



## SCOTTISH VETERANS' RESIDENCES QUARTER 3/24 GOVERNING BODY MEETING

### Record of Decisions

**Held in the Boardroom and on Microsoft Teams at 1200hrs on 13 September 2024**

Present: Jonathan Tweedie, Present, **Chairman**  
 Ricky Bhabutta (RB), Present  
 John Cooper (JC), Present  
 Teresa Griffiths (TG), Online  
 Tony Jones KC, (TJ) Online  
 George Lowder (GL), Present  
 Sandy Telfer (ST), Online  
 Maj Surya Rai (SR), Online

In attendance: Jeremy Chittleburgh (Treasurer), Present  
 George Corbett (Dep Ch Exec), Online  
 Colin Leslie, Head of External Relations (HER), Present  
 Martin Nadin OBE (Chief Exec) Present  
 Colin Masson (Co Sec), Present, **Minutes**

	Subject	Raised By	Additional Docs	Decision
<b>1</b>	<b>Chair's Introduction</b>	<b>Chair</b>		
1.1	The Chair welcomed RB and JC to their first meeting (noting the out-of-committee decision by the Board in August). The Chair thanked ST for agreeing to continue as a Trustee. The Chair, recognising that this would be GL's last Governing Body meeting, thanked him for his service to SVR, and particularly for his leadership as Chair through the merger and the COVID pandemic.			
<b>2</b>	<b>Apologies</b>	<b>Co Sec</b>		<b>Noted</b>
2.1	Apologies had been received from Capt Andrew Cassels, Sue Bompfray, Richard Edlmann, Flt Lt Ross McElhinney, Lt Andrew Smart and Rab Wallace. Teresa Griffiths (TG) would join at 1300. The agenda would be rearranged to allow TG to be in attendance when key decisions were due. Co Sec confirmed the meeting was quorate.			
	<b>Declaration of Interests</b>	<b>Chair</b>		<b>Noted</b>
<b>3</b>	There were 2 declarations of interest:			
3.1	<ul style="list-style-type: none"> <li>For transparency, JC declared that he had completed work for SVR in the past 12 months in his role as a consultant for Inverroy.</li> </ul>			
3.2	<ul style="list-style-type: none"> <li>The Chair declared he had a conflict of interest with regards to the discussion that would be had on investment performance (serial 8.28). His employment with a competitor to SVR's Investment Manager, Rathbones, meant that he would take no part in the discussion or decisions for this agenda item. Furthermore, his company would not take part in any re-tendering process if that was a decision the Board reached.</li> </ul>			

