



**SCOTTISH VETERANS' RESIDENCES
GOVERNING BODY MEETING**

**Record of Decisions
Held in the Boardroom and on Microsoft Teams on 13 October 2023**

Present: Jonathan Tweedie, **Chair**
 Sue Bomphray (SB), Online
 Capt Andrew Cassels (AC), Online
 Richard Edlmann (RE), Online
 Troy Johnson (TAJ), Online
 Tony Jones KC (TJ), Online
 George Lowder MBE, (GL), Present
 Sqn Ldr Derek Morrison RAF (DM), Present
 Isla Tabberer (IT), Online
 Rab Wallace, (RW), Present

In attendance: Colin Leslie, Head of External Relations (HER), Present
 Natasha Wilson, Chiene & Tait (NW), (Item 9) Online
 Martin Nadin OBE, Chief Executive (CEO), Present, **Minutes**

Apologies: George Corbett, Depute Chief Executive (DCEO)
 Clive Masson (CM)
 Lt Cdr Morgan McDonald RN (MM)
 Maj Surya Rai (SR)
 Sandy Telfer (ST)
 Gayle Templeton, HR Consultant, (GT)

	Subject	Raised By	Additional Docs	Decision
1	Chair's Introduction	Chair		
1.1	The Chair welcomed all present to his first Governing Body meeting as Chair. He had reflected on his predecessors in the role, and had judged they would be a tough act to follow. He observed that it was an immense privilege and honour to be the Chair of SVR and that he would do everything he could to support the Charity. He thanked everyone in advance for their support and confidence in him.			
1.2	He also wished to recognise within the record, his huge appreciation of GL's leadership through his 7 years as Chair. George had led the merger of SVR and SVHA, which had hugely improved governance. He had established sub-committees, which allowed the exploitation of the skills of Governing Body Members, which had been extremely influential in setting the agenda and culture of the organisation. He had led the business through the Covid-19 pandemic and the Cost-of-Living crisis and the challenges they had brought, and had hosted a spectacular Royal Visit and the end of his tenure.			
1.3	The Chair offered GL his thanks on behalf of the Governing Body, staff and every Resident and Tenant.			
1.4	The Chair went on briefly to describe SVR's priorities as he saw them, and a little bit about himself and how he wished to run Governing Body meetings.			

1.5	He observed that he was the first Chair of SVR, that despite spending a relatively short time in the military, was from a civilian commercial background, and asked for the Governing Body's indulgence if his language was commercial. He reiterated that the Charity was at the centre of everything we did. He was keen to ensure that when the Governing Body was together, its time was used to debate, rather than being on 'listening watch'. He asked that all think about their reports to the Governing Body; he encouraged brevity and a focus on the key and salient points, so that time could be spent on discussion of those salient points. This would allow the best use of the Governing Body's expertise to deliver the required outputs.			
1.6	He noted that there were significant challenges ahead. His first priority for 2024 was undertaking a strategic review and examining the service delivery of SVR. By the end of Q2 2024, he wished the Executive Team to present to the Governing Body options for service delivery, confirm the population SVR served (noting the expected availability of Scottish Census data from June 2024), and the sustainability of the organisation particularly in terms of its real estate. The Governing Body would participate in an off-site, in Q3 2024 to examine the options and develop a strategy to ensure SVR was fit for purpose into the middle of the century.			
1.7	He recognised that it would be unusual for a Chair in their first meeting to raise the issue of succession, and not only his own but also of the Chief Exec. He had been clear when asked by GL to lead the Charity that he would be able to do so only for a couple of years. He envisaged that he would lead the Charity through the Strategic Review, but its implementation would fall to his successor. This would reduce the time available to select and appoint a successor, as they would need to be part of the Governing Body to help shape the Strategy before leading SVR through its implementation. He then referred to the conversation he had had with the Chief Exec who had confirmed he was willing to remain in the role for a further 3 years. So, it would be necessary to begin that selection process early to find the right replacement. He encouraged all Members of the Governing Body to consider whether they had an interest in potentially taking on the role of Chair, and secondly who might be a suitable external candidate?			
1.8	He felt that the demands of the Regulators, and particularly the Care Inspectorate, and those of service recipients, were becoming greater and would require greater professional expertise. He closed his opening remarks by confirming that the object of this work was to consider how the Governing Body should look in 3- and 10-years' time.			
2	Apologies	Chief Exec		Noted
2.1	The Chief Exec confirmed that with 10 Members present the meeting was quorate.			
3	Minutes	Chair	Draft AGM & GBM Minutes from 24 May 2023	Accepted
3.1	The minutes from the AGM held on 24 May 2023 were reviewed and accepted. Proposed: RE. Seconded: GL.			
3.2	The minutes from the Governing Body Meeting held on 24 May 2023 were reviewed and accepted. Proposed: TAJ. Seconded: AC.			
4	Action Log	Chief Exec	SVR Action Log 13 Oct 2023	Noted
4.1	Ser 71 - TV Advertising – 2 animations retained for use in late 2023, or 2024. It was agreed not to use them in November to allow Poppyscotland to run its annual campaign unimpeded.			

