



**MEETING of the  
GOVERNING BODY OF  
SCOTTISH VETERANS' RESIDENCES  
On MS Teams, Friday 26 June 2020**

**Record of Decisions**

**Present:** George Lowder MBE, Chairman  
Jonathan Tweedie, Vice Chair (VC)  
Maj Roddy Laing (RL)  
Sqn Ldr Derek Morrison (DM)  
Rev Neil N Gardner (NG)  
Sue Bomphray (SB)  
Richard Edlmann (RE)  
Tony Jones (TJ)  
Clive Masson (CM)  
Pippa Shields (PS)

**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:** Troy Johnson (TAJ)  
Iain Lindsay (IL)

	<b>Subject</b>	<b>Raised by</b>	<b>Additional Documents</b>	<b>Decision</b>
<b>1</b>	<b>Chairman's Introduction</b>	<b>Chairman</b>		
	The Chairman thanked everyone for attending.			
<b>2</b>	<b>Apologies</b>	<b>SD</b>		
	As noted above.			
<b>3</b>	<b>Previous Minutes</b>	<b>SD</b>		<b>Accepted</b>
3.1	Minutes of the Governing Body Meeting of SVR held on 6 Mar 20 were reviewed. There were no matters arising.			
3.2	Minutes accepted: Proposed by: P Shields Seconded by: R Edlmann			

<b>4</b>	<b>Action Log</b>			<b>Approved</b>
	<p><b>Actions:</b></p> <p>55. Risk Management Training to be arranged when lifting of lockdown restrictions permits. c/f.</p> <p>63. Whitefoord House Bowling Green redevelopment – City of Edinburgh Council has not raised any objections verbally. Written report received, next stage is to explore expert advice and host site visits. This will continue when lockdown restrictions have lifted sufficiently. Accurate costing is still to be determined, which must be appropriate and provide good value for money. Chairman suggested writing to celebrity gardeners concurrently to the cost estimate and design planning, who may be able to provide useful input. CM suggested approaching colleges with horticulture/landscape courses such as the SRUC, as they too could be a source of design and advice.</p> <p>66. Service updates, c/f.</p> <p>68. CEO has written to FOSNI, awaiting reply. c/f</p> <p>70. See serial 8</p>			
<b>5</b>	<b>COVID-19 Update</b>	<b>CEO</b>	<b>Paper</b>	
	<p>CEO presented a paper to inform the Governing Body of the actions taken during the pandemic.</p> <p>Additional costs of £59k over the forecast budget had so far been incurred on COVID-19 related activity (IT equipment to facilitate home working, additional cleaning and catering staff, and preventative virucidal cleaning by a commercial provider). HER had been successful in bidding for grants specifically to help cover these costs (£65k had been received from the Scottish Government's COVID-19 Wellbeing Fund and £3.5k from the Scottish Veterans Fund).</p> <p>SHR had requested additional monthly reporting in support of its duty to inform the Scottish Government, to be able to inform about the effects on service provision within the social housing sector. SVR comparison with the sector for April and May was included in the briefing note. SVR has fared better than much of the sector. Highlighted statistics:  Workforce off sick: SVR at 1.7% versus sector mean of 3.7%.  Staff on furlough: SVR at 3.4% versus sector mean of 13.6%.  Gross rent arrears: SVR at 2.61% versus sector mean of 4.65%.</p> <p>Chairman asked about bids for any other grants. HER advised that there are smaller specific grants available that are related to COVID-19 support. Currently waiting on the response from Barclays for £100k bid, which if successful must be spent over the next 3-6 months, which would cover the predicted additional expenditure. If not successful, further bids will be made elsewhere. Chairman stated that he believed additional costs will endure as the country comes out of lockdown and there will be an increase in cases of hardship for which we should plan and be prepared to support.</p>			
<b>6</b>	<b>Sub-Committee Reports</b>	<b>Chairs</b>	<b>Minutes</b>	<b>Approved</b>
6.1	<b>Audit &amp; Risk Committee</b>			

