



SCOTTISH VETERANS' RESIDENCES QUARTER 1/25 GOVERNING BODY MEETING

Record of Decisions
Held in the Boardroom and on Microsoft Teams at 1200hrs on 21 March 2025

Present: Jonathan Tweedie **(Chair)** Present
Richard Edlmann (RE), Dep Chair, Online
Ricky Bhabutta (RB), Present
Sue Bomphray (SB), Online
John Cooper (JC), Present
Maj Surya Rai (SR), Online


In attendance: Jeremy Chittleburgh (Treasurer), Present
Martin Cawley (MC), Bruce Tate Associates
George Corbett (Dep Ch Exec), Online
Colin Leslie, Head of External Relations (HER), Present
Shaun Rhodes (IT Manager), Present
Martin Nadin OBE (Chief Exec) Present

	Subject	Raised By	Additional Docs	Decision
1	Chair's Introduction	Chair		
1.1	The Chair thanked Trustees for their ongoing work and commitment. The Chair introduced MC from Bruce Tate Associates who was conducting an independent review of SVR's Governance, and in particular, the Succession Plan.			
2	Apologies	Ch Exec		Noted
2.1	Ch Exec stated that apologies had been received from Teresa Griffiths, Alistair Park, Andrew Cassels, Sandy Telfer and Tony Jones. Andrew Smart, the RN representative had been deployed on a ship and was no longer able to serve on the Board. A replacement RN Member was being sought. Ch Exec stated that he was able to provide a RN briefing using slides from the RN Regional Briefing which he attended a few weeks prior. RE would join later. The Company Secretary was on leave but would provide the minutes from the Teams recording. The meeting was confirmed as quorate.			
3	Declaration of Interests	Chair		Noted
3.1	The Chair asked whether any member had a potential conflict of interest with any item on the agenda. There were none.			
4	Resident's Story	Chair		Noted
4.1	Robert Greenfield's story was played. The Chair commented on the benefit of beginning with this item as a reminder of the service we provide to the people we serve.			
5	Ratification of the Minutes from the Q4 GB Meeting held on 6 Dec 24	Chair	Q4 Draft GB Meeting Minutes	Approved
5.1	The Chair went through each page of the draft minutes. There were no comments and the minutes were unanimously approved.			

6	Action Log	Ch Exec	Noted
6.1	The Ch Exec presented the Action Log:		
6.2	<ul style="list-style-type: none"> • Ser 71 TV Advertisements. This was a work in progress. 		
6.3	<ul style="list-style-type: none"> • Ser 77 Thank You Event. This was a work in progress. 		
6.4	<ul style="list-style-type: none"> • Ser 83 Change of Tenure Documents to Corporate Residents' Agreements. All of ROS, 30 of those at WHI and new arrivals to BC were now on the new occupancy agreement. It was felt that a less complicated IT process would expedite the remainder with all residents on the new agreement by end Q2/25. 		
6.5	<ul style="list-style-type: none"> • Ser 83.3 Bellrock Close Residents to be switched from their current support and occupancy agreements to Short Scottish Secure Tenancies (SSSTs). The Ch Exec stated that the direction of travel remained that BC residents should switch to SSSTs. The Housing (Scotland) Bill, was still being scrutinised and the switch to SSSTs would remain paused until the Bill was enacted. 		
6.6	<ul style="list-style-type: none"> • Ser 87 Compliance with the Scottish Charities and Administrative Housing Bill. The main changes being brought in by the bill this summer were: <ul style="list-style-type: none"> ○ There would be a record of charity mergers across the devolved administrations, thereby preventing a disqualified trustee resuming charity work in another region of the UK ○ The disqualification criteria currently in place for trustees would be applicable to senior management. ○ By the end of 2025, Trustees details would be held on the Office for the Scottish Charities Regulator (OSCR) register. These included first, last and known name, DoB, address, tel no and email address. Importantly, only trustees' names would be published on the OSCR web site. Trustees could make an exemption for the publication of their name for personal or security reasons. Co Sec would write to all Trustees, requesting this information and applying for exemption if so desired. ○ Annual accounts would be published on the Scottish Charities Register. Ch Exec reminded the meeting that SVR's accounts were published on the Scottish Housing Regulator's website due to it being a Registered Social Landlord. 		
6.7	<ul style="list-style-type: none"> • Ser 89 Strategic Review of Service Delivery. This was now captured within Project JANUS, the main outputs of which were to (a) determine the feasibility of converting WHI from en-suite rooms to studio flats (similar to BC), and (b) obtain a commercial valuation of the WHI campus. Presentations would be made at the Q2 GB Meeting on 22 May, and would inform an off-site meeting to discuss the future strategy. Ch Exec added that he had met with Jones Lang LaSalle (JLL), Real Estate Advisers, and had toured BC to get a view of the type and scale of facility required should it be decided to move to a new site. 		
6.8	<ul style="list-style-type: none"> • Ser 96 Reporting Employment Success of Residents at WHI. HER was continuing to explore opportunities to include this in SVR publications. 		
6.9	<ul style="list-style-type: none"> • Ser 101 Cyber Security. Ch Exec stated that he would provide detail on the remedial action recommended from the ethical hacking / penetration exercise conducted late last year. 		
6.10	<p>Action: Ch Exec to produce a managerial report on the penetration testing conducted in 2024 and circulate this to GB Members.</p>		

