

esg

Report 2022/23



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Foreword

Welcome to our annual Environmental, Social and Governance (ESG) Report for 2022/23.

It's a privilege to present this report, our first on ESG, as the new Chair of Hillcrest. This report is a testament to our commitment to continuous improvement and reflects our dedication to transparency, accountability and making a positive impact in 'helping people live better lives'.

ESG principles must be core to the work of all of us at Hillcrest, and the Board takes these responsibilities extremely seriously as we steward the organisation into the future.

The climate crisis has become more prominent over the past few years and inaction is not an option. We have a strong corporate commitment to playing our role in tackling climate change, creating sustainable and energy efficient homes, and reducing our environmental impact. You'll find details on pages [6 to 10](#).

In the aftermath of Covid-19 and the disruption that touched all our lives, the social element of ESG principles has become even more important. As a large, diverse and continually evolving social organisation, Hillcrest has a strong social purpose where input from our customers plays a vital role in shaping the services we offer. The current cost of living crisis also reinforces the importance of ensuring we provide high quality homes and services that are affordable and provide value for money. Our social initiatives are outlined on pages [12 to 17](#).

The way in which we govern our organisation is key to ensuring we can meet our environmental and social goals. We recognise the importance of strong leadership, accountability and developing our staff to ensure they have the skills and knowledge they need. This commitment must be developed through the organisation – from the frontline to the Board, and you can find information on this on pages [19 to 22](#) in the report.

We welcome the opportunity that ESG reporting provides. Each year, we will share our progress and outcomes with customers, suppliers, staff and funders, and proactively communicate our positive impact on society, the economy and the environment.

Our first report provides a baseline position of where we are in relation to ESG. It shows we have strong foundations and the team should be proud of that. It also highlights areas where we are at the start of our journey and the need for continuous improvement to go further. To measure our progress, we have adopted the Sustainability Reporting Standard for Social Housing (SRS) which we hope will provide greater standardisation and comparability on ESG reporting across the sector.

Over the next 12 months we will invest further in our ESG approach. This means continuing to embed an ESG process into our business, delivering a more centralised and systematic way of collating and sharing ESG data. We will build out our ESG dashboard, objectives and targets, so that our stakeholders know where we are headed. Finally we will develop a Net Zero Strategy, improve our sustainability data and reporting, and review sustainable procurement and corporate governance arrangements.

I look forward to keeping you updated.

Dave Boyle, Hillcrest Chairperson



About us

Hillcrest is a large, diverse and continually evolving social organisation. Our companies provide housing, care, maintenance, support, training, skills and employment opportunities.

Hillcrest consists of:

- Hillcrest Homes was established in 1967 and is one of Scotland's largest housing associations, with over 7,000 good quality homes for social rent across Dundee, Edinburgh, Angus, Perthshire, Fife and Aberdeen.
- Hillcrest Futures works to improve the lives of those we support, offering care and support services covering learning disabilities, autism, older people, mental health and wellbeing, homelessness, and drug, alcohol and recovery services.
- Hillcrest Enterprises offers over 1,000 good quality mid-market rent homes, as well as being a platform for Hillcrest's commercial ventures.
- Hillcrest Maintenance offers a comprehensive, professional trades service across all our geographical business areas.

Our values are Inclusion, Respect, Excellence and Innovation, and this underpins our culture and all the work we do.



Inclusion



Respect



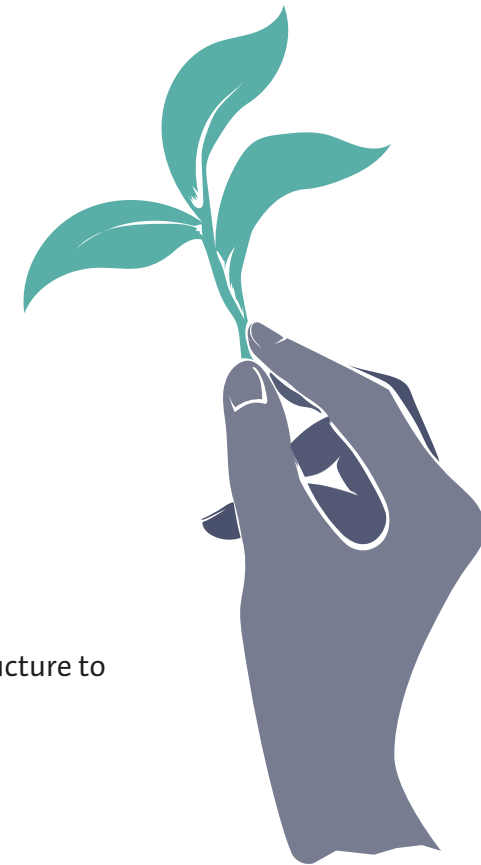
Excellence



Innovation

Each of our companies have their own specific objectives, but the key strategic objectives that run through the organisation are:

- Provide good quality, well maintained housing at affordable rents
- Contribute to building sustainable communities
- Provide quality, creative, responsive care and support services
- Contribute to wider social, economic and environmental activities
- Ensure resources, skills and structure to meet objectives



Our ESG reporting approach

ESG is a systematic approach for identifying and assessing how we run ourselves effectively (Governance) and how we manage our impact on the environment (Environmental) and on the communities in which we operate (Social). It allows us to demonstrate our sustainability as an organisation and guide our corporate decision-making in line with our overall vision.

