an independent review of Bellrock Close (structure, service provision and outcomes). 		
6.22	Sustainability	was raised at the IRFC as the City of Edinburgh Council (CEC) has set a target to be a carbon neutral city by 2030 (other cities in Scotland by 2045). SVR has not looked at this systemically across the organisation and it would be necessary to do so. Whilst Bellrock Close is a relatively new and therefore a more efficient building, we will need to bring in specialist advice to see what is possible to improve sustainability across Whitefoord House and Rosendael.		
6.23	Internal Audit	It is intended to continue peer to peer internal review however it was felt that		

	<p>providing an independent internal audit service would provide the Governing Body with better assurance and allow members to make informed judgements regarding the assurance statements they are required to submit to regulators.</p>			
6.24	<p>Bellrock Close Review It was acknowledged this was overdue as the original business plan anticipated Bellrock Close breaking even/becoming profitable after 3 years. It is still loss-making. A review is required to avoid perpetuating further losses and confirm is delivery model is effective and efficient.</p>			
6.25	<p>The Chairman opened up the discussion to those present.</p>			
6.26	<p>JC added that this year is the first year of a combined budget for the merged organisation. Whilst the operating costs are currently in deficit, SVR benefits from investment income, which is why a surplus is forecast in the budget. The YTD quarterly Management Accounts were also better than budget, driven mainly by income that wasn't originally included because receipt wasn't guaranteed (CEC commissioned Veterans' Accommodation Service).</p>			
6.27	<p>Catering expenditure was higher than budgeted. It was expected that the appointment early in 2020 of a Chef Manager will help, as 50% of their time will be on managing both kitchens and 50% will be on delivery. It is planned to combine the buying power of the 2 kitchens which should provide better Value for Money.</p>			
6.28	<p>Also rent recovery was identified as a focus for the managers in order to stay close to the budget.</p>			
6.29	<p>With the above adjustments there will still be a budgeted surplus of £124K.</p>			
6.30	<p>CEO acknowledged that there had been greater than expected reactive maintenance costs at WFH. Partly due to the higher turnover and residents not maintaining their rooms as expected. SVR has not had a mechanism for re-charging for damage, this will be brought into place to partially mitigate against the increased maintenance costs.</p>			
6.31	<p>Chairman asked for confirmation that there is a process for taking on and check in out of rooms. DCEO confirmed that the state of the room is noted on arrival/departure. Occupancy agreement clearly states the conditions and that any damage can be re-charged, also how to report faults. There are also monthly and quarterly checks. VC raised the fact that it might be divisive to have room inspections and that some will not be able to afford additional charges.</p>			
6.32	<p>Chairman queried allowing smoking in rooms and asked if this policy should be reviewed. The rooms are their home and personal space and therefore they are allowed to smoke in their room. Also residents can bring their dogs. DCEO added assurance that a brand new fire detection system has just been installed with fire detectors in every room.</p> <p>Decision: Proposal to accept the draft budget 2020 - Approved</p> <p>Action: CEO to speak to Whitefoord House Manager to discuss smokers and if the policy is still fit for purpose.</p>			
7	Chief Executive's Report	CEO	Reports	Actions
7.1	SVR Business Plan 2020			

	<p>CEO described that the format follows SHR's recommended practice. It reinforces the charity's strategy and confirms the strategic objectives for 2020. Describes the why, what and how to achieve them with a proposed measure of effect and targets. Additional policy work will follow on such as an asset management plan and strategy. Also a tenant and resident engagement plan and strategy will follow. The plan will be iterative and revisited annually with a major review after 3 years. The 2020 budget will be included as an Annex to the Business Plan with a financial summary prefacing the detailed budget.</p>
7.12	<p>CEO would cross-reference the plan post the adoption of the budget. This provides additional evidence to the SHR within our Assurance Statement.</p>
7.13	<p>Chairman - Business plan flows from the strategy, now in a logical sequence. The CEO and the Treasurer were thanked for the work involved to bring it to this stage.</p>
7.14	<p>Digital Transformation and carbon reduction targets have been recognised since the strategy day in March and they have been added.</p>
7.15	<p>CM asked who the typical reader was and would they engage. CEO suggested our regulation managers at the Scottish Housing Regulator (SHR) would. It is also for the wider delivery team within the organisation. It will be circulated after approval and will evolve after future feedback. It will be published under the Freedom of Information regulation.</p>
7.16	<p>Notwithstanding that there are some post budget details to be updated on the plan to bring it fully in line with what has been agreed, it was put to the governing body to approve and endorse the Business Plan.</p> <p>Decision: Business Plan approved</p>
7.2	<p>Staff Remuneration See also previous comments in 5.32. CM asked if there can still be discretionary pay authorised on top of the bands. Chairman talked about recognition and reward and that it was decided against introducing performance related pay. Salary levels have to be set correctly. Those staff that have taken on additional responsibility have been additionally rewarded for those responsibilities. Additional remuneration will be approved in advance, we have the flexibility to do this. The organisation is moving away from multiple individual awards to coherent salary ranges across the organisation.</p>
7.3	<p>An annual 'performance recognition' award was also discussed by the IRFC but its design requires employee consultation prior to formal proposal. CM commented that it might be worth paying more if there was a retention problem. Recruitment costs can be reduced by use of online tools such as LinkedIn and use a recruitment agency for senior positions or if there is a recruitment challenge for a particular role.</p> <p>Decision: Proposed salary ranges to be adopted</p>
7.3	<p>Schemes of Delegation Recommended by the IRFC for adoption.</p> <p>Scheme of Delegation to Office Bearers, Sub-committee Chairs & CEO, and CEO's Scheme of Delegation to Senior Management Team Decision: Both adopted</p>
7.4	<p>Rosendael Lodge CEO updated that DCEO had arranged a meeting with RE and the architect to go through the quote for the conversion. This was reviewed from the initial estimate of £199k down to £167k which includes a contingency of 15%. A QS has also reviewed</p>