6.11	<ul style="list-style-type: none"> • Ser 102 Ch Exec to report back on the BC outcome targets. The outcome targets for BC had been agreed at the Q3/24 GB Meeting and set as: <ul style="list-style-type: none"> ○ 5.7 residents moving into independent living in the year. ○ 6 residents moving into employment. 			
6.12	Ch Exec explained that a total of 12 BC residents had moved into independent living (exceeding the target) and 4 BC residents had moved into employment (below the target) in 2024. It was clear that the Employment Rent Relief Fund (ERRF) was having a positive impact with 24 residents across SVR entering employment so far this year.			
6.13	The Chair stated that supporting residents into independent living was the primary aim of the organisation and on this, we had exceeded our target. This should be declared a success and included in our messaging to the public, showing that we are achieving against the mission. To have also helped a number into employment was outstanding.			
6.14	Dep Ch Exec highlighted that it can take up to 2 years to be accepted for permanent housing and with 30 flats at BC, perhaps a figure closer to 15 residents moving into independent living would be more appropriate. With regards to employment, there was value in also capturing the figures for those who had been able to sustain their current employment as a result of coming to SVR and being able to take advantage of the ERRF. This was perhaps a better measure of success and one which we could be more directly influenced, as opposed to getting people into work which was outside our control. The Chair agreed stating that it was as much about preventing people from falling into unemployment as it was encouraging the unemployed into work.			
6.15	RB suggested that this benchmark, now it had been established, could be finessed, concentrating on what we could actually influence.			
6.16	Action: Ch Exec to refine the BC outcome targets.			
6.17	<ul style="list-style-type: none"> • Ser 103 Ch Exec to provide cost saving proposals to inform a second 2025 budget. To follow under FINANCE. 			
6.18	<ul style="list-style-type: none"> • Ser 104 HER to make an application to the Armed Forces Covenant Trust for grant towards cost of maintenance/replacement fire doors. This had been completed. 			
6.19	BC Specific Actions:			
6.20	<ul style="list-style-type: none"> • Ser 6&8 Identifying a suitable benchmarking group. The Scottish Housing Network (SHN) had been engaged however, given SVR's niche support package, finding a relevant comparator of the right scale and service provision had so far been challenging. The Treasurer commented that this had always been the case. The Ch Exec stated that he would provide some comparative data but expected that this would have a number of caveats and footnotes to qualify the results. 			
6.21	<ul style="list-style-type: none"> • Ser 13 Setting Outcome Targets for BC. This had been covered at Ser 102 above and the GB agreed to close this action point down. 			
7	FINANCE	Treasurer	Q4 Management Report Jan and Feb 25 Cashflow 2025 Budget and Operational Review	Approved