4.2	Ser 76 – Rosendael 90th Anniversary Event – successfully completed.
4.3	Ser 77 – Thank You Event for Governing Body & SMT – remains postponed until appropriate time.
4.4	Ser 80 – Refresh of external SVR Website & production of Corporate Video – due diligence checks had been completed and work had commenced.
4.5	Ser 83 – SVR Tenure Documents – Chief Exec confirmed that the documents had been updated. He recommended that before bringing them forward for the Governing Body’s approval, the outcome of 2 eviction cases were confirmed. The outcomes of which, potentially might have a bearing on the intent to retain Occupancy/Support Agreements for Rosendael & Whitefoord House, and switch to SSTs at Bellrock Close. His recommendation was agreed.
4.6	Ser 84 – Define Bad Debt Materiality Bar - Chief Exec confirmed that he had discussed debt materiality with Chief Execs of other Housing Associations, and all confirmed they had debt materiality levels. Most however, used debt collection agencies as their first line means of debt recovery before resorting to the Sheriff Court for recovery. There was detailed discussion involving AC, RW, GL, the Chair and the Chief Exec regarding SVR’s current debt recovery processes and whether it was appropriate for a charity that provided support to vulnerable individuals to use a debt collection agency. It was felt that financial education and prevention of debt build-up were key and should be SVR’s approach, but there had to be consequences to individuals for the non-payment of debt. It was agreed that the Chief Exec would examine SVR’s processes and submit proposals for a tiered response to instances of individual debt.
4.7	Ser 85 – Recruitment of Company Secretary – Chief Exec confirmed that 2 individuals had been selected for interview on 23 Oct 23.
4.8	Ser 86 - Development of Crisis Management and Business Continuity Plans – He confirmed that 2 nd drafts of the plans were being reviewed and that walkthrough and Tabletop exercises had been conducted. A simulation exercise was scheduled for 18 Oct 23.
4.9	Ser 87 – Compliance with the Charities (Regulation & Administration) (Scotland) Bill – Chief Exec confirmed that the Bill had received Royal Assent and was now an Act. He had attended 2 OSCR briefings which confirmed the Act would be implemented in 2 phases: Phase 1 – implementation of new legislative powers in Spring 2024; and Phase 2 (2025) the submission of Trustee details to OSCR. He confirmed OSCR would only publish Trustees’ names (the same level of exposure as the FCA). Applications could be made for non-publication of names. The Chair asked that anyone who was concerned about their name being published should discuss their concern with him privately.
	Bellrock Close Review Actions:
4.10	Ser 6 Maintenance Costs & Ser 9 Benchmarking. Chief Exec confirmed that relevant peer benchmarking was an issue that had traction within the Cobseo Housing Cluster. He expected the first draft of metrics to be available in 2024.
4.11	Sers 7 & 8 Arrears and Voids Processes. Awaiting outcome of eviction cases and confirmation of debt materiality.
4.12	Sers 12 and 13 Extended Support & Outcome Targets Carried forward due to higher priority tasks.