6.1.1	<p>TJ advised that the committee met on 27 Apr 20. The auditor reported a clean audit and, on that basis, had recommended that the Chairman sign off the audited annual accounts, on behalf of the Governing Body.</p>			
6.1.2	<p>CEO was to put the Internal Audit Service out to tender and advertise, however this had been paused during the lockdown. It will be advertised but CEO will wait until the sector has opened. Chairman added that once the internal audit function is in place, together with the annual external audit function, we will have a robust system of assurance.</p>			
6.2	<p><b>Quality Committee</b> No update. Last meeting held 4 Feb 20. Next meeting 10 Nov 20.</p>			
6.3	<p><b>Investment, Remuneration &amp; Finance Committee</b> No update. Last meeting held 10 Feb 20. Next Meeting 14 Aug 20.</p>			
<b>7</b>	<b>Treasurer's Report</b>	<b>Treasurer</b>	<b>Annual Accts Q1 Mgt Accts</b>	<b>Approved</b>
7.1	<p><b>Annual Accounts</b> The statutory Accounts and Audit report for 2019 had been approved by the Audit &amp; Risk Committee and recommended to the Governing Body for approval. The audit report was unqualified. The accounts for 2019 reflect the merging of SVR and SVHA and the transfer of £5m assets from SVR the charity, to SVR the Housing Association, strengthening the balance sheet from £11.8m to £17.4m. Cashflow continues to be good. Extra disclosure in relation to the response to COVID-19 was added to the accounts as it was a significant post balance sheet event. The Governing Body is asked to approve the audited annual accounts on the basis of the organisation being commercially viable for at least 12 months. The organisation continues to be cash generative and sustainable as a going concern. An additional £100k cash outlay has been included in the cashflow for COVID-19 costs, however some of that will be offset by grants received for that purpose.</p> <p>VC asked if we would need to draw down funds from the investment portfolio over the next 18 months. VC advised that the equities market had calmed down. JC – Housing Associations, with most of their income derived from Universal Credit, are more financially secure than others in the Third Sector. The forecast cashflow to December 2021 shows the lowest balance at £800k. JC content that enough cash is available and it is unlikely to have to draw from the investment portfolio.</p> <p><b>Decision: 2019 Audited Annual Accounts Approved</b> Proposed: J Tweedie Seconded: R Edlmann It was also agreed that the Chairman sign the Letter of Representation on behalf of SVR to RSM.</p>			
7.2	<p>RSM have been the external auditor for 3 years. The Audit &amp; Risk Committee recommended that RSM be retained for the 2021 audit but thereafter a review of the market should be made in advance of the 2022 audit.</p>			
7.3	<p><b>Quarterly accounts</b> The management accounts for the 3-month period to end of Mar 20 were presented. The management accounts show a reasonably positive result. The Bellrock Close service continues to lose money (a loss of £24k in the first quarter). When the financial markets collapsed at the end of March there was an unrealised loss of £1.2m, however that has recovered. The rest of the accounts are reasonably in line with the budget forecast.</p>			

7.31	<p>Chairman asked CEO for the progress being made on the review of Bellrock. CEO confirmed that there are 2 consultants who are waiting to submit tenders but the process had been paused during the pandemic. CEO does not think they will be able to carry out site visits until Phase 4 of the Route map out of lockdown. Chairman concerned that we will have another quarter in which a loss is incurred. He asked that they submit their tenders soon with the start date asap then they will be ready to start as soon as restrictions are lifted. This enables the procurement part to be completed. SB was content with that approach and added that some of the documentation and desktop analysis could be done remotely.</p>			
7.32	<p>JC asked VC for an update on the Investment Portfolio. VC explained that the loss of £1.2m in the investment portfolio in March reflected the global collapse in the equity market as we entered the pandemic. Businesses had zero revenues and the markets off-loaded risk. If SVR was to liquidate part of the portfolio it would need 2 years, therefore it was decided by VC with the Governing Body members not to liquidate assets but to wait for the markets to return to value on the basis of future and not current earnings. There has subsequently been a strong recovery with businesses looking forward to receiving revenues again. Retail and Commercial property sectors continue to struggle, although our exposure is limited in these sectors. SVR's investment strategy will need to adapt to the changed landscape and means of valuing equities. VC has the action from the IRF Committee to produce the new Investment Policy and seek approval before the next meeting of the IRF.</p> <p>Any future investments should consider the strength of a potential investment's environmental impact and social responsibility VC judged it likely that corporate focus will move from purely corporate profit to sustainability.</p> <p>VC added that whilst the portfolio value may have dropped 20% at its peak, it is now around 5% down and is recovering and this is reassuring and positive. This has been well ahead of the markets which dropped around 30%.</p>			
7.33	<p>CEO asked if the proposed light touch review of the Strategy now needed a more detailed approach. VC agreed that it should be more detailed. Chairman added that sequencing needs to be observed with the revised investment position first then the investment policy which will help with the overriding objectives, philosophy and values.</p>			
<b>8</b>	<b>Model Rules</b>	<b>CEO</b>	<b>Copy of Rules Objects Brief</b>	<b>Approved</b>
<p>A copy of the SFHA Charitable Model Rules (Scotland) 2020 had been shared with the Governing Body. It had been highlighted to show the changes that would be adopted within the updated rules.</p> <p>SVR's current Constitution is based on the 2003 Rules and there have been several versions produced by SFHA since then.</p> <p>Any changes to the proposed rules would have to be submitted to, and approved by, OSCR. The approved version will be brought back to the Governing Body for approval at a Special General Meeting.</p> <p>CEO referred to his paper which states the current objects which are out of date as they refer to the situation that existed when they were written in 2003. The suggested new wording is based on our mission statement as defined in our strategy in 2019. The principal changes include removing the reference to providing care as SVR is no longer registered with the Care Inspectorate as a care provider.</p> <p>OSCR will want assurance that our beneficiary group is of sufficient size to be justifiable. Reference to spouses and immediate family members has been removed and the beneficiaries will be the UK Veteran population. This still provides a significant beneficiary group with approximately 2.4m Veterans.</p>				