<b>4</b>	<b>Resident's Story</b>	<b>Chair</b>		<b>Noted</b>
4.1	The GB watched the new SVR promotional video, which the Chair described as a moving and powerful piece of film making, thanking all those involved.			
<b>5</b>	<b>Review of 2024 AGM Minutes and the Minutes from Q2 Governing Body Meeting on 24 May 24</b>	<b>Chair</b>	<b>AGM and Q2 GB Meeting Minutes</b>	<b>Approved</b>
5.1	With no comments or amendments, the minutes of the 2024 AGM held on 24 May 24 were approved by GL, seconded by TJ.			
5.2	With no comments or amendments, the minutes of the Q2 Governing Body Meeting held on 24 May 24 were approved by GL, seconded by TJ .			
<b>6</b>	<b>Action Log</b>	<b>Ch Exec</b>		<b>Noted</b>
6.1	The Ch Exec presented the Action Log:			
6.2	<ul style="list-style-type: none"> <li>• <b>Ser 71 TV Advertisements.</b> Ch Exec stated that given the impact the new video was having on social media, there was no immediate requirement for a TV advertising campaign.</li> </ul>			
6.3	<ul style="list-style-type: none"> <li>• <b>Ser 77 Thank You Event.</b> Ch Exec stated that given continued cost of living pressures, it was still not the time to hold a thank you event for the Governing Body and SMT although a farewell event for GL was being looked at.</li> </ul>			
6.4	<ul style="list-style-type: none"> <li>• <b>Ser 80 Refresh of the External Web Site and Video Footage.</b> With the video now released, Ch Exec stated that this action would be closed.</li> </ul>			
6.5	<ul style="list-style-type: none"> <li>• <b>Ser 83 Change of Tenure Documents to Corporate Residents' Agreements.</b> The change had been implemented with new residents at ROS and WHI now signing new tenure documents, which had corporate branding and were compliant with new regulations. Those on the old document would use the replacement when they resigned at the 6 month point meaning all would be on the new tenure documents by 28 Feb 25.</li> </ul>			
6.6	<ul style="list-style-type: none"> <li>• <b>Ser 83.1 Training for the introduction of the Corporate Residents' Agreements.</b> This staff training was now complete.</li> </ul>			
6.7	<ul style="list-style-type: none"> <li>• <b>Ser 83.3 Bellrock Close Residents to be switched from their current support and occupancy agreements to Short Scottish Secure Tenancies (SSST).</b> This remained on hold until the outcome of the Scottish Housing Bill had been enacted and was understood. It was not anticipated to have an effect on our decision to convert from the current occupancy agreements. That said, Ch Exec stated that he would bring the legal expert from TC Young to the Q4 GB Meeting in December to brief Trustees on the legal implications which the Governing Body had to be clear on, namely the heritable nature of SSST.</li> </ul>			
6.8	<ul style="list-style-type: none"> <li>• <b>Ser 86 Business Continuity and Crisis Management Plans.</b> This action was now complete.</li> </ul>			
6.9	<ul style="list-style-type: none"> <li>• <b>Ser 87 Compliance with the Scottish Charities and Administrative Housing Bill.</b> The key impacts of this, which would be phased in between now and July 25, were: <ul style="list-style-type: none"> <li>○ the broadening of the categories which would prevent someone from becoming a trustee. These categories would now also be applied to individuals employed as senior management of charities;</li> </ul> </li> </ul>			

	<ul style="list-style-type: none"> <li>the publishing of trustee names (name only – no other details) on the Office of Scottish Charities Regulator (OSCR) register. This was not considered a significant change as names were already submitted as part of the return to the Financial Conduct Authority (FCA) each year.</li> </ul>
6.10	<ul style="list-style-type: none"> <li><b>Ser 89 Strategic Review of Service Delivery.</b> This was a work in progress and the Ch Exec was continuing to work on options related to this, not least the WHI feasibility study for converting WHI from en-suite rooms to independent flats.</li> </ul>
6.11	<ul style="list-style-type: none"> <li><b>Ser 96 Reporting Employment Success at WHI.</b> HER was continuing to explore opportunities to include this in SVR publications.</li> </ul>
6.12	<ul style="list-style-type: none"> <li><b>Ser 101 Cyber Security.</b> A Cyber Essentials Certificate had been awarded in May 24 which had been followed up in August with an internal audit on cyber security by TIAA. SVR had been graded 'Reasonable Assurance' with 3 recommendations, 2 of which had been completed. The third recommendation concerned penetration testing and this had been programmed to take place in October.</li> </ul>
6.13	<ul style="list-style-type: none"> <li><b>Ser 102 Provide Physical and Cyber Security Audit Reports.</b> The quarterly Cyber Security One Sider was included in the GB pack.</li> </ul>
6.14	<ul style="list-style-type: none"> <li><b>Ser 103 Cash Transfer.</b> £150k cash had been transferred from SVR's Investment Portfolio Cash Account to the Treasury and placed in a 4% earning cash account.</li> </ul>
6.15	<ul style="list-style-type: none"> <li><b>Ser 104 Concierge Recruitment.</b> Given recent challenges from individuals in these posts, Ch Exec had looked at other organisations and how they recruit their concierges. There were 2 actions from this: <ul style="list-style-type: none"> <li>SVR job descriptions would be amended to reflect a greater emphasis upon safety and support of service users rather than just security.</li> <li>SVR would ensure that selected candidates, if not already qualified, would work to achieve the relevant Scottish Vocational Qualification in social care within their first year in post. This requirement had not been stringently followed in the past but would now be fully applied.</li> </ul> </li> </ul>
6.16	<ul style="list-style-type: none"> <li><b>Ser 105 Service User's Story to headline GB Meetings to provide context.</b> This was now in place as a standing agenda item.</li> </ul>
6.17	<ul style="list-style-type: none"> <li><b>Ser 106 BITCOIN ransomware attempt on 29 Mar 24.</b> Ch Exec gave details on this event which was understood to be a lone individual trying to 'get lucky' as opposed to part of a systemic wider campaign across the internet. At the Q2 GB meeting, Trustees had raised the issue of cyber training for GM Members. A link to training by the National Cyber Security Centre) was attached to the action table <a href="https://www.ncsc.gov.uk/infrastructure/cyber-security-for-small-organisations">Cyber Security for small organisations - Overview (ncsc.gov.uk)</a> and offered as a start point for those Trustees who were not offered this training by their employers.</li> </ul>
6.18	<ul style="list-style-type: none"> <li><b>Ser 108 Recast Risk 002/23 (Inflation) to reflect the broader cost issues associated with inflation.</b> This was complete and will be briefed later.</li> </ul>
6.19	<b>BC Actions:</b>
6.20	<ul style="list-style-type: none"> <li><b>Ser 6 (Maintenance Costs) and 9 (Benchmarking against Peer Group).</b> This action which was to compare maintenance costs against other organisations in England and Wales which also provided supported accommodation for veterans. While there had been interest from some organisations, no conclusions had yet been drawn. Work on this would continue.</li> </ul>

