

Annual Report

2018/19



Chairperson's Report

It has been almost a year since I was elected as Chairperson of Hillcrest and I cannot believe how quickly the time has gone and how much has been achieved.

The company wide rebranding has been completed and the new names, logos, values and vision have been launched. We are delighted with the new look which completely modernises the brand and clearly shows how all the companies link up.

Two Hillcrest companies, Northern Housing Company and Hillcrest Enterprises Ltd merged this year, with the newly formed Hillcrest Enterprises taking their place to deliver our commercial activities. Profits made will be recycled back through the charitable arms of the organisation to enhance our social impact.

The development of new homes is still a critical part of what we do and Hillcrest has added 270 new homes to its portfolio over the last year. This included the first handover in Aberdeen at Countesswells, which was opened by Housing Minister Kevin

Stewart. Our homes are built to a high standard and are a safe, comfortable and enjoyable place for individuals and families.

The development programme for the forthcoming year remains high with over 328 homes to be handed over. This includes 81 for our mid-market rented stock meeting an ever increasing need for good quality housing for all tenure types.

Whilst there is a subsidy available to deliver affordable homes, this needs to be topped up with private finance. During the last financial year, Hillcrest went to the market and secured both a £72.5m Revolving Facility and a £70m Private Placement. Both deals were very competitively priced and will make sure that we can keep rents low for current and future tenants.

Planning permission was secured to redevelop Ellengowan Drive in Dundee. Hillcrest will demolish the 128 flats currently on the site and build 130 new homes with a good mix of different sizes and types of accommodation.

Hillcrest Futures, formerly known as Gowrie Care, had another very successful year with a new service opening at Alexander Street in Dundee. There has also been a review of our current services and a number of older properties have been identified for modernisation or relocation. Hillbank Road is one of the first with the work starting shortly to adapt the accommodation for the changing needs of the service users.

To expand on their recent successes, Hillcrest Futures approved the decision to host a pop up charity shop. Approval was given to find a forever home to set up this new venture providing not only funding for extra activities but also work placement experience for service users and volunteers.

Sustainability is a popular topic everywhere these days. As a first step towards a greener fleet, Hillcrest has leased a number of electric cars and is trialling a hybrid car. This is only the beginning, particularly for our in-house teams who have more than 100 fleet vehicles.

Hillcrest promotes and encourages tenant involvement and engagement. The Hillcrest Action for Residents and Tenants (HART) group consists of a number of interested tenants who work with the Tenant Participation team to explore ways to improve our service. This year they have been involved with the development of our new tenants' app to make sure that the look and feel works for the people who will be using it.

This year's tenant satisfaction survey was also very positive with satisfaction in the services we provide being between 95 and 100% for almost every question. This survey is carried out by an external company, which gives us the confidence in truly reflecting the experience our customers receive. Where any improvements are identified, these are acted upon immediately.

It has been my first year as the Chair and I have enjoyed it tremendously. The enjoyment comes not only from seeing what excellent work is done but also from working

with other dedicated, experienced and knowledgeable board members. My thanks go to all of them for their assistance.

I must also thank all the staff teams for their passion, hard work and determination, which contributes enormously to our success. From the senior team who led from the front, through to all the staff working on the ground in every company, I thank you sincerely.

Finally, returning to our rebrand, the vivid look will do more than just form the background to this report. It will unify and showcase the exceptional work that we do across all the companies in the organisation as we work together to achieve positive outcomes for our customers and service users.

This has been a great year but next year will be even better.

Thank you.

Alan Russell
Hillcrest Chairman



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Hillcrest Homes



Stats for success

- Rent collected as percentage of total rent due: **99.62%** (target - 98.5%)
- Average calendar days taken to re-let properties: **24.7 days** (Scottish average: 30.72 days)
- Percentage of rent due lost through properties being empty: **0.63%** (target - 1.75%)
- Percentage of tenancies sustained for more than a year: **91.63%** (target - 90%)
- Percentage of tenants satisfied with the standard of their home when moving in: **95.02%**
- Percentage of tenants satisfied about the opportunities available to participate in Hillcrest's decision making: **97.62%**
- Percentage of tenants satisfied with the quality of their home: **90.71%**
- Percentage of tenants satisfied with the standard of our customer service: **98.57%**
- Percentage of tenants that think their rent is good value for money: **87.62%**



New beginnings

2018/19 saw an impressive 270 homes completed and handed over to Hillcrest.