5	Sub-Committee Reports	TJ and Chair	Verbal	Noted
5.1	Audit and Risk Committee (ARC) – last meeting 6 Oct 23. TJ noted that the substantive issue from the last ARC meeting was the Annual Assurance Statement to the Scottish Housing Regulator (SHR) which would be covered at Serial 7.			
5.2	Other business covered was the Internal Audit report on Budgetary Control, which reported Substantial Assurance, and the Committee’s regular and routine reviews of the Strategic Risk Register and the Committee’s Action Table.			
5.3	Investment Remuneration and Finance Committee (IRFC) – last meeting 16 May 23. It was agreed that the Governing Body Chair would take over as Chair of the IRFC with GL and RE remaining as its members.			
5.4	Quality Committee (QC) – In the absence of CM and as a QC meeting had not been held, there was no report. The next QC meeting was scheduled for 13 Nov 23.			
6	Annual Assurance Statement to SHR	TJ and Chief Exec	Draft Statement	Approved
6.1	As NW was not available to provide the Treasurer’s Report, Agenda Items 7, 8 and 10 were brought forward.			
6.2	The Chief Exec referred to the briefing note that had been circulated with the document pack. The note contained his recommendation that given the Government’s and SHR’s interest in the issues of the use of Reinforced Autoclaved Aerated Concrete (RAAC), and persistent damp and mould in social housing, it would be appropriate to refer to these explicitly within the Annual Assurance Statement (AAS).			
6.3	He added that the briefing note set out the basis on which the Governing Body could draw confidence that persistent damp and mould was not an issue within SVR’s accommodation, and why we were confident that RAAC had not been used in any of SVR’s buildings.			
6.4	In addition, as reported in 2022, SVR continued to meet: <ul style="list-style-type: none"> ▪ The relevant regulatory requirements set out in Chapter 3 of the Regulatory Framework; ▪ The relevant standards and outcomes in the Scottish Social Housing Charter; ▪ The relevant legislative duties; and ▪ The Standards of Governance and Financial Management. 			
6.5	The Chair passed on his thanks to the Exec Team for the speed with which it had reacted, when the RAAC issue became known, which had been key in allowing the Governing Body to be able to understand that SVR had no known exposure to RAAC. That had been very comforting. He asked if the Members were able to approve the draft statement, which was unanimously approved for the Chair’s signature on behalf of the Governing Body. Afternote: The AAS was sent to the SHR via its online portal immediately following the meeting.			
7	Chief Exec’s Report	Chief Exec	Written Report	Noted
7.1	Chief Exec. The Chief Exec referred to his written report and addressed the key issues:			
7.2	There had been a modest reduction in void levels at Whitefoord House, although			

	<p>further improvement was still required. Staffing, particularly of Housing Assistants and Catering Staff was particularly challenging. A failure to recruit to the vacant Housing Assistant role at Bellrock Close had been particularly frustrating, with none of the 4 candidates invited for interview attending.</p>
7.3	<p>It was extremely difficult to recruit catering staff at Whitefoord House. Shortages in the commercial sector were being addressed through salaries with which it was difficult to compete. Recognition of this would be important in the annual salary review. After being raised by the Chair, there was discussion with AC and RW regarding the potential to outsource catering provision. It was agreed the Chief Exec would seek advice from SVR's catering consultant and report back at the next meeting.</p> <p>Action: Chief Exec to seek advice from catering consultant (Ser 90.0 on Action Table).</p>
7.4	<p>Better news on staffing concerned the in-house Occupational Therapist commencing their role on 1 Nov 23. 2 candidates had been selected to interview for the Company Secretary position.</p>
7.5	<p>DCEO. In the absence of the DCEO, the Chief Exec noted that his written report provided an update on in-year major works and set out aspirations for works to be undertaken in 2024. He confirmed that these would be factored into the budget to see what was affordable.</p>
7.6	<p><u>Utilities.</u> The DCEO had noted that electricity prices had started to fall back from the 3.5 / 4.0 x increases on our previous contract to neared 2.0 x increase. On advice from SVR's utility consultants, a 2-year contract had been negotiated. The Chair noted that timing of contracts could be everything, referring to the previous week's surge in gas prices from 50p/unit to £1.30/unit. Having a gas contract in place for a further 18 months, which should see the Charity through the price spikes, was reassuring.</p>
7.7	<p>AC noted that the aspirations for works in 2024 included fire and smoke detectors and alarms at Bellrock Close. He sought assurance that having identified those items as requiring replacement this would occur in 2024, unless professional advice confirmed it was not necessary. Chief Exec noted that the DCEO paid particular attention to fire safety and would ensure any fire safety requirements were conducted. The discussion moved on to whether residents were permitted to smoke in their rooms. The Chief Exec and Chair provided a brief resume of previous discussions regarding smoking in rooms (currently permitted in acknowledgement that an individual's room was their home). The Chief Exec said that he would send the standing fire risk from the Operational Risk Register to AC.</p>
7.8	<p>HER. The Head of External Relations highlighted recent successful grant applications that had resulted in funding to update the Whitefoord House and Bellrock Close gyms. Also Cycling Scotland had provided funding for the purchase of bikes and e-bikes to establish a bike library at Whitefoord House.</p>
7.9	<p>He confirmed that the videographer had visited all 3 sites in preparation for shooting the corporate video that would be undertaken in late Nov/early Dec.</p>
7.10	<p>Corporate volunteering was proving to be extremely helpful, with recent groups of volunteers from Raytheon and Blackrock making helpful contributions at Whitefoord House and Rosendael. The Chair noted that looking after volunteers during their time with us was likely to pay dividends and result in repeat offers of support.</p>
7.11	<p>A number of outside events had been undertaken. The Highland Show had been</p>