Sustainability Reporting Standard for Social Housing

To measure our ESG performance we have adopted the Sustainability Reporting Standard for Social Housing (SRS) by Sustainability for Housing and The Good Economy. The SRS provides a wide range of quantitative and qualitative criteria across 12 ESG themes which we will report against on an annual basis.

This will provide us with the opportunity to transparently demonstrate our progress in a clear and consistent manner, and understand our progress as part of wider international sustainability efforts. The SRS was released in 2020 and is regularly reviewed and updated. We will continue to report in line with any revised criteria. You can find out latest SRS performance report on pages [24 to 33](#).

United Nations Sustainable Development Goals

The Sustainable Development Goals (SDGs), launched by the United Nations in 2015, are an integrated set of 17 goals aimed at driving change at government, business and societal level to end poverty, fight inequality and protect the planet. Our work has a direct impact and contribution to achieving these goals and through use of icons we have linked our ESG progress in this report to the relevant SDGs.



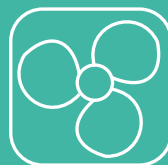
Our 2022/23 ESG at a glance



255 energy efficient
new homes built



386 heating
systems upgraded



891 extractor fans
replaced



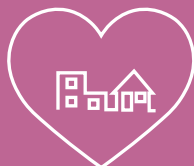
48 loft insulation
upgrades



10 Solar PV installs



100% of Stage 2
complaints completed
within SPSO timescale



£194,634 funding
distributed to
community groups



71% rent compared
to private rental
sector



91% homes at
EPC Band C or above



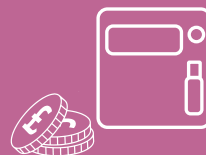
99.2% new homes
at EPC Band B
or above



94% of tenancies
sustained



£2.6m financial
gains for tenants



692 pre-payment
meter top-ups

Environment

A stylized illustration of a pine tree on a green hill against a blue sky with a large yellow sun. The tree is dark green with a thick trunk and dense, needle-like foliage. The hill is a solid green color. The sky is a solid blue color, and the sun is a large, bright yellow circle in the upper right corner.

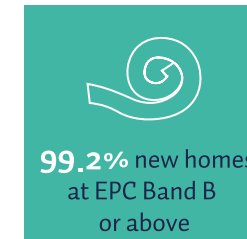
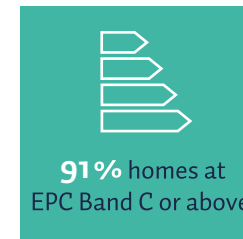
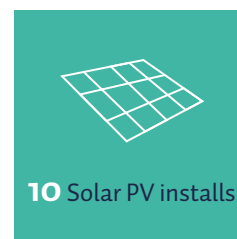
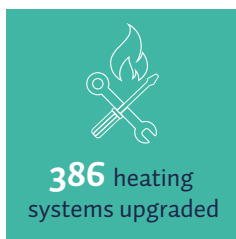
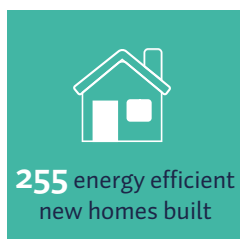
We are proud to be one of Scotland's leading housing providers with over 8,500 good quality, affordable homes across Scotland. We continue to drive forward with our ambitious development programme, delivering hundreds of new efficient homes per year. We have a responsibility to ensure our existing buildings are improved in line with government energy efficiency targets, to reduce our carbon emissions, tackling fuel poverty in tandem.

Sustainability is one of our strategic objectives at Hillcrest. We strive to work together to support our social purpose through inclusion and innovation. As we begin to develop our Net Zero strategy, we want our customers to be part of the journey, to empower change and make a long-term positive impact, to better the lives of our customers.

We are obligated to meet Scottish Government's Energy Efficiency Standard for Social Housing 2 standards. Some of our key targets in the future are:

- To ensure our new developments maintain a high standard of efficiency.
- Upgrading our existing buildings through Retrofit, to reduce both carbon emissions and fuel bills.
- Support, educate and encourage both our staff and tenants to improve
- Reducing waste by exploring circular economy principles.
- Using innovation and technology to reduce business service emissions.

We have appointed our Sustainability Manager who has a wealth of knowledge in the built environment sector, specifically around reducing carbon emissions in buildings. In 2022, we held our first Sustainability conference with keynote speakers from Dundee City Council, Energy Action Scotland, and the Eden Project.



A Net Zero Organisation

Contributing to these UN Sustainable Development Goals:



We are committed to reducing greenhouse gas emissions and becoming a net zero organisation in line with the Scottish Government targets for 2045.

We strive to become a data strong organisation, and we have begun to audit all business operations using standard energy and carbon reporting methodology. Having mapped out our emissions sources at Scope 1, 2 and 3 across our operations, our priority for immediate action is to focus on those Scope 1 and 2 emissions within our direct control and where we can make the largest impact.

We monitor our fleet emissions to understand how best to carry out decarbonisation initiatives. This data has prompted planning around transition to electric vehicles, ownership and leasing of vehicles, and efficient route planning. As we bring in the rest of our emissions data, a more holistic picture will emerge.