The Grampian region is still relatively new to us, and this year saw homes handed over at Countesswells, our first big development there. The development is also moving into its second phase, which will add a further 82 homes to Aberdeen City's affordable housing provision.

We've also broken ground in Aberdeenshire for the first time too – with work beginning on a £12.5m development on the Ury Estate just outside Stonehaven, which will bring 91 homes.



Putting people first

Amongst the fresh lick of paint sweeping the organisation, we've been working as hard as ever to secure a range of financial gains for our tenants. Whether this is securing benefits, saving them money on energy bills or securing grants of funding on their behalf,

Here are some key numbers outlining how much we effectively added to our tenants' pockets:

Tenancy Sustainment Service

- Benefits: **£367,780**
- Charity Awards: **£13,930**
- Food Parcels: **60 totalling £3,691**
- Scottish Welfare Fund: **£118,063**
- Council Tax: **£29,255**
- Universal Credit: **£769,748**
- White goods/furniture: **£5,931**
- Other: **£8,603**

Energy advice

- Energy advice given: **£19,305**
- Fuel poverty fund applications: **£1,970**
- Grant applications: **£436**
- Warm home discount applications: **£78,120**
- Home appointments: **£3,625**
- Heating system demos: **£21,000**
- Smart meter demos: **£130**
- Meter credit top-ups: **£8,510**
- Improvements works: **£130,200**
- Repairs referrals: **£802**
- Supplier and tariff: **£8,813**
- Contact with fuel suppliers: **£18,473**
- Help to switch suppliers: **£2,722**
- Fuel debt write-offs: **£10,807**

Total: **£1,621,914**

With energy costs continuing to rise, more and more people are falling into the abyss of fuel poverty. Over 740,000 households are now officially recognised as being in fuel poverty and for many it's a choice between heating or eating.

However, Hillcrest Energy Advice Team's (HEAT) fight back hasn't gone unnoticed. In November 2018, HEAT's stellar efforts were recognised at the prestigious Chartered Institute of Housing (CIH) Awards, picking up a coveted Excellence in Innovation award.



Getting our tenants involved

It's been a busy year for our Tenant Participation team! Tenant Participation Focus Week took place from the 9th until the 13th of July 2018, and saw our HART group go on tour across Dundee, Angus, Perth, Fife and Edinburgh. Events included drop in sessions with tea and cakes and door knocking to hear what Hillcrest tenants had to say and encourage them to get involved with tenant participation.



Setting a sterling service

2018/19 has been a busy year and the team have answered over 70,000 calls. Our customer contact team are trained to deliver quality customer service with the aim of resolution at first point of contact.

Last year's call handling performance:

- Total calls answered – 73,312
- Average calls per day – 280
- Abandoned calls – we have seen a reduction in abandoned calls with the average each month normally under 5%

HART has also been working closely with service design consultancy Open Change throughout the year to explore how Hillcrest can better engage with tenants. The super-slick service design workshops gave the perfect platform for HART to voice their experiences and how processes and services could be streamlined.

At Hillcrest, we like to speak to our tenants and hear what their questions, concerns and ideas are. Our Know-vember initiative saw a number of the Hillcrest team take to the street to engage with those who are at the heart of what we do.

We spoke to over 200 tenants about a number of key topics, and here are some of the things we learned:

70

tenants wanted to be referred to Hillcrest Energy Advice Team

67

tenants had outstanding repairs/maintenance or estate issues (many thought they weren't entitled to report these issues)

21

tenants wanted to be referred to our Tenancy Sustainment Service for benefit advice

94

tenants told us they would be interested in getting involved in improving our services



A fresh canvas

It's a fresh lease of life for our Hillcrest Homes' Edinburgh office, which relocated from its previous home of 22 years at Canongate to a new base at Dundee Street. The more accessible and fit for purpose premises offers much more space and easier access. You'll find the office at 160 Dundee Street, Edinburgh EH11 1DQ.



Our Homes





Hillcrest Enterprises



New beginnings and new horizons

With our newest company comes a new look, new ideas and new offerings in the private rent market as well as increased numbers of our mid-market rent properties. Hillcrest Enterprises is the vehicle through which profit making activities are channelled for the organisation.

The launch of the brand new company structure allows us to perform our commercial, non-housing and mid-market rent activities all under one name. With huge ambitions for the future, we've also welcomed a dedicated director to lead the business, Stuart Dow, along with a newly recruited board.