6.21	<ul style="list-style-type: none"> <li>• <b>Ser 7 The Arrears Process.</b> The new arrears process was now in place with individual arrears recovery plans being implemented. One resident had failed to engage with their recovery plan and had been served with a Notice to Quit. If necessary, this will be followed up with legal proceedings to reclaim the outstanding rent arrears. <b>Serial Closed</b></li> </ul>
6.22	<ul style="list-style-type: none"> <li>• <b>Ser 8 The Voids Process.</b> As part of the process to manage voids, the policy for abandoned former residents' possessions was now in place and had been approved by TC Young (solicitors). In sum, the resident will be informed that their possessions would be stored for a stipulated period of time if their value was greater than the cost of storage. If not, their possessions would be disposed of unless collected within a stipulated period. <b>Serial Closed</b></li> </ul>
6.23	<ul style="list-style-type: none"> <li>• <b>Ser 13 Outcome Targets.</b> In a bid to set SMART objectives for SVR, the Ch Exec briefed on his analysis. The mean number of residents at BC that had moved on to independent living in the last 3 years (post COVID) was 5.7 per year. When framed as SMART objective, Ch Exec proposed: <ul style="list-style-type: none"> <li>○ Specific Target: 30% of the mean annual resident population.</li> <li>○ Measurable: reported Quarterly in the Residence Reports.</li> <li>○ Achievable: close to, if slightly more demanding than previous 3 years.</li> <li>○ Relevant: in keeping with BC's original purpose of transition to independent living.</li> <li>○ Timely: it will be run for a year (Jan-Dec 25) then reevaluated.</li> </ul> </li> </ul>
6.24	Ch Exec proposed using the same SMART criteria to measure outcomes for those moving into employment, the 3 year mean average being 6 residents per year.
6.25	RB highlighted the importance of when that data was captured, explaining that initial success may be followed by a return to supported accommodation / unemployment if things did not work out. Recording initial success was certainly a start but a data capture at the 3 and 5 year point would give a better indicator of success against targets.
6.26	In answer to a question from GL, Ch Exec stated there was neither a policy in place to follow up and capture this longer term data, nor were there the resources to do so.
6.27	Options were discussed on how SVR could maintain contact with service users who move on, given the resource demands if SVR were to attempt this on its own. Chief Exec noted that many service users move on to sheltered or quasi-supported accommodation and remained 'visible' to Local Authorities, and Veterans Charities. He would speak with Veterans Scotland on this issue with a view to building a tighter network with these charities, all of which had case workers, which he believed would be the best way to maintain communication with former SVR residents.
6.28	Chair agreed that Ch Exec should have that conversation to build a broad post care support package using the existing charity network.
6.29	Dep Ch Exec highlighted the fact that SVR was registered with the Care Inspectorate (CI) to deliver housing support services at the 3 Residences. If SVR was to also to deliver outreach services, this would need to be registered with the CI and SVR would be monitored and inspected accordingly. Chair acknowledged this stating that outreach was best left to those organisations structured to do so.
<b>7</b>	<b>OPERATIONS</b>
7.1	<b>Ch Exec Report.</b> Ch Exec described a busy Q3 with a financially demanding first half of the year. There were some signs of recovery as WHI had been inundated with