<p>Chairman asked if anything might change from our review of the strategy that may affect our objects. CEO confirmed it to be unlikely. He believes that the beneficiary population is likely to be consistent, there may be a spike immediately following COVID-19.</p> <p><b>Decision: The changes to the wording of the objects were accepted. It was Agreed to seek approval from OSCR to the changes submitted to the Objects Decision The proposal to accept to update the constitution from the Model Rules 2003 to the Model Rules 2020 were accepted.</b></p> <p><b>ACTION: CS to complete paperwork to submit changes to OSCR.</b></p> <p>CS added that this discussion is in preparation for the final approval by the Membership at a Special General Meeting. Approval of Objects and the Constitution can only be approved at the SGM.</p>				
<b>9</b>	<b>Annual Return on the Charter</b>	<b>Company Sec</b>	<b>ARC return</b>	<b>Approved</b>
9.1	<p>CS referred to some key facts in the return. The customer survey was started by an external research company, but the arrival of COVID-19 meant that the survey had had to be paused. It will resume in the autumn and the results used for the 2021 return. Customer survey is required every 3 years and therefore last years' results were available to be used again.</p>			
9.2	<p>Summary shows similar statistics for repairs to previous years. Quality of housing stock remains very high.</p>			
9.3	<p>Staff sickness rose from 3% to 6%, however this included 3 staff on long-term sick leave (2 for the full year) and they have since left. It is expected next year will be more reflective of the organisation.</p>			
9.4	<p>Complaints have taken longer than the SPSO standard of 20 days. There have been difficulties in meeting parties involved due to long-term sickness and other logistical issues. They have all now been completed. Complaints will be added as a standing item to the Quality Committee agenda for further scrutiny and governance. Progress will be able to be monitored in real time, once DTP rolls out the ability to use SharePoint.</p>			
9.5	<p>Net rent arrears have reduced from 2.7% to 1.8%.</p>			
9.6	<p>This report includes the EESSH Report that has previously been a separate document. It is now included, and Governing Body members are aware that approving the ARC also approves the EESSH at the same time.</p>			
9.7	<p><b>Decision: Proposal to submit the Annual return on the Charter to SHR approved.</b></p>			
<b>10</b>	<b>Chief Executive's Report</b>	<b>CEO</b>	<b>Reports</b>	<b>Actions</b>
10.1	<p><b>Annual Assurance Statement to SHR</b>  CEO reported that the areas of non-compliance on the action list have been reduced. With the changes to the Constitution progressing, 2 areas of non-compliance remain. The Tenant Engagement Policy and the Governing Body Succession Policy are being drafted and once published the list will have been fully actioned.</p>			
10.2	<p><b>DCEO</b>  Surveyors are starting to return to work and will be able to carry the external condition survey. Internal condition survey will be unable to be undertaken until Phase 4 of the COVID-19 route map.</p>			
10.21	<p>Planning permission has been received to convert the Rosendael Lodge from a 4-bedroom house to three one-bedroom flats. The architect is now applying for the</p>			