7.1	<p>Treasurer's Report. [REDACTED]. Returns from the investment portfolio had turned this into a small surplus but the Treasurer stressed that the GB should not be misled by this; operating costs were still exceeding operating income and this was a position that had to be improved, by cutting back and finding new sources of income.</p>
7.2	<p>Voids had been less in 2024 which was a positive step. Recovering unpaid rent was still a challenging area with a large amount being used to write off this bad debt. On maintenance, there had been additional costs for health and safety works which were unavoidable. The audit on the accounts was about to begin.</p>
7.3	<p>Looking to the cashflows in Jan and Feb, the figures showed cash building back up to the point where SVR was likely to be cash positive later in the year. The Treasurer warned that this did not factor in any capital spending which would inevitably occur and that margins were in fact quite tight.</p>
7.4	<p>The Treasurer encouraged spending of the restricted funds which were allocated to each Residence.</p>
7.5	<p>Despite the pressures on cash, which the Treasurer stated had to be closely monitored, SVR's significant investment portfolio provided the reserves to cover large capital spends. The Fire Door replacement programme, was an example of how we could be tapping into investments rather than using cash.</p>
7.6	<p>The Chair thanked the Treasurer for the clarity of his report in which there were no surprises, adding that we should be grateful to our predecessors for SVR's considerable investment portfolio. The Chair observed that the operating deficit would have been much more dramatic had there also been a deficit on our investments and warned that while we would always hope to get a positive return on our investments, this was not guaranteed.</p>
7.7	<p>Turning to the revised budget for 2025, the Chair stated that this was never going to be an easy topic, involving discussions on where savings could be made across the organisation. That said, it was imperative that costs and revenue lines remained in balance.</p>
7.8	<p>Ch Exec gave his analysis on the interim budget. On the advice of the Dep Ch Exec, the core and non-core costs had been separated: Core costs were those attributable to services which were defined within Housing Benefit. This included staff remuneration for positions related to the provision of accommodation. Non-core costs were those attributable to services which we chose to provide, and which could not be claimed back, such as counselling or Activities Officer remuneration.</p>
7.9	<p>[REDACTED]</p>
7.10	<p>His view was that these costs were entirely justifiable, and were what set SVR apart from other supported accommodation providers (SVR's USP) and led to more frequent and better outcomes for service users. They should therefore be retained.</p>
7.11	<p>Turning to headcount, the Ch Exec had looked at the ratios of support staff to service users at each of the residences which, on face value, appeared to differ. In reality, taking voids and average occupancy into account, they were in fact quite similar with a 1:6 ratio of support staff to service users at BC compared to a 1:7.5 ratio at WHI.</p>