To provide strategic leadership, guidance and oversight in achieving our commitment to becoming a net zero organisation, we have established a new Property and Sustainability Working Group. Comprising key decision makers from across the organisation, the group will:

- Oversee the development of a comprehensive Net Zero Strategy and Action Plan
- Review practices and drive sustainable alternatives
- Monitor progress through regular review of our Net Zero Strategy and Action Plan

Our first Net Zero Strategy will be developed and published in 2024. This section sets out the key areas we will integrate into this plan.



Buildings

Over 17% of Scotland's total greenhouse gas emissions come from heating buildings and, as an organisation with a large portfolio of over 8,500 domestic and 70 commercial properties, this is our biggest climate challenge.

In the last financial year we have built 255 new build homes, upgraded 386 heating systems, and replaced 891 extractor fans to improve indoor air quality. We upgraded insulation in 48 lofts and installed 10 properties with photovoltaic solar panels. We continue to install new LED passive infrared lighting in common areas and have a yearly windows and door replacement programme.

Retrofit is an opportunity not only to reduce carbon emissions, but to tackle fuel poverty and improve indoor air quality and will therefore be a key driver of our Net Zero Strategy. We are mapping out our incremental retrofit plan to reduce the energy demand in buildings. Next year, we aim to commence significant retrofit works to our buildings, following the principles of the fabric first approach. We strive to make our homes warmer, healthier, and more sustainable places for our customers to live.



Ultra-low emission new builds

Delivered in 2022, our first ultra-low emissions homes in Alyth were shown to provide savings of 40% in comparison to average housing bills. The homes use an air source heat pump and a very high specification of insulation that far exceeds the Scottish Government's Greener Standard.



Community Regeneration

A £22 million regeneration project carried out by Campion Homes on behalf of Hillcrest, is replacing 128 old terraced properties at Ellengowan, Dundee, that no longer adhere to modern quality and energy efficiency standards, with high quality, modern, energy efficient homes. The new development offers a range of homes, including apartments, terraced houses, cottage flats and townhouses. The first phase completed in March 2023, marking the halfway point in the wider project.



Upskilling

We aspire to fully manage the retrofit process, ensuring compliance with procurement specification, and the successful delivery of measures for all retrofit projects. Retrofit will introduce upskilling opportunities for our employees to become qualified installers, co-ordinators and assessors under the Government-endorsed retrofit standards.

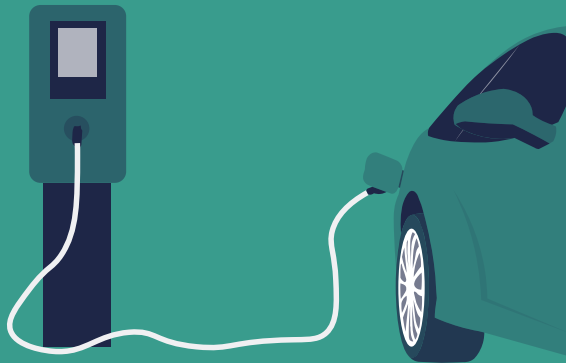
We believe we can only fulfil our carbon reduction ambitions if our staff have a comprehensive understanding of carbon emissions and their impact on the environment. We will therefore develop strategies to engage staff, residents, contractors, and community partners in sustainability initiatives, promoting carbon literacy, behaviour change, and fostering a culture of environmental responsibility.

Resource Management

We must consider the circular economy of products and materials we use, considering production, consumption and recycling of all purchased products in future. We are improving our data on waste management services so we can monitor and reduce waste to save both on cost and carbon. We plan to carry out more waste services in-house. We will influence behaviour change with both our customers and contractors through community engagement and sustainable procurement practices.

Fleet

With over 140 vans and 170 grey fleet, we must transition to more sustainable forms of transport, reducing the use of petrol and diesel vehicles. We install electric vehicle charging points in communal car parks across our new developments and are looking to install new chargers and upgrade existing chargers in our car parks to meet increasing demand. We will ensure electric vehicle charging is accessible and affordable for our customers and staff and we will investigate a range of measures to support staff.



Biodiversity

Connecting with nature is important for people's physical and mental wellbeing. We are reviewing our development specification and landscaping programmes, to look at how we can reduce mowing, encourage wildflower growth, and support wildlife on our estates. We will devise a new specification for our estates, to improve greenspaces and biodiversity across our stock.



Resilience

We recognise the need to understand the climate related risks and impacts on our infrastructure and service delivery and enhance our organisational capability to embed climate adaptation measures.

Building standards and planning policies should help to protect our new developments, however some of our existing assets may be at further risk of flooding as the climate continues to change. Our retrofit plan must include flood resilience, considering innovative technologies to future proof our stock.

When homes become better insulated, the risk of overheating through solar and internal gains increases. Improving ventilation in our homes is a priority, as well as educating our customers. We are currently trialling smart thermostats in homes to provide internal temperature data, and to highlight homes at risk of poor moisture balance and overheating.



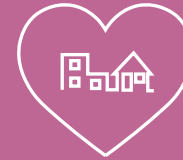
Social



We provide a variety of services to tenants across Scotland. These services aim to improve the lives of people who make use of our services and improve the communities in which they live. While the SRS focuses on housing residents, we also consider our impact on the individuals to whom we provide care and support services. Internally, we also support our staff. To do this, we are:

- Supporting the health and wellbeing of our tenants and service users
- Ensuring our homes remain affordable
- Ensuring our tenants can influence change
- Creating employment opportunities in our communities
- Providing opportunities for our staff to develop

Many of the environmental and social aims are interlinked. For example, ensuring our homes are as energy efficient as possible both reduces the emissions from those homes and reduces tenants' bills, making the homes more affordable. We think holistically across all three ESG strands when planning and making decisions.