	<p>the quotation and confirmed it as realistic. Chairman asked if the Governing Body was content to pay this sum for 3 self-contained bed-sits. He repeated the options previously discussed: to sell it; rent it to serving personnel or rent as a mid-market rental, with the over-riding desire to retain control over the property and use it to meet the organisation's purposes. The residence managers are keen to have this as an additional resource for 'moving-on accommodation', for all locations not just Rosendael, as well as adding to the total number of veterans that we can accommodate. JC added that it will bring in income (with a return higher than the bank account) and the property will be used rather than lie empty. VC agreed that the proposal is in line with our values and mission and is an efficient use of our resources.</p> <p>Decision: Conversion of the Rosendael Lodge into 3 self-contained flats Approved (subject to receipt of planning permission).</p>
7.5	CEO Report Key Points
7.51	There has been a pick-up in occupancy over the quarter. A number of rooms are being refurbished.
7.52	The Adventurous Training week in Gulabain continues to be well-received. It has previously been funded by the Royal Caledonian Trust (RCT). The RCT invited SVR to a reception at Archers' Hall with HRH Princess Royal. Other visits included CEO briefing the Aberdeenshire Council Veterans' Group.
7.53	Minister for Veterans delivered his annual brief to the Scottish Parliament last week, which included mental health and bespoke support for veterans.
7.54	CEO will brief the Highland Council on 17 Jan 20, to help raise awareness of SVR's services and their availability.
7.55	The Lord Provost of Edinburgh opened the refurbished dining-room on Wed 11 Dec. The event was a great success and made most of the PR opportunity to raise awareness. MSPs Gordon Lindhurst and Jeremy Balfour and local councillors attended.
7.56	The Chairman recognised that we can never be complacent about communication efforts both within and out with the services. Targeted communications and our engagement strategy must continue to support the organisation and help to raise awareness. Everyone in both the Executive and the Governing Body are encouraged to develop engagement.
7.57	NG asked if there is a process to automatically invite the new Commander of 51 st Infantry Brigade, General Officer Scotland and other similar new key appointees such as FOSNI (Flag Officer Scotland and Northern Ireland). Chairman and CEO to consider the best vehicles for engagement with the serving Armed Forces.
7.6	<p>Whitefoord House Bowling Green Development</p> <p>A pre-application is being drafted by Andrew Munnis of Montagu Evans to progress this with CEC. There will be an initial cost of £200, thereafter a cost of approx £4k to get to the formal final decision stage. If and when planning is approved, the development strategy can be agreed, i.e. whether low-key with local expertise, such as the Edinburgh Botanic Gardens, military gardeners such as Chelsea, or a higher-profile approach through a celebrity gardener, which could increase the PR. Appropriate local stakeholders to be kept informed of progress.</p>
7.7	<p>Digitalisation</p>