7.12	For catering staff employed at ROS and WHI, the ratios were 1:8 and 1:12 respectively which again, appeared to differ to some degree. However, WHI was rarely at capacity and not everyone ate every meal, thus bringing the ratio down. ROS was usually full, with residents attending every meal. Additionally, a proportion of the catering staff at ROS were part-time as opposed to the full-time team at WHI.
7.13	Ch Exec described the management and head office staffing as taut with little scope to make reductions. HR and financial services were currently contracted out and Ch Exec explained that if done in-house, this would not bring savings and would create single points of failure. Ch Exec acknowledged that the residence managers preferred an in-house HR specialist which could be more responsive, but unless it could be done at same cost or less, the Ch Exec was not prepared to go down that route.
7.14	In conclusion, the need to retain SVR's USP and its already taut staffing levels had led the Ch Exec to look at ways to actively fund the non-core aspects of the organisation, rather just taking them at risk. Fund-raising would now need to be focused on the delivery of these non-core activities with funding targets forming part of the budgeting process.
7.15	The Treasurer explained that this exercise had allowed SVR for the first time to delineate between its core and non-core costs. These non-core costs had grown, for good reason, over time 
7.16	The Chair thanked the Ch Exec for his work, summarised as SVR running as taut as it could in order to provide its unique range of services. But with costs now exceeding revenue, new sources of funding were needed. He acknowledged that this had exposed the problem but identifying the solution would require further work. This should take the form of a strategic plan with clear KPIs and targets for funding. Without these, there was the risk of drifting back onto the investment safety net which would become increasingly pressurised.
7.17	The Chair asked the Ch Exec to come back with a paper which showed the route to funding. Additionally, with regards to replacing and hiring of new staff, the Ch Exec should sign off on the recruitment process to ensure that the role is relevant, correctly structured within the organisation and that we are getting the maximum value from each member of staff.
7.18	Dep Ch Exec provided detail behind the funding mechanisms. The lack of funding for support staff was a consequence of a gradual eroding of local council grants with different authorities funding support staff to varying degrees.
7.19	RB suggested that partnering with specialists could be a way to burden share and deliver the support from outside the organisation, rather than from within. Ch Exec added that the difficulty lay in the fact that the services which SVR was providing, such as counselling, were not available in a timely manner on the NHS. Equally, much of the work by the OT was in support of mental health. Given this environment, SVR had to retain these capabilities in house and find the funding to allow them to continue.
7.20	The Chair agreed, adding that there was no doubt in his mind that the services offered by SVR were needed, the vast majority of which were related to mental health. It was not enough however for the GB to simply say we have to find more funding sources; alternatives had to be discussed and current ways of working had to be challenged.

7.21	The Chair continued, stating that notwithstanding the funding plan, the GB would still need to challenge. The scenario of a future market crash and SVR facing a significantly greater deficit was not unthinkable. The Chair stated that the GB should not wait for this to happen before starting discussions and decisions on what might have to be cut.		
7.22	Returning to a point made by JC, Ch Exec stated that more could be done to inform the GB on the usage of the additional services being offered and that this could form the basis of KPIs. In addition to quantitative measures such as hours of counselling or participants in activities, SVR surveys could also capture the qualitative aspects of customer satisfaction and views if services were to be taken away. Once the GB better understood the value and worth of each service, then they could be prioritised.		
7.23	SB highlighted Combat Stress as a former partner and the success other charities had seen when funding was directed at a tangible project. Additionally, there were experts who, for a day rate, would search out grants and trusts.		
7.24	RE highlighted that the outcomes of Project JANUS could have a material effect on this discussion and should be integrated. The Chair agreed that this budgetary work and Project JANUS were intrinsically linked.		
7.25	The Treasurer explained that while much of the conversation so far had revolved around therapists and activities officers, the main deficit and most significant increase was found in the support staff remuneration. Funding could probably be found for the discrete services provided by the OT and Activities Officers so it was important to ensure that the support staff were being as effective as possible.		
7.26	The Chair thanked the GB for their points, noting that although a difficult discussion to have, it was entirely necessary to safeguard the future of the organisation.		
7.27	Action: Ch Exec to bring proposals to the next meeting together with a fund-raising plan.		
8	GOVERNANCE	Ch Exec	Noted
8.1	The Ch Exec introduced MC from Bruce Tate Associates.		
8.2	<p>Explanatory Note: Bruce Tate Associates had been engaged by SVR to give an independent review and recommendations on the proposed succession plan [REDACTED]</p> <p>[REDACTED] MC's attendance at the meeting was an opportunity to observe SVR's strategic decision-making process to inform his recommendation on the succession plan.</p>		
8.3	MC presented his background and experience. He acknowledged the years of experience around the table, both military and with the charity.		
8.4	MC's starting point had been to establish what constituted best practice. For this he had looked to public bodies and health boards where standards were usually most stringent, to OSCR in the charity sector, and to housing regulators such as the Scottish Housing Regulator and the Scottish Federation of Housing Associations.		
8.5	<p>[REDACTED] MC could not find anything which rendered the proposed succession plan illegal. The issue therefore was in the perceived SHR risk.</p>		