Turning dreams into reality

In 2018/19 we added to our offering, with the addition of 12 brand new energy efficient homes handed over to Hillcrest Enterprises' management:

- 11 at Loaning Road, Edinburgh
- 1 at Dinmont Drive, Edinburgh

With affordable mid-market rent being a popular stepping stone to home ownership, we continue to have very little unoccupied stock and have been working hard to turn around vacant properties quickly.

Buoyed by the spirit of evolution and progression coursing through Hillcrest's veins, Hillcrest Enterprises has also agreed an objective to move into the private rent sector. Plans have been made for two key projects in Dundee, which will deliver premium apartments at two sites – one of which will be in the heart of the Waterfront regeneration. Work on these two developments will hopefully begin early 2020.



Getting ready for the next generation

A recovery plan was finalised for our nursery in Edinburgh, which included funding to upgrade the facility as well as the creation of a marketing plan to help drive occupancy of nursery places. The revitalisation of the premises began at the start of 2019, and will see new equipment and interior design introduced.

This full refresh has also seen plans well underway to rename, revitalise and relaunch the nursery with a warmer and more child-friendly brand.



The old will make way for the new

Our Ellengowan redevelopment is steadily progressing. In August last year, the process of re-homing our Ellengowan tenants was successfully completed, leaving the path clear for the next phase of the redevelopment.

Full planning permission was granted in January 2019, allowing us to move onto the demolition of the old asbestos-filled 'temporary' homes built in 1925. In their place brand new high-quality energy efficient homes will begin to take shape, and should all be completed by 2024.

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Our Work





Hillcrest Maintenance



Continued growth

Hillcrest Maintenance achieved its largest ever growth in income in one year with a 24% increase from 2017-18's total of £9.9m compared to £12.3m made in 2018-19.

We also saw a growth in profits in 2018-19 which increased the amount available to our internal Gift Aid initiative. Almost all of our profits are given back to the organisation every year through Gift Aid with the money being used for a number of charitable causes.



Improvement works

We are committed to ensuring we provide good quality, energy efficient housing to help combat fuel poverty. We have various improvement programmes ongoing to contribute towards this.

Our gas heating system installation works programme entered its third year in 2018-19. The four year long programme is part of our Energy Efficiency Standard for Social Housing (ESSH) compliance works initiative and we are on target to meeting the Government's deadline of December 2020.

2018-19 was the second year of our £11m seven year heating improvement programme which will see 2,400 properties' existing electric storage heating systems being replaced with gas central heating systems (where there is a gas supply available). The heating improvements will have a significant positive impact on our tenants as it will increase the energy efficiency of our properties.

In addition to our heating improvement programme, our committee of management also approved a seven year £2.4m shower installation programme to further address fuel poverty concerns for tenants. This programme will start in 2019-20 and will see showers being installed in around 3,800 of our properties.



Hillcrest Maintenance achieved its largest ever growth in income in one year with a 24% increase from 2017-18's total of £9.9m compared to £12.3m made in 2018-19.



Investing in young people

We have a long history of offering work placements, work experience and apprenticeships to help set young people up for success in their careers. 2018-19 has been no exception as we launched our apprenticeship and training initiative, a three stage programme for young people who want to start a profession in construction.

School pupils are given the opportunity of work experience with us at stage one. At stage two we recruit a number of pre-apprenticeship roles and young people involved at stage two are automatically invited for an interview. At stage three the successful pre-apprentices begin their formal four year apprenticeships.

We currently have eleven apprentices working with us, which is four more than we had in 2017-18. We are looking to continue increasing the number of apprentices we have and are planning to expand the training opportunities we offer to young people.



Local economy benefits

Increased growth and success in 2018-19 has further helped the local economy as we increased spending with local companies on materials, sub-contractors, supplies, vehicles, plant and equipment.

We increased our material, contractor and agency staff spend from £3.9m in 2017-18 to £5.2m in 2018-19, this being a 31% increase in spend in the local economy.

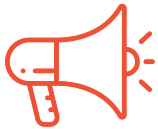


Our People





Hillcrest Futures



Raising awareness

In August 2018 our harm reduction team launched a campaign called ODnotMe which seeks to reduce drug-related deaths in Scotland, in particular Dundee. The campaign raises awareness around overdose reversal medication Naloxone and the risks associated with substance use.

The team promoted ODnotMe by producing striking posters which feature hard hitting statistics around drug overdoses. The campaign has featured in several articles in the local press and appeared in STV's documentary "Finding a Fix" in May 2019. The TV programme examined the drugs death toll in Dundee and looked at efforts being made to halt the number of lives being lost. Local MPs have also got on board showing their support by linking the campaign to the new National Substance Use strategy called "Rights, Respect and Recovery".