£194,634 funding
distributed to
community groups



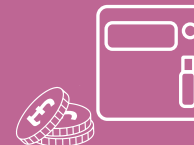
71% rent compared
to private rental
sector



94% of tenancies
sustained



£2.6m financial
gains for tenants



692 pre-payment
meter top-ups

Tackling poverty together

Contributing to these UN Sustainable Development Goals:



Our 'Tackling Poverty Together Strategy' was implemented in 2022 and combines the ethos and principles of our earlier welfare reform and fuel poverty plans into an over-arching anti-poverty strategy. It outlines our aspiration to tackle poverty using the combined skills, experience and knowledge from across the whole organisation with a set of targeted actions.

Our award winning Hillcrest Energy Advice Team (HEAT) are pivotal in supporting tenants with a range of measures to help reduce fuel poverty. These include:

- Working in partnership with Energy Action Scotland and the Scottish Federation of Housing Associations to support policy decision making and access funding opportunities
- Managing Ofgem energy complaints on behalf of tenants
- Providing one to one advice about energy saving measures and reducing energy costs
- Supporting tenants to gain access to grants and funding such as the Home Heating Advice Fund
- Preventing self-disconnection by providing pre-payment meter top ups, credits to energy accounts and more

Major investment and programmes of work are ongoing to increase the energy efficiency of our properties. This includes installation of photovoltaic panels in some of our new and existing properties, replacement of storage heating systems with more energy efficient heating systems, installation of over the bath showers and piloting of new technologies such as sensors to measure relative humidity, temperature and carbon dioxide.

Our development team regularly review the new build design brief to reduce the effect of fuel poverty on our tenants. For example, it has recently been revised to include installation of a fan in each new property which will automatically switch on if humidity is too high.

Fuel Debt

The Housing Associations' Charitable Trust (HACT) and Hillcrest Energy Advice Team (HEAT) collaborated to help tenants with fuel debt. Using HACT funding available for tenants with fuel debt, a total of £127,221.58 in fuel debt was written off in just two weeks. For those tenants who were unsuccessful or ineligible, HEAT are now looking at other sources of help to clear or manage their fuel debt.



South Ward Road

Contributing to these UN Sustainable Development Goals:



We have opened a new facility in the heart of Dundee to act as the new home for award-winning services supporting people with their wellbeing, including harm reduction and recovery services for people whose lives are affected by substance use.

Our Harm Reduction service is run in partnership with NHS Tayside and offers integrated care and support to people to help reduce drug-related deaths and blood-borne viruses. The Peer Naloxone project provides overdose prevention training and distributes hundreds of naloxone kits. The service's contribution towards 'Eradicating Hep C' research contributed to effectively eradicating Hepatitis C in people who inject drugs in Tayside, a world-first achievement.

Angela Linton, Hillcrest Chief Executive, said: "The newly renovated and modernised building will provide the ideal work environment for Hillcrest Futures to continue supporting vulnerable people, their families and carers through one-to-one and group sessions."

Community Mosaic

Dundee Futures Project works with people who would like to increase their confidence, meet new people, learn skills and improve their physical and mental wellbeing. A few members of the project have worked closely with community artist Pamie Bennett to create a colourful piece of artwork to represent their hometown of Dundee.

A participant of the art project commented: "Looking at the finished mosaic and how good it looks, it's hard to remember how I doubted myself. Being part of this project has given me skills that I can take away including confidence, the ability to speak to people and being able to function as a human being again."



Past Present Futures

Contributing to these UN Sustainable Development Goals:



Now in its fourth year of trading, our Past Present Futures (PPF) charity shop has become firmly established on the High Street of Broughty Ferry in Dundee. Highlights from the last year include:

- Like for like sales growth on last year up 24%
- Charity fashion show held
- 3rd Birthday celebrated
- Volunteer retention remains high
- Providing bespoke clothing packs to people using our services

Growth initiatives for the future include:

- Deliver a 2nd fashion show in November 2023
- Increase volunteer numbers by 100% ensuring key roles are filled
- Deliver a timetable of one-off events to raise profile and increase profit
- Increase sales like-for-like by 20%
- Continue to harness social media activity to further grow, strengthen our presence on the high street and raise brand awareness
- Build on how we measure the carbon footprint of the charity shop's activity in relation to recycling, reducing landfill and carbon emissions

Measure	21/22 to 22/23 change
Sales	+20%
Profit	+43%
Average Transaction Value	+10%
Donations of stock	+18%
Volunteer hours	+2%
Volunteers moving into employment	+200%
Textile diverted from landfill	+4%

Fashion Show

A fashion show organised by Past Present Futures raised £2,618 for Hillcrest Futures. The 'Putting on the Glitz' event was held in the Woodlands Hotel in Broughty Ferry in November 2022, with over 100 guests in attendance.



The Hillcrest Foundation

Contributing to these UN Sustainable Development Goals:



The Hillcrest Foundation supports activity in Dundee, Edinburgh, Glasgow, Fife, Perth and Kinross, Aberdeen and Angus. Established in 2020, the Foundation was created to enable Hillcrest to have a focused strategy for supporting the communities they work in and improving the lives of individuals experiencing financial hardship or other disadvantages.