8.6	MC had identified 5 core principles against which he would be measuring SVR Governance; organisational purpose; leadership; Board behaviour; control and risk management; and effectiveness. From what he had seen prior to and during the GB meeting, MC stated that SVR governance was strong and would be articulated into a report, shared with Ch Exec and the Chair before sharing with the SHR.
8.7	MC asked whether the Governing Body thought there were any improvement areas with regards to governance.
8.8	The Chair explained that considerable effort had been made to broaden the range of expertise within the Governing Body which now comprised not just ex-military but specialists in care, mental health, finance and property management. This breadth of understanding and knowledge protected the interests of the charity which was a key function of the Board.
8.9	The Treasurer highlighted the Committee structure which allowed areas of finance and risk to be scrutinised separately giving a much higher level of governance.
8.10	After discussion, it was agreed that the reporting of service delivery into the GB was an area to improve on. This had been enhanced by the Quality Committee but there was still more to do. Engagement from residents was always difficult. Trustees attended residents' meetings at WHI and BC but currently, not at ROS.
8.11	MC explained that it would be a combination of factors which would provide a convincing report to the SHR citing the Ch Exec/Chair relationship, committee structures, financial control structures and service delivery as examples.
8.12	Ch Exec asked that the report be directed at the Governing Body, not the Executive, as was for the Governing Body to be comfortable with the outcome of the report. [REDACTED] [REDACTED]. The Chair highlighted the independence of the Trustees and their duty to prevent that. The Treasurer observed that a strong Chair can dominate the Board and that was always a concern. MC agreed that the report would be directed at Trustees and would cover all the risks that were of concern to the SHR.
8.13	The Chair described the functioning of the SVR Board, which was akin to a commercial board in its focus, its challenge, its eye on future and protection of the charity. Day to day running was delegated to the executive which was regularly held to account by Trustees.
8.14	Sub Committee Reports:
8.15	Investment, Remuneration and Finance Committee (IRFC). The Chair stated that the IRFC had not met in Q1 but would meet later in April and report to the Q2 GB Meeting.
8.16	Quality Committee (QC). RB gave the highlights of the QC meeting on 5 Mar. The unannounced inspection of BC by the Care Inspectorate had gone well and had led to discussions on automation and dashboards to make future inspections easier. The Restraint and Constraint policy would be replaced with a policy on Dealing with Challenging Behaviour.
8.17	Audit and Risk Committee (ARC). The audit on the annual accounts was ongoing and would be presented at the Q2 meeting. There was an action point for all trustees