The initiative has contributed to over 500 people receiving a Naloxone kit from us in the last year, including a wider roll out to carers and significant others as they are often first responders.



Drawing on our resources

In 2018-19 we hit the high street with three successful pop-up charity shops. All money raised went towards our enabling fund and project improvements.

The charity shops not only provided a method of fundraising, but also helped with brand awareness by giving us a presence on the high street whilst allowing volunteering opportunities to the people we support and the wider community.

The future of our resource hub in Edinburgh has been secured for the next three years after being awarded funding from the Edinburgh Integration Joint Board (IJB).

The £213k from Edinburgh IJB will mean that people who have experience of, or are at risk of homelessness will receive the support they need to move forward in life. This money also secures the funds already pledged by the Big Lottery Fund for £98k.

Our Edinburgh Futures service supports vulnerable people to learn independent living skills and experience a range of recreational, educational and social opportunities they would otherwise be excluded from. Activities include tenancy skills sessions, cooking and healthy eating workshops, managing money, recovery groups and computing classes.

Over £56k was awarded to Hillcrest Futures in 2018-19 through our Gift Aid initiative, a process where profits generated by the commercial arms of the organisation are invested back into our charitable companies.

Projects that benefitted from the funds include the development of relationship, sexual health and parenthood (RSHP) peer education for vulnerable 12-18 year olds, starter packs for service users moving on to their own tenancies and various project improvements to redecorate social spaces in our services in Edinburgh.



Enhancing our offerings

Our hub activities in Dundee and Fife continued to thrive in 2018-19 and are as popular as ever. The improvements team offers activities throughout the week and have introduced new workshops including ukulele, drumming and sensory stories.

Our drama group staged their fourth annual production in early 2019 with their rendition of Snow White which proved a big hit with the audience.



Brand new services

Dundee's Lord Provost, Ian Borthwick opened our first ever accessible holiday home in Dundee in late 2018. Rockwell Holiday Home provides a much needed holiday let facility for individuals who have support and care needs.

We opened a new service in Alexander Street, Dundee in March 2019. The service offers housing support and care at home to young people with Autism, learning disabilities and/or complex needs.

The service, commissioned by Dundee City Council and run by us, currently supports seven young people and employs around 20 staff.

The newly built development is modern and light. The service utilises smart technology including epilepsy monitors which contain sensors that alert staff when the individual is having a seizure. This allows a discreet method of 24-hour care, giving service users privacy without the need for constant observation.

The service also has two profound and multiple learning difficulties (PMLD) flats that are wheelchair adapted with ceiling track hoists, specialist baths and height adjustable kitchen counters.



In August 2018 our harm reduction team launched a campaign called ODnotMe which seeks to reduce drug-related deaths in Scotland.

Consolidated Statement of Comprehensive Income for the year ended 31st March 2019

	Notes	2019 £	Continuing Operations	Discontinued operations	2018 £
Turnover	2(a)	53,284,799	49,961,804	-	49,961,804
Operating expenditure	2(a)	(44,528,852)	(40,953,413)	484	(40,952,929)
Impairment on affordable let properties	2(a)	(9,679,348)	-	-	-
Operating surplus/(deficit)	10	(923,401)	9,008,391	484	9,008,875
Total comprehensive income for the year	4	1,396,047	422,615	-	422,615
Finance income	5	52,277	24,968	-	24,968
Finance costs	6	(5,831,375)	(5,541,933)	-	(5,541,933)
Pension remeasurement	7	(616)	6,040	-	6,040
Loss on reclassification of investment	10	-	(13,532)	-	(13,532)
Movement in fair value of financial instruments	24	175,639	2,469,042	-	2,469,042
Surplus/(deficit) before tax		£(5,131,429)	6,375,591	484	£6,376,075
Taxation	12	(46,488)	(13,441)	-	(13,441)
Surplus/(deficit) after tax		£(5,177,917)	£6,362,150	£484	£6,362,634
Business combination	34	-	184,247	-	184,247
Unrealised surplus on revaluation of housing properties	25	131,620	-	-	-
Initial recognition of multi-employer defined benefit scheme	22	(1,790,315)	-	-	-
Actuarial losses in respect of pension scheme	22	(1,632,468)	-	-	-
Total comprehensive income for the year		£(8,469,080)	£6,546,397	£484	£6,546,881