The Foundation's objectives are:

- To contribute to wider social, economic and environmental wellbeing
- To offer training, educational, employment and recreational opportunities
- To create positive differences to the lives of others
- To strengthen links between charitable organisations, community groups and individuals within our areas of operation

In the last year a total of £343,521 has been distributed to 73 projects within Hillcrest and in the wider community. Successful projects include a new mother and child recovery house in Dundee, trips to cultural events for those on low incomes in Edinburgh, and a community defibrillator outside a Hillcrest development.



Governed by a Board of Trustees, grants are awarded to organisations whose activities align with the Foundation's objectives. Bids for funding are sought twice a year – once for internal projects and once for external. Trustees make award decisions with the benefit of quantified wellbeing and social impact projections, and most successful bids are analysed using outcomes data to demonstrate value for money. A recent report found evidence of £47,000 of wellbeing gains from £32,000 of funding.

Kiltwalk

In August 2022, Team Hillcrest completed the Dundee Kiltwalk to raise money for the Hillcrest Foundation. The 57-member team comprised of staff, the people they support, and friends and families. The final figure raised was £10,343.88, including a generous top-up from The Hunter Foundation.



Complaints

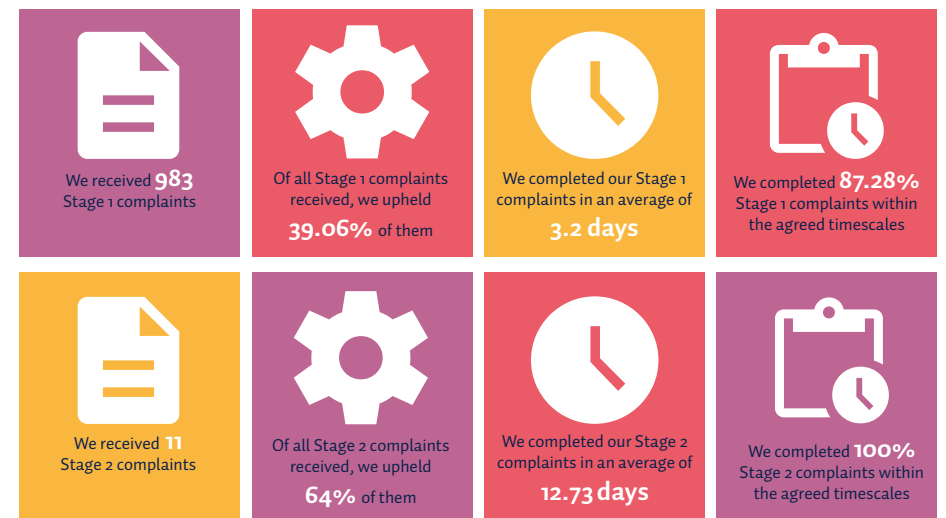
Contributing to these UN Sustainable Development Goals:



We continue to make complaints a high priority for our business to ensure our customers are receiving a high quality service. Some improvements we have made as a direct result of customer feedback in the last financial year include:

- Properties that have been void for some time will have a second clean before being let to new tenants
- If a tenant cannot isolate a shower that is constantly running this is now classed as an emergency repair
- Shoe covers are to be worn by all trades staff when carrying out repairs in a tenant's home
- Development of a process to follow up on works orders that are cancelled to ensure the repair is not still outstanding
- Prospective tenants can bring someone along to viewings

Our dedicated Customer Complaints Officer is responsible for investigating all stage 2 complaints and recommending improvements and efficiencies. Recent improvements include the consistency of investigations being carried out, a reduction in the number of stage 2 complaints being received, an increase in the number of complaints being completed on time and a reduction in the number of days taken to investigate the complaints. These efficiencies provide a better service to our customers. We have also introduced a new complaints dashboard that provides managers with an informative tool that enables them to monitor and manage complaints performance for their teams whilst improving the service provided to our customers.



Complaints Handling Network

We are delighted to announce that our Customer Complaints Officer, Robyn Rae, has taken up the role of Chair of the Complaint Handling Network. This network is made up of all Registered Social Landlords across Scotland who meet quarterly to share best practice and any common issues across complaints in Housing. Staff from the Scottish Public Services Ombudsman (SPSO) are also in attendance and they too share any areas of interest and add items for discussion. These meetings are of huge benefit as we can gather feedback and advice from our peers and use this to improve the service and support we provide to our staff and customers in terms of complaint handling.



Governance



As an organisation, we need to have robust measures in place to ensure we govern ourselves as effectively as possible in order to deliver our objectives.

To do this, we are:

- Ensuring governing body members have the relevant skills, experience and knowledge
- Ensuring appropriate risk management controls are in place
- Supporting the health and wellbeing of our staff
- Ensuring measures are in place to manage conflicts of interest
- Complying with legislative and regulatory requirements

Governance arrangements

As the parent company and Registered Social Landlord (RSL), Hillcrest Homes is regulated by the Scottish Housing Regulator (SHR). We comply with the SHR's Standards of Governance and Financial Management and its Regulatory Framework.

We provide an annual assurance statement to the SHR confirming compliance with the regulatory requirements set out in the SHR Framework. We also adhere to the Scottish Federation of Housing Associations (SFHA) Code of Conduct, and the Hillcrest Homes Rules are based on the SFHA Charitable Model Rules (Scotland) 2020.