	to enable Two Factor Authentication to access Admincontrol. There were 3 audits to be conducted this year; Data Protection; Financial Controls; and Corporate Performance Management. All action points from previous audits were in hand and a comparison of risk across the top 100 housing associations in the UK showed that SVR was broadly in line with its peers. The changes to PVG membership was discussed and is covered below.
8.18	Cyber Security
8.19	The IT Manager stated that SVR's IT Security Posture (measured as the Microsoft Secure Score) remained at around 82%, giving an 'Exceptional' level of protection.
8.20	From the Cyber Security 'One Pager', there had been a decrease in cyber-attacks on SVR but it was still experiencing around 60 spam, phishing and email malware attempts per day, 95% of which were quarantined by firewalls and protection software. The remaining 5% were identified and reported by employees, without opening or replying to the suspicious emails.
8.21	Changes to the Disclosure Scotland Act
8.22	Ch Exec updated the GB on the changes being brought in on 1 Apr to the Disclosure system in Scotland. It would require all those in SVR, including Trustees, to become members of the PVG scheme given that they were working with Protected Adults. Some Trustees were already members of the scheme. Co Sec would be writing to all Trustees to inform them of this and where necessary, ask for data to begin their application.
8.23	The main operational impact was on the catering and domestic staff who could leave at short notice. The time it then takes to apply for PVG for new joiners (6-8 weeks) may create gaps. A second possible impact will be if we find that an SVR employee should not be working with Protected Adults. In this case, the individual will not be allowed to work at SVR but must still be managed out of the organisation.
8.24	Governance in 2025.
8.25	Ch Exec stated that in Q1, all residences had provided their annual reports to the Care Inspectorate. There had been a catering survey, and the Duty of Candour Report was due to be published on the website.. The internal audit programme (3 x audits) had been agreed and the audit of the 2024 financial reports was in progress. A customer survey in April would feed the Annual Return on the Charter due in May. There had been confirmation that the SHR 's specific focus for 2025/6 would be tenant safety (gas, electric, water, damp, fire, lifts and asbestos). SVR had no concerns about this.
8.26	Strategic Risk Register. Ch Exec updated on the 3 strategic risks. <ul style="list-style-type: none"> • Risk 1: FINANCE The Impact of Conservation and Renovation at Whitefoord House. This risk now consolidates the significant infrastructure finance challenges of the WHI Campus. Ch Exec asked for Board approval of this new risk to sit on the Strategic Risk Register and was unanimously agreed. • Risk 2: FINANCE The Impact of Cost Pressure. This had already been discussed during the Finance section. • Risk 3: HEALTH AND SAFETY Defective Fire Doors. Funding streams had been identified. Doors at ROS and WHI would have to be replaced given their age but at BC, the architect and contractor may be liable to make good the defective doors.

8.26	<p>There is a case that they did not install them correctly during the build. Dep Ch Exec would be meeting with the contractor / architect on site next week.</p> <p>The Chair stated that the cost for the doors was £500k+VAT. Some of this could be recoverable through various funding streams and ideally, these funds would become available as bills are due. It was agreed that this situation should be monitored and, in the event that funding is delayed, investments should be used to fund it. RE proposed, SB seconded.</p>			
9	OPERATIONS		Ch Exec's Report Residence Reports	
9.1	Ch Exec Report. Chief Exec referred the GB to his written report.			
9.2	The Dep Ch Exec highlighted the need to update the computer and software for the building management system at BC as it was now 10 years old and unsupported. The cost of the upgrade was £10k. The GB agreed not to defer and that the work should go ahead. RB suggested that it be included in SVR's programme of rolling IT maintenance. Ch Exec agreed and would ensure it was reflected in the budget as part of the cyclical IT costs.			
9.3	The reports from the Residences were taken as read with no points to raise.			
9.4	The HER announced that he had received a donation from a trust for £10k a year for the next 3 years to help pay for the Activities Officer at ROS. The HER also sought GB approval to undertake a public fund-raising campaign to refurbish the SVR Memorial at Eastern Cemetery, Edinburgh. Work could start in May and be complete by Aug/Sep. The £30k-40k could be raised concurrently through fund-raising but asked whether the Board was content to make up any shortfall if that was required.			
9.5	Decision: Following discussion, the GB unanimously agreed to support the project and make up any shortfall if necessary.			
10	Royal Navy Service Report	Ch Exec		Noted
10.1	The RN report was taken as read.			
11	AOB	Chair		
11.1	The Chair informed the GB that he had been approached through the whistleblowing policy with a concern about political publicity at one of the sites. The Chair had investigated, was content that SVR had not shown any bias and would be going back to the individual to give them his findings.			
11.2	More broadly, this demonstrated that the whistle blowing process was working and that any concern was dealt with seriously and thoroughly investigated.			
12	Date of Next Meeting	Ch Exec		
12.1	The AGM, to be immediately followed by the Q2 Meeting was confirmed as Thurs 22 May, starting at 1400.			