	<p>High level review of IT/telcon infrastructure. Rosendael's IT/Telephony is beyond being supported. Any subsequent line issues will be rectified through diversion rather than repair. Options being looked at regards replacement of cabling which will also take account of future proofing the needs of the service under digitalisation. Funding CapEx/OpEx contract level will be decided on the best basis. There is initial work being undertaken with our existing telcon provider and with their IT partner to quote for the different option levels, these will be reviewed and brought back to the next meeting.</p> <p>Decision: CEO to take the steps necessary to upgrade the IT/Telephony infrastructure at Rosendael.</p>			
7.8	<p>DCEO Report Fire Alarm systems have been replaced in both Whitefoord and Rosendael and are working well. Also a new warden call system has been installed in Rosendael and will be installed in Whitefoord House this month. This provides a modernised system of communication between staff and residents and additional safety features.</p>			
7.81	<p>Rent increases have been submitted to the local authorities. CEO had requested approval from the Governing Body to freeze the rents on the mainstream properties. We are currently operating at slightly higher levels than sector comparators. This has been taken into account in the budget.</p> <p>Decision: Approved</p>			
7.9	<p>Head of External Relations Report The last donation for Whitefoord house dining room project has been received from the Queensberry House Trust for £16k.</p> <p>The application to the Covenant's Positive Pathways was not successful due to over subscription and has been re-submitted with news in Feb.</p> <p>The BBC filmed a piece on the photo exhibition in Whitefoord House on Tuesday 10 Dec, still to be broadcast on 'The Nine' Programme.</p>			
8	House Committee Reports	Various		
8.1	<p>Bellrock Close - CEO No issues to report. CEO will advise SB of upcoming review.</p>			
8.2	<p>Rosendael – CM No issues in the residence.</p>			
8.3	<p>Whitefoord – NG Several residents were at the re-opening event for the dining-room. Chairman has potential veteran interested in helping on the House Committee.</p>			
9	Strategic Risk Register	CEO		Approved
9.1	<p>Chairman asked for thoughts on the new Risk Register format. He felt that post mitigation treatment, the risk should be re-scored for impact and likelihood. The Risk Register has been amended to show the current risk against the target risk tolerance level. Further amendments to be made to show the score left for the residual risk or target risk after all the actions are carried out and move the Target Risk column to right hand side as the final column. Despite a mitigation plan we have not changed the risk which infers that the mitigations are not working. Also</p>			

9.2	show a trending arrow for progress. RE added that O365 has a risk framework to do this, TAJ added that you need to input your risk definition framework first.			
9.3	CEO stated he was negotiating risk management training with an external provider. Chairman highlighted the available expertise around the table.			
	It was noted that reputational risk was not recorded on the Register. CEO added that it is a reactive list and there are additional inherent risks in the background which are still being identified. There is also an operational risk register and the intention is for Residence managers to own their own operational register. It was confirmed that the Audit and Risk Committee own both the strategic and operational risk registers. JC added that the external internal audit function should help with advice as part of their remit.			
10	KPIs	CEO		
	BIA improving existing pack, adding in trends. Corporate dashboard with digitalisation will enable bespoke dashboards.			
11	Service Updates	Various		
11.1	Royal Navy - KC No update. KC has now left post and will be removed from our governing body register. Action: CEO to speak to FOSNI to seek replacement RN representative.			
11.2	Army – RL No update			
11.3	Royal Air Force – CS Report summary that Mental Health First Aid will continue and will be a complimentary activity to Thriving at Work which is being developed to be rolled out across the RAF next year.			
11.4	Merchant Navy – IL No update			
12	AOB			
12.1	Staff Team Building Weekend CEO proposed that 12 -15 members of staff are taken on an Adventure Training weekend using the Gulabain facility. This would be a team building exercise for a proportion of staff, including managers, across the houses. Approval in principal and a budget of £1,500 was requested to facilitate this exercise. Decision: Approved in principal. Chair would like to see more work on who is going, when and the targeted outcomes expected. Also that such an exercise should cover each team in order to ensure the continuity of message, therefore suggested that 5 events would be required to include each team and leave enough cover. It should be on a voluntary basis. This would mean a total budget of £7,500. Chair suggested that each attendee make a small personal contribution. CM suggested that weekdays as well as weekends are considered for inclusion. CEO has gathered feedback so far that a weekend is suitable. CEO suggested run it once as a pilot.			
12.2	Dining-Room project recognition After the successful re-opening of the Dining room, CEO would like to recognise the additional efforts of the kitchen staff to keep the service going at a high standard during that period of interruption. CEO requested an award of a £50 voucher each for the 6 team members. Chairman asked if anyone else has gone above and beyond and is deserving of a similar reward.			

	<p>Action: CEO to ask the Residence Managers if any of their team merits a £50 reward voucher.</p> <p>There was no other business and the meeting was concluded.</p>
	<p>DONM – Friday, 6 Mar 20, 14.00 – 16.00, Whitefoord House, Edinburgh.</p>