Hillcrest Homes is led by a Governing Body with each subsidiary having its own board responsible for key decision making on operational matters. We have been trying to increase the diversity for a number of years, including age, gender and ethnic minorities with some success, but this year was the most successful. We have recruited new members from a younger demographic and more diverse backgrounds, which will be reflected in our board diversity figures next year.



Social Impact Measurement

Contributing to these UN Sustainable Development Goals:



We are committed to delivering social value in all activities and services we invest in. We test this by measuring the positive changes people experience through our activities. We use tools such as Social Value Insight by HACT and Social Value Toolkit by SFHA to gain a clear understanding of the ways in which our operations benefit the community. These tools allow us to understand the impact of our activities in terms of improvements to mental wellbeing, physical wellbeing and exchequer savings to the state.



Findings include:

- We acted as a community anchor organisation distributing funding from the Supporting Communities Fund to local community groups both internally and externally. From the £100,000 we distributed, we were able to evidence £466,000 of social value delivered in terms of physical activity levels, financial comfort, mental health and housing services.
- When the Hillcrest Foundation was set up we measured the impact of a range of projects across our various funding streams. Measuring the impact of £32,000 of funding, we found evidence of £47,000 of social value including improved local environments, access to internet, employment opportunities, mental health and housing services.
- A drive to increase our apprenticeships offerings saw 12 apprentices join us last year, with a total social value of £144,000, up from £59,000 the previous year.

We are currently broadening our apprenticeship measures to include all Hillcrest employment, testing the social impact of solar photovoltaic cell installation in our properties, and setting up data collection to evidence the impact of our tenancy sustainment and charity retail operations.

A key aim for the future is to apply our social impact methodologies to our supply chains to ensure responsible and sustainable procurement.

We will also review our procurement processes and policies to ensure sustainability considerations are integrated, such as sourcing environmentally friendly materials and engaging with suppliers aligned with net zero goals.

Equality, Diversity and Inclusion

Contributing to these UN Sustainable Development Goals:



Our new Equality, Diversity and Inclusion Strategy sets out our vision for creating a positive, fair and welcoming environment for everyone. We recognise that to deliver excellence we need input from a diverse group of voices. This not only includes our staff and governing body members: all individuals we support and provide services to should be able to shape and influence how we work. This is reflected in our values with inclusion being a vital element.

Our key aims are:

- People - our workforce reflects the diversity of the communities in which we work
- Culture - everyone is treated equally, their diversity is valued and they are able to comfortably be themselves
- Process - our processes and procedures are fair and empower everyone
- Data - we collect and use data to evidence the delivery of our aims and drive improvement

To achieve our aims, an action plan has been developed with objectives in relation to our people, culture, processes and data. The action plan is overseen by our Equality, Diversity and Inclusion Action Group.

Fatima from one of our Dundee services celebrating Eid.



World Autism Acceptance Week

To mark World Autism Acceptance Week, our Student Support service hosted a stall in Dundee and Angus College's Gardyne Campus to raise awareness of autism. People supported by our services got together with staff and their families to walk to V&A Dundee where a showcase event was held to further raise awareness.



Health and Wellbeing

Contributing to these UN Sustainable Development Goals:



Our Health and Wellbeing strategy aims to create a positive working environment through the integration of health and wellbeing into everyday activities. Initiatives are developed by our Wellness@Hillcrest Working Group. We are accredited with Investors in People Gold, Investors in Young People Silver and Investors in Wellbeing Silver.



Flexible working practices with salary sacrifice scheme, optional purchase of annual leave and hybrid working



Staff benefits scheme including health plan, 24-hour GP line, virtual doctor, counselling, legal helpline and commercial discounts



In-house mental health first aiders



26 weeks full sick pay and 26 weeks half sick pay, and occupational health services



HSG65 health and safety model with full staff training, lone worker alarm system, and stress management policy and risk assessments

Step Count Challenge

In 2023, we organised a successful Step Count Challenge for staff. Our aim was to improve general fitness and wellbeing through a fun and healthy competition. 34 teams took part amounting to 170 members of staff. Over the course of the four-week challenge, our staff walked a combined 57,146,944 steps, which is almost 25,000 miles.



Looking forward

Over the next 12 months we will invest further in our ESG approach. This will mean continuing to embed an ESG process into our business, and delivering a more centralised and systematic way of collating and sharing ESG data. Our ESG Framework includes an action plan with priorities including:

- Improving our data and reporting quality to further embed a culture of continuous improvement, transparency and intelligence-led decision-making
- Reviewing corporate governance arrangements to align with corporate strategy, business planning and objectives
- Developing a comprehensive Net Zero Strategy and Action Plan that will outline our key steps to become a net zero and climate resilient organisation, including targets, milestones and performance indicators
- Reviewing sustainable procurement processes to ensure our supply chains are future-proof and hold the same values as us



Appendix: SRS data return 2022/23

All figures correct as of 1st April 2023 unless otherwise stated.

Text in bold can be clicked to jump to that article or section.