	applications for accommodation. It was too early to say whether this was a trend or a spike. There had been a modest revenue increase in the City of Edinburgh contract for veterans accommodation. BC and ROS have continued to meet their void KPIs.
7.2	On engagements, Ch Exec had met with the new Executive Chair of Veterans Scotland, Emma Watson Mack. The Veterans Mental Health and Wellbeing Pathway Team had been hosted at WHI, with a view to restarting its work following a pause.
7.3	Janet Harkess, SVR's occupational therapist (OT) had presented at the Scottish International Conference on Armed Forces Research at Napier University, describing her experience of setting up an OT service for veterans in supported accommodation.
7.4	[REDACTED]
7.5	[REDACTED]
7.6	[REDACTED]
7.7	<b>Property Services Report.</b> From his report, the Dep Ch Exec stated that the two Gloucester Court boilers had been successfully replaced following an out of committee approval for the work to take place.
7.8	Dep Ch Exec proposed to undertake a design study for refurbishment of the WHI kitchen. While the dining room had been refurbished in 2020, the kitchen was now 17 years old. An understanding of the cost of a new centralised kitchen would also inform broader discussions on the future of WHI.
7.9	Ch Exec stated that he would be meeting with the Treasurer directly after this meeting to discuss the budget for 2025, and would include the WHI kitchen refurbishment in the analysis.
7.10	Chair stated that the broader decision on whether WHI should be converted from en-suite accommodation to independent flats should come before considering a centralised kitchen refurbishment. Dep Ch Exec clarified that only design and pre-tender estimate would occur in 2025 giving time to find donors thereafter.
7.11	Chair stated that work on the WHI kitchen refurbishment should be paused until broader decisions on WHI were made.
7.12	<b>HER Report.</b> HER highlighted 3 points from his report: <ul style="list-style-type: none"> <li>The video, which had been 15 months in the making, had come to fruition and should be a useable product for years to come</li> </ul>

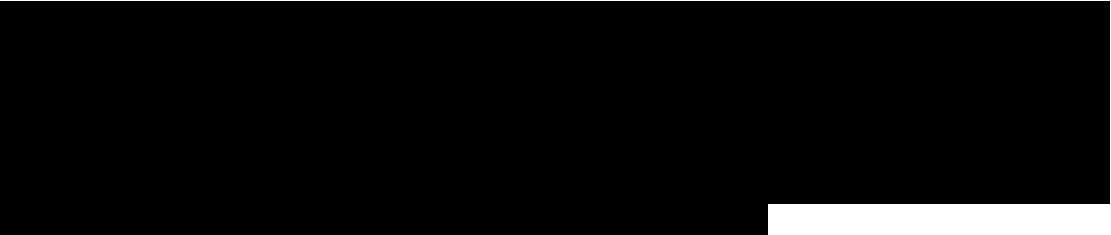

	<ul style="list-style-type: none"><li>15 Oct 24 marked the 10<sup>th</sup> anniversary of BC to which all GB members were invited. It would be a lunchtime event with the Scottish Veterans Commissioner, Lieutenant Commander (retired) Susie Hamilton speaking.</li><li>Community Fund Raising had gone well in previous months with the Edinburgh Kilt Walk and a number of staff and residents zip wiring across the Clyde.</li><li>Finally, SVR was still a contender to be selected as Lothian Buses' Charity of Choice and be advertised on Lothian buses.</li></ul>				
7.13	<p><b>Cyber Security.</b> Referring to the Cyber Security One Pager, Ch Exec highlighted:</p> <ul style="list-style-type: none"><li>The recommendations from the TIAA audit had been added to the action table.</li><li>The Microsoft Secure Score had increased to 82.3% and that SVR was some 30% better than similar organisations.</li><li>Threats were still there, but the Board should be assured that the correct protection levels are in place.</li></ul>				
7.14	<p><b>TG joined the meeting.</b></p>				
7.15	<p><b>Residents Reports.</b> Ch Exec noted that GB members had received the reports as part of the meeting pack. There was nothing significant which needed to be brought to the GB's attention. In terms of format, the intent was to a create a single reporting framework, with sections for Quality, Risk/Assurance and Finance, that would be reviewed by their respective Committees and drawn together into one report for the Board.</p>				
8	<table><tr><th>GOVERNANCE</th><th>Chair / Co Sec / Ch Exec</th><th></th><th>Approve</th></tr></table>	GOVERNANCE	Chair / Co Sec / Ch Exec		Approve
GOVERNANCE	Chair / Co Sec / Ch Exec		Approve		
8.1	<p><b>Selection of a Vice Chair.</b> The Chair spoke on the importance of this position, not only to deputise for the Chair but also to provide some additional challenge and control for the organisation. After asking for volunteers, Richard Edlmann had volunteered.</p>				
8.2	<p><b>Chair proposed that Richard Edlmann assume the position of Vice Chair which was unanimously carried.</b></p>				
8.3	<p><b>Succession Plan for Chair and Chief Exec.</b> The Chair highlighted the need to maintain the correct skills and experience within the GB, given the decisions facing SVR going forward and that this should be borne in mind when considering replacements for the Ch Exec in Jul 26 and himself as Chair by Sep 26.</p> <div></div>				
8.4	<div></div> <div></div> <div></div>				