	more successful than the Scottish Game Fair, with a significantly better return on the resources required to deliver. He considered that the Highland Show would be worth repeating in 2024. A SVR information table would support the annual homelessness conference being held in Perth in November.			
8	Service Reports	DM & AC	Verbal	Noted
8.1	As a preamble to the Service Reports. The Chair described a proposal to amend the service reports so that each Service provided a verbal annual report on Service activity that would be of interest to SVR. Each Service would deliver their verbal report at one of the Quarterly Governing Body meetings. When not providing the verbal report a bullet point brief of key activity would be welcome. Noting that the RN and Army representatives were not present it was decided that this proposal should be discussed further when all attended the next meeting.			
8.2	RAF. DM commented that a number of staff changes were going to occur. Air Officer Scotland (AOS) would be replaced in Nov/Dec. The replacement had not yet been nominated. AOS's personal staff officer had changed, and he was moving to a new role based in East Anglia but would continue to support SVR until his replacement was nominated. He confirmed there had not been any significant basing of staffing changes for the RAF in Scotland.			
8.3	The Chair noted DM's impending departure and asked him to stay in touch and inform the Chief Exec when details of his replacement were known. He thanked DM for the exceptional support he had provided.			
8.4	<p>Merchant Navy. AC provided 5 points of interest:</p> <ul style="list-style-type: none"> ▪ The Merchant Navy Welfare Board (MNWB) had won the Association of Charitable Organisations Award for Commercial Collaboration of the Year for its work with Vodafone to provide free mobile phone sim cards (value £1.56m) for visiting Ukrainian seafarers. ▪ Two funders of the Port Vehicle Replacement Programme had withdrawn and the MNWB was seeking to work with others to provide financial help or vehicles to what was a vital and appreciated programme. ▪ The biennial Seafarers Welfare Conference was taking place in November in Southampton with the aim of improving seafarer's welfare. Afternote: Chief Exec attended the Conference. ▪ The MNWB would be celebrating the 75th Anniversary of its founding, at Westminster on 16 Oct 23. ▪ The event would be used to launch the Dept of Transport requested report setting out the cost of port welfare in the UK. It was hope that the introduction of port levies for shipping might be a means of providing financial support for port welfare. Copies of the report would be available for SVR. 			
9	Treasurer's Report – Second Quarter Accounts and Cashflow	NW	Q2 Management Accounts and August Cashflow Report	Noted
9.1	NW referred to the Quarter 2 (June 23) Management Accounts and August Cashflow Report, which had been circulated in the Board Pack.			
9.2	She noted that overall, the financial position showed a £86k surplus, but noted income was slightly behind budget, due principally to the later implementation of the 2023 rent increase, and higher than target void levels at Whitefoord House. She also noted that bad debt was higher than budgeted, although of the £158k, £125 was technical and £23k non-technical. Efforts were being made to recover the on-technical debt owed by individual Residents.			