Theme	Criterion	Description	Performance																												
Affordability and Security	C1	For properties that are subject to the rent regulation regime, report against one or more Affordability Metric: 1) Rent compared to Median private rental sector (PRS) rent across the Local Authority 2) Rent compared to Local Housing Allowance (LHA)	<table><tr><th rowspan="2">Local Authority</th><th colspan="2">Rent compared to</th></tr><tr><th>PRS</th><th>LHA</th></tr><tr><td>Aberdeen</td><td>71%</td><td>78%</td></tr><tr><td>Angus</td><td>72%</td><td>83%</td></tr><tr><td>Dundee</td><td>77%</td><td>87%</td></tr><tr><td>Edinburgh</td><td>51%</td><td>59%</td></tr><tr><td>Fife</td><td>76%</td><td>92%</td></tr><tr><td>Perth & Kinross</td><td>76%</td><td>85%</td></tr><tr><td>All</td><td>71%</td><td>81%</td></tr></table>			Local Authority	Rent compared to		PRS	LHA	Aberdeen	71%	78%	Angus	72%	83%	Dundee	77%	87%	Edinburgh	51%	59%	Fife	76%	92%	Perth & Kinross	76%	85%	All	71%	81%
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Affordability and Security	C2	Share, and number, of existing homes (owned and managed) completed before the last financial year allocated to:	Type	Number	%																										
			General Needs (social housing)	7007	82.9																										
			Intermediate Rent (mid-market rent)	1018	12.1																										
			Supported Housing	145	1.7																										
			Housing For Older People (sheltered housing)	73	0.9																										
			Low Cost Home Ownership (shared ownership)	201	2.4																										
			Care Homes (housing with care)	6	0.1																										
				8,450																											

Theme	Criterion	Description	Performance		
Affordability and Security	C3	Share, and number, of new homes (owned and managed) that were completed in the last financial year, allocated to:	Type	Number	%
			General Needs (social housing)	244	70.9
			Intermediate Rent (mid-market rent)	100	29.1
				344	
			N.B. these figures include both new builds and acquisitions.		
Affordability and Security	C4	How is the housing provider trying to reduce the effect of fuel poverty on its residents?	Read more about our ‘ Tackling Poverty Together Strategy ’, and some of the work undertaken by our award-winning Hillcrest Energy Advice Team (HEAT).		
			Major investment and programmes of work are ongoing to increase the energy efficiency of our properties and build new energy efficient homes .		
Affordability and Security	C5	What % of rental homes have at least a 3 year tenancy agreement?	94.6%		
Building Safety and Quality	C6	What % of homes with a gas appliance have an in-date, accredited gas safety check?	99.98%. One property’s check is out of date, this is currently going through legal processes.		

Theme	Criterion	Description	Performance
Building Safety and Quality	C7	What % of buildings have an in-date and compliant Fire Risk Assessment?	<p>94.81% of relevant premises.</p> <p>We take our duties under the Fire Scotland Act 2005 and the Fire Scotland Regulations 2006 seriously and adhere to all legal requirements. All relevant premises under Section 78 of the Fire Scotland Act are fire risk assessed by a competent consultant every 3 years with a management review annually. Premises which are not classed as relevant premises under Section 78 but have fire safety measures installed are fire risk assessed by a competent consultant every 3 years and as part of the 6 weekly estate visit by Housing staff. Premises which are not relevant premises under section 78 but have shared areas are fire risk assessed as part of the 6 weekly estate visits by housing staff.</p>
Building Safety and Quality	C8	What % of homes meet the national housing quality standard?	<p>96.13%, up from 80.54% the previous year. In total there are 281 properties that are non-compliant, this is split as follows:</p> <ul style="list-style-type: none"> ● 139 properties in 'abeyance' due to EESSH 1 non-compliance and tenants refusing access ● 115 properties in 'abeyance' due to outstanding Door Entry works and owners not agreeing to a new door entry system ● 27 properties with overdue electrical works
Resident Voice	C9	What arrangements are in place to enable the residents to hold management to account for provision of services?	<p>Our Tenant Participation (TP) Strategy outlines how our tenants can take part in decision-making and how they can influence decisions about housing services, policies, procedures, and conditions. Our TP Team organise consultations, for example, for rent as well as supporting resident groups. We have a dedicated scrutiny panel, helping us to identify ways to improve. We have established an Interested Tenants Register that empowers our tenants to influence policies, suggest service improvements, and conduct scrutiny of our performance.</p>

Theme	Criterion	Description	Performance
Resident Voice	C10	How does the housing provider measure Resident Satisfaction and how has Resident Satisfaction changed over the last three years?	<p>2020 – 91.1% 2021 – 92.2% 2022 – 92.3%</p> <p>We carry out an annual Tenant Satisfaction Survey using an external expert market research company. Over the last 3 years, overall satisfaction amongst our residents has increased and compares favourably to the Scottish average of 87.7%.</p>
Resident Voice	C11	In the last 12 months, how many complaints have been upheld by the Ombudsman. How have these complaints (or others) resulted in change of practice within the housing provider?	Zero complaints upheld by SPSO or equivalent bodies. We closely monitor and report transparently on changes made as a result of complaints .
Resident Voice	C12	What support services does the housing provider offer to its residents. How successful are these services in improving outcomes?	<p>Hillcrest Tenancy Sustainment Service (TSS) helps tenants manage all of the financial aspects of starting and sustaining a tenancy. Hillcrest Energy Advice Team (HEAT) offers an award-winning free energy advice service. Hillcrest Tenancy Support Service (TS) aims to provide a high quality housing support service, which enables tenants to live independently. Performance figures 2022/23 include:</p> <ul style="list-style-type: none"> ● 94% of tenants sustained their tenancy ● £1.8m financial gain for tenants from TSS ● £796k financial gain for tenants from HEAT ● 692 tenant pre-payment meter top ups ● 971 Warm Home Discount applications ● 100 tenants supported by TS with 90% positive outcomes