8.14	<p>The Board agreed that the Chair should write to the SHR to get a formal response on Option 1. This should include the outcome of governance/legal advice on the matter which should strengthen the case. The Chair proposed that:</p> <ul style="list-style-type: none"> <li>• Ch Exec to find the appropriate expertise in charity governance and present costs to the Board.</li> <li>• Board to consider these costs in an out of committee decision.</li> <li>• If agreed by the Board, independent advice to be provided.</li> <li>• Chair to write to SHR, setting out the reasons for Option 1 and presenting the legal advice on the matter.</li> </ul>
8.15	<b>This approach was agreed unanimously by the Board. The Chair stated he was ready to speak with any Board member privately on this matter if they so wished.</b>
8.16	<b>Draft Annual Assurance Statement</b>
8.17	The Co Sec confirmed that the Annual Assurance Statement (AAS) was due with the SHR by 31 Oct and provided the bank of evidence that proved SVR was doing everything is should, on time and to standard. The Quality, Audit and Risk and Investment, Remuneration and Finance Committees had already received the brief and were content to recommend the Statement for signature.
8.18	Co Sec set the AAS in the context of the governance year, describing it as the last of 6 reports and returns due in 2024. The 7 Standards for Governance and Financial Management were described and the way in which SVR was meeting these standards (processes, policies and routine business) explained. When benchmarked against previous years, SVR showed improvements across a range of criteria, with the exception of complaints (which may be a result of the introduction of a more efficient complaints process), court action (a spike of 2), and emergency repairs which were slower (by minutes). When viewed against the average for RSLs in Scotland, SVR performed better in every sector, less the time to complete emergency repairs.
8.19	Co Sec added that the first of three TIAA audits this year had focused on governance, achieving Substantial Assurance. The 6 actions points reflected the recommendations from the TIAA report. TIAA had also audited SVR on cyber security and would, in Q4, audit SVR on tenant safety (gas, electricity, lifts, legionella, fire, damp and mould). This was important as tenant safety was a specific aspect of the AAS and while the TIAA report would come after the AAS had been submitted, if material weakness was discovered (considered unlikely), the AAS could be amended and resubmitted.
8.20	The tenant survey showed how SVR was engaging with service users and acting upon their comments to improve service delivery. The Quality Committee would study this survey in Q4 to better understand trends and areas for development.
8.21	Chair thanked Co Sec for the high standard of this report, echoed by TG, and asked for comment. GL asked that colour coding on the governance one-pager better reflect work done vs work outstanding and the declaration of interests be a 'standing' agenda item in the action table.
8.22	<b>With the Board satisfied, the Annual Assurance Statement was approved for the Chair's signature.</b>
8.23	<b>Afternote: The signed AAS was sent to SHR on 16 Sep 24.</b>