9.3	Turning to expenditure, she noted this was slightly over budget due principally in Housing Support remuneration (caused by agency staff costs at Whitefoord House and Bellrock Close), additional maintenance conducted for health & safety and security reasons, and food cost inflation. This had been partially offset by underspends in utility costs (courtesy of obtaining better contracts than budgeted), and overhead recharge, which had IT and marketing underspends.			
9.4	Turning to other income she confirmed a legacy of £156k had been received, against budgeted donations of £22.5k. Investment income was in line with expectation but there was an unrealised loss of £34k due to market fluctuations.			
9.5	In terms of the individual residences, Bellrock Close was running at a slight loss due to use of agency staff exceeding budget.			
9.6	Cash remained strong with £738k in August, reducing to £703k in September, but cash holdings were robust, remained in line with the draft Treasury Management Policy, and continued to be monitored monthly. In response to confirmation that £250k was held on deposit at 4.25%, the Chair noted the current market rate was 5.0 – 5.5% for even relatively short-term commitments. It was agreed to try and identify a better rate and consider whether more cash should be put on deposit.			
9.7	To conclude, NW noted that capital works had been held back during 2023 and with the geo-political situation more stable and inflation beginning to fall whether there might be an option to review those works.			
9.8	There being no questions, the Chair thanked NW for her update.			
10	Residence Reports	RW, Chief Exec, and IT	Verbal	Noted
10.1	Bellrock Close. SB had handed over Governing Body responsibility for Bellrock Close to RW. RW was scheduled to meet with the Manager on 2 Nov 23.			
10.2	Whitefoord House. Chief Exec briefed that Whitefoord House had had a busy summer activity programme that had included educational visits, walks, fishing trips, and other activities organised by the JILWO and other Whitefoord House staff. He had previously referred to the challenges associated with the catering service.			
10.3	Rosendael. IT confirmed that she had resigned and would leave the Governing Body at the end of the year. The key activity at Rosendael had been the refurbishment of the front corridor and FPK lounge, and the successful Royal Visit. The Chair confirmed the success of the visit, thanked all the Rosendael staff who had contributed to it, and noted the extraordinary engagement of the Royal Patron with Residents and staff and his detailed knowledge of SVR.			
11	Strategic Risk Register	Chief Exec	Risk Register	Noted
11.1	The Chief Exec reviewed actions to mitigate the risks on the register:			
11.2	Impact of Conservation at Whitefoord House on Reserves. He confirmed the application to participate in a project to assess the efficiency of an experimental 'self-healing' lime render had been successful. A meeting had been arranged with EWHT to begin to confirm the detail and timeline. He reiterated that although accepted onto the project, the final decision regarding participation was SVR's and we would only do so if fully content with the terms and conditions.			
11.3	Loss of CEC contract for AwS. He confirmed that SVR's tender for the contract had been accepted but there was a delay to the final evaluation and review, with an expectation that the outcome would be published within 2 weeks. He referred to the			

	current financial risk criteria within SVR's risk management policy and noted that the potential loss of c£116k had to be classified as catastrophic. Given SVR's annual turnover this was inappropriate, and the catastrophic criterion was set too low. There was brief discussion regarding financial risk setting and it was agreed that he would review the tiers and make proposals for amendment via the IRFC.
11.4	GL noted the relevance of that afternoon's visit by the CEC Councillor who chaired the CEC Homelessness and Fair Work Committee, and 2 officers, one of whom was a procurement officer. He also noted that the visit was important to confirm that Whitefoord House was able to accept up to 10% of non-military Residents.
11.5	Inflation. Although decreasing, inflation continued to have an adverse impact; currently CPI was at 6.7%. The key figure was the September CPI, which was used as the datum point for the annual pay review.
11.6	Business Continuity. Two activities remained to be completed, the simulation exercise scheduled for 18 October, and acceptance of the completed Crisis Management and Business Continuity Plans.

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	Any Other Business	Chair		
12.1	[Redacted]			
12.2	[Redacted]			
12.3	[Redacted]			
12.4	[Redacted]			
12.5	[Redacted]			

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	Date of Next Meeting	Chief Exec		
13.1	8 December 2023, at 12.00, at Whitefoord House and MS Teams.			