	<p>building warrant. Environmental and EESSH2 considerations are being examined whilst the building is empty to best future proof it during the renovation. Staff could still be accommodated in it if that was required in an emergency, prior to conversion work commencing.</p>
10.22	Bathroom and window repairs due to be reviewed at part of the condition survey at Whitefoord House will be refreshed after the lockdown has been lifted.
10.23	Updated advice on the requirement to have new fire alarms fitted by Feb 21 is expected from the Scottish Government.
10.24	Emergency service repairs and compliance checks are still being carried out and are up to date.
10.24	Some concern over viability of sub-contractors after the pandemic. Reliance on maintenance officers just now with a backlog building up of non-emergency repairs. SHRG (Scottish Housing Resilience Group) have issued guidance notes on re-starting services and will issue further advice.
	<p><b>Head of External Relations</b></p>
10.3	Funding covered in serial 5.
10.31	The draft annual report is to be proofed. A visual was shown with photography for the dining room project used for the front cover. This year it will be printed in an A4 format with refreshed font and infographic. Two very strong case studies included as well as a piece on the dining room project and other activities during the year. Still to be proofed then sent out for final approval. Normally there is a print run of 1,000 and we distribute in hard copy. HER asked if the Governing Body still wanted this many hard copies in the current situation when less people will be at their businesses to receive them. We can also distribute electronically but that should be balanced with fewer readers of electronic versions of publications. HER suggested still sending hard copies to Veterans Champions and a smaller group, with the balance to receive the annual report by e-mail. Chairman asked what the minimum print run was. HER confirmed that it could be as few as 100 with the cost per copy being higher which reduces with the volume ordered. Agreed that HER should continue to order a smaller amount for personal copies and send electronically to the wider group. This will be a cost-saving.
10.32	
10.33	<p>Two SVR advertisements are currently on display in response to an offer of free advertising on digital boards. The marketing assets were created for the boards and 2 video case studies have also been created and shared in a social media campaign. This has resulted in a huge increase in visits to our website. HER is able to share a detailed report of the relevant metrics. There is potential to run another social media campaign around VJ Day or in the autumn. HER showed one of the case stories videos.</p> <p>Chairman thanked HER for her work on the marketing and looked forward to hearing the outcomes.</p> <p>HER added that there is an option to produce a 30 second tv advert using the same animations. STV are currently offering to provide matched spending, e.g. for a 2 week run costing £20k, STV would match our £10k with a further £10k.</p> <p>Chairman asked the Governing Body for their thoughts. JC felt that we are in a better position to support advertising with the income we are receiving in grants. Due to the current situation it could be anticipated that more Veterans will be in need therefore it is appropriate to highlight our services.</p> <p><b>Decision: HER will progress a TV advert and apply for any available funding to offset the cost.</b></p>
10.4	<p><b>Company Secretary Update</b></p>
10.41	The final merger update is to confirm that SVR Exitus was removed from the Scottish Charity Register on the 15 Apr 20 after having been removed from the Companies Register on the 25 Feb 20.

10.42	<b>Constitution.</b> As presented in serial 5. Once OSCR have agreed to the change of objects there then follows a designated approval process to adopt the new Constitution. This includes putting a resolution to the Members at a Special General Meeting.		
10.43	The Annual General Meeting was planned to be held on the 26th May however COVID-19 restrictions meant that this was impossible, and so too was the postponed date of 26th June to coincide with this meeting. Since then the Corporate Insolvency and Governance Act 2020 has been brought in as an emergency bill to take pressure off businesses regards the threat of insolvency. Also, to temporarily relax the regulatory governance requirements to hold AGMs within set periods and to hold them in person. This newly passed Act both allows companies and incorporated charities to postpone their AGMs up to the end of September and to hold virtually even if that is out with their constitution. Consequently, the SVR AGM can be held on the new date of 4 Sep.		
10.44	SHR have also announced that they will add an addendum into the new Model Rules 2020 to allow general meetings to be held virtually. This will prevent any postponement of the AGM in the future.		
<b>11</b>			
	<b>KPIs/Risk Register</b>	<b>CEO</b>	<b>Report</b>
CEO noted that the overall Risk Register scores were improving with all risks being appropriately mitigated. COVID-19 risk remains the current highest impact event.			
<b>12</b>			
	<b>AOB</b>	<b>Chairman</b>	
12.1	<b>Army Update from RL</b> Welfare co-ordination group meetings involving every unit in Scotland are being held including relevant military charities as SMEs. Soldiers wishing to leave the Army have been given a year's extension to postpone their exit date which is reducing the outflow. CEO asked if that may also be extended in order to prevent a volume of personnel leaving at the same time or will there be a peak in June 21. RL does not think that we will see a peak.		
12.2	Chairman wanted to sum up the priorities taken from this meeting: CEO to Manage COVID-19 and safety of staff and residents, including securing grant funding where possible. CEO to progress the Bellrock Close review. VC to write new Investment Strategy. CS to progress the governance changes. HER to progress the Marketing campaign. ALL The strategic plan to be reviewed after COVID-19.  Chairman thanked everyone for attending the first virtual meeting of the Governing Body.		
<b>DONM – Friday, 4 Sep 20, 15.00 – 17.00, Whitefoord House, Edinburgh.</b>			