8.24	<b>Strategic Risk Register.</b> Ch Exec updated on the 2 strategic risks.
8.25	<ul style="list-style-type: none"> <li>• <b>The Impact of Conservation and Renovation at Whitefoord House.</b> Ch Exec explained that SVR continued to work with Edinburgh World Heritage Trust to use an experimental self-healing lime render which was longer lasting and provided better thermal efficiency. The experiment would be conducted on an office building at the back of WHI, starting in summer 2026. This would allow time to manufacture the substrate and position the work in suitable weather for applying the new render.</li> </ul>
8.26	<ul style="list-style-type: none"> <li>• <b>The Impact of Cost Pressure.</b> Originally this risk was related to the cost of living crisis but had now been recast to reflect the more generic financial risks affecting SVR. SVR had an operating deficit at end Q2 of c.£400k before investment income was factored in. When measured against the new financial risk criteria set out in the management policy, this constituted a high risk, scoring 15 with 5 on impact and 3 in terms of likelihood. Ch Exec believed this to be at its peak and expected it to fall in Q3 and Q4.</li> </ul>
8.27	<p><b>Sub Committee Reports:</b></p> <ul style="list-style-type: none"> <li>• <b>Quality Committee.</b> The focus of the Q3 meeting had been the AAS.</li> <li>• <b>Risk and Assurance Committee.</b> Nothing significant to report.</li> <li>• <b>Investment, Remuneration and Finance Committee.</b> There were 2 points: <ul style="list-style-type: none"> <li>○ <b>The transfer of investment income to cash reserves.</b> This would be covered in detail in the Treasurer's Report.</li> <li>○ <b>Investment performance.</b> The Treasurer briefed the GB on the discussion which had taken place on the investment manager's performance which, although had been good over the years, had recently not been keeping up with the benchmarks. The IRFC had decided that this would be an opportune moment to revisit Rathbones' appointment.</li> </ul> </li> </ul>
8.28	
8.29	
8.30	
8.31	
8.32	<p><b>Internal Audits.</b> Ch Exec briefed on the 3 internal audits being undertaken in 2024:</p> <ul style="list-style-type: none"> <li>• Governance (completed July): Awarded Substantial Assurance.</li> </ul>

	<ul style="list-style-type: none"> <li>• Cyber Security: (completed Sep): Awarded Reasonable Assurance with the 3 management actions now complete.</li> <li>• Tenant and Resident Safety (Q4): SVR was ready for the audit on gas, electricity, lifts, legionella, fire, damp and mould and expected a good grading.</li> </ul>			
<b>9</b>	<b>FINANCE</b>	<b>Treasurer</b>	<b>Q2 SVR Management Report and Cashflow as at July 24</b>	<b>Noted</b>
9.1	The Treasurer stated that SVR was not doing as well as it should be against budgets with a c.£400k operating deficit, before adjustments, at the 6 month point. Income was healthy and the voids deficit, which was in line with expectations, was also improving. This was good news. Ongoing maintenance costs were a challenge with c.£100k of unexpected costs being incurred over the 6 months. Inflationary pressure, particularly with food costs, had been greater than predicted but were expected to improve into 2025.			
9.2	To reassure, the Treasurer stated that SVR's overall position was positive and the organisation was not losing money in cash terms. When viewed in terms of expenditure over revenue, there was a deficit, some of which was depreciation which was not a cash adjustment.			
9.3	In terms of the residences, WHI had the largest surplus while at BC, where the aim was to break even, there was a deficit due largely to cost of agency workers to fill staff gaps. ROS historically ran at a loss but was now making a contribution.			
9.4				
9.5				
9.6	The Treasurer stated that rental debtors was an area which required continual focus, specifically to ensure information on debtors was accurate and timely and debt was chased down.			
9.7	In sum, there were challenges but SVR had significant investments and cash balances were at the appropriate level. The operation was working. The Treasurer stated he would meet with Ch Exec after the Board Meeting to begin the budgeting process for 2025. There would be a focus on creating a more robust budget for the coming year, given the big decisions the organisation was facing.			
<b>10</b>	<b>Royal Navy Service Report</b>			<b>Noted</b>
10.1	In the absence of AS, there was no RN Report.			
<b>11</b>	<b>AOB</b>	<b>Chair</b>		
11.1	There being no other business, the Chair closed the meeting.			

12	Date of Next Meeting	Co Sec		
12.1	DONM was set as 1200 hours on Friday 6 Dec 24 at WHI Boardroom and on MS Teams.			