Consolidated Statement of Financial Position as at 31st March 2019

	Notes	2019 £	Restated 2018 £
Fixed assets			
Tangible fixed assets	15/16	483,236,013	438,094,638
Investments	17	871,385	871,385
		484,107,398	438,966,023
Current assets			
Stock	18	22,422,778	22,004,053
Trade and other debtors	19	14,365,616	13,032,335
Cash and cash equivalents		21,092,324	18,423,331
		57,880,718	53,459,719
Less: Creditors: amounts falling due within one year	20	(81,600,706)	(22,752,832)
Net current assets/liabilities		(23,719,988)	30,706,887
Total assets less current liabilities		460,387,410	469,672,910
Creditors: amounts falling due after more than one year	21	(386,410,495)	(390,801,667)
Pension – deficit funding liability	22	(112,530)	(4,200,789)
Pension – defined benefit liability	22	(7,663,014)	-
		(394,186,039)	(395,002,456)
Total net assets		£66,201,371	£74,670,454
Reserves			
Share capital		75	78
Income and expenditure reserve	25	65,183,262	73,911,168
Restricted reserve	25	203,971	69,080
Revaluation reserve	25	767,956	636,336
Negative goodwill	25	46,105	53,790
Non-controlling interest	25	2	2
Total reserves		£66,201,371	£74,670,454

Members, Executives and Advisers Committee of Management

Hillcrest Homes (Scotland) Ltd Committee of Management

Mr. A. Russell, Chairperson
Ms. V. Howard, Operations Sub Committee Convenor
Mr. D. Boyle, Audit & General Purposes Sub Committee Convenor
Mr. D. Scott (elected)
Ms. J. Roberts (elected August 2018)
Mr. D. Weir (elected)
Mr. T. Kirby (elected)
Mr. P. Shepherd (elected)

Mr. C. Robertson (casual)
Mr. M. Hussain (elected)
Ms. M. Dwarshuis (resigned November 2018)
Mr. C. Payne (resigned March 2019)

Key Management Personnel

Group Chief Executive	Mrs. A. Linton
Deputy Chief Executive/Company Secretary	Miss. F. Morrison
Director of Finance	Mrs. L. Dryden
Director of Corporate Services	Ms. L. Don
Director of Development	Mr. D. Zwirlein
Director of Property	Mr. M. Percival
Director of Housing	Mr. B. Sander
Director of Hillcrest Enterprises	Mr. S. Dow
Managing Director of Hillcrest Futures	Mrs. J. Dunlop

Registered Office

1 Explorer Road, Dundee DD2 1EG

Auditors

Findlays
Chartered Accountants & Statutory Auditors
11 Dudhope Terrace
Dundee DD3 6TS

MHA Henderson Loggie
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Dundee DD1 4QB

Members, Executives and Advisers

BANKERS

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Aurora
1st Floor
120 Bothwell Street
Glasgow G2 7TJ

Lloyds Bank
3rd Floor
25 Gresham Street
London EC2V 7HN

GB Social Housing
35 Great St Helens
London EC3A 6AP

Allia Impact Finance Limited
Future Business Centre
King's Hedges Road
Cambridge CB4 2HY

Sun Life Assurance
Company of Canada
1 York Street
32nd Floor
Toronto, Ontario
M5J 0B6 Canada

SOLICITORS

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Group Subsidiary Boards of Directors

HILLCREST FUTURES LTD

Janet Lynch (Chairperson)
Brenda Fenton
Joan Forsyth
Angie MacDonald
Kenneth Birse
Ronald Thoms
Kirsteen Thomson
Trevor Haines
David Lyon
Marian Reid (resigned April 2019)

HILLCREST MAINTENANCE LTD

Donald Ridgway (Chairperson)
Ian Smart
Bruce McEwen
David Boyle
Ronald Thoms
Terence Kirby
Bruce Davidson
Trevor Haines

HILLCREST ENTERPRISES LTD

Wendy Johnston (Chairperson)
Douglas McKegney
David Boyle
Ian Collins
Archie Rintoul
David Ritchie
Jack Robertson

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اگر انگریزی آپ کی مادری زبان نہیں ہے اور آپ کو اس دستاویز کے ترجمے کی ضرورت ہے تو برائے مہربانی ڈنڈی ٹرانسلیشن اینڈ انٹرپرائیٹیشن سروس سے فون نمبر 01382 435825 پر رابطہ قائم کریں۔





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