Theme	Criterion	Description	Performance
Placemaking	C13	Provide examples or case studies of where the housing provider has been engaged in placemaking or placeshaping activities.	We engage in a wide range of placemaking activities, such as community centres , charity retail and community development . To support this we calculate social impact returns against a range of operations and projects.
Climate Change	C14	Distribution of EPC ratings of existing homes (those completed before the last financial year).	A - 0.16% B - 31.04% C - 59.52% D - 8.67% E - 0.60% F - 0.01%
Climate Change	C15	Distribution of EPC ratings of new homes (those completed in the last financial year).	A - 2.72% B - 96.5% C - 0.78%
Climate Change	C16	Scope 1, Scope 2 and Scope 3 greenhouse gas emissions.	We are in the process of calculating this figure and will report against this next year.
Climate Change	C17	What energy efficiency actions has the housing provider undertaken in the last 12 months?	<p>Actions taken include:</p> <ul style="list-style-type: none"> ● Handover of 255 energy efficient new properties, some of which were very low carbon homes, being very air tight buildings, with air source heat pumps and triple glazing. ● Two large blocks totalling approximately 100 modular build flats undergoing construction. ● Passivhaus properties completed design stage and began construction. ● 386 heating systems upgraded from storage heating to High Heat Retention Quantum heaters. ● 891 Vent Axia dMEV fans installed, a lower energy fan with a humidistat sensor thus improving indoor air quality. ● 48 loft top ups (to 300mm). ● 10 properties installed with photovoltaic solar panels. ● Continuous running window replacement programme. ● Lighting upgrades in communal areas to LED passive infrared lighting. ● All voids have LED replacement bulbs fitted as standard.

Theme	Criterion	Description	Performance
Climate Change	C18	How is the housing provider mitigating the following climate risks: - Increased flood risk - Increased risk of homes overheating	At present, we do not have a flood resilience plan. Over the last two years, flooding has become a more prominent issue, therefore it is something we recognise needs to be addressed with a procedure and incorporated into our Net Zero Strategy. In regards to overheating, the PAS2035 process on improving ventilation in homes during retrofit will mitigate this issue. We will follow the mantra “Build tight, Ventilate Right” when retrofitting our stock, and ensure solar and internal gains are considered and controlled.
Climate Change	C19	Does the housing provider give residents information about correct ventilation, heating, recycling etc? Please describe how this is done.	We provide information on ventilation with our condensation leaflet, and the videos on our social media platforms. We also ensure our Property Officers and Repairs Team are well equipped to give advice and ask the correct questions around moisture control. However, we will do more in educating other staff such as tradespeople, Housing Officers and other frontline staff. In regards to heating, we have an Energy Advice team who provide intensive support as and when required. In addition, we are currently trialling environmental sensors in properties to tackle poverty using heat and relative humidity data. Recycling advice is provided by the Local Authority Waste Management Departments, however we share their leaflets on communal noticeboards.
Ecology	C20	How is the housing provider increasing Green Space and promoting Biodiversity on or near homes?	Our Development Team have a specification for landscaping at present, which is under review. We are working with the Eden Project and universities on a Biodiversity Toolkit for all new and existing stock. We are looking to prioritise planting trees and wildflower meadows on land we cannot build on instead of mowing grass and reviewing our landscaping arrangements in common areas in housing estates.

Theme	Criterion	Description	Performance
Ecology	C21	Does the housing provider have a strategy to actively manage and reduce all pollutants? If so, how does the housing provider target and measure performance?	We are collating our emissions data, using analytical tools to plan our Net Zero Strategy. We purchased retrofit modelling software to provide an Improvement Options Evaluation on EPC data for our stock. We plan to incorporate AI software to audit Scope 3 emissions and reduce emissions on purchased goods and services. We are upskilling staff on carbon literacy, to ensure our mission is consistent though the whole organisation.
Resource Management	C22	Does the housing provider have a strategy to use or increase the use of responsibly sourced materials for all building works? If so, how does the housing provider target and measure performance?	Education around circular economy and the embodied carbon of supplied materials will be in our Net Zero strategy. We are currently looking at a new stock management system, an opportunity to build in an embodied carbon data tool. We will consider new frameworks to source materials for more environmentally friendly products. For example, we now use water-based paints because of their lower Volatile Organic Compounds compared to traditional solvent-based products.
Resource Management	C23	Does the housing provider have a strategy for waste management incorporating building materials? If so, how does the housing provider target and measure performance?	We recognise this must be incorporated into our future Net Zero Strategy, which will examine waste management practices within the organisation, and recommend measures to minimise waste generation, improve recycling rates, and explore opportunities for circular economy principles.
Resource Management	C24	Does the housing provider have a strategy for good water management? If so, how does the housing provider target and measure performance?	We know the impact that flooding and extreme weather events has on our buildings, infrastructure, services and those we provide them to. We are committed to becoming a climate resilient organisation and we will prepare a Climate Risk and Vulnerability Assessment and co-design adaptation solutions with key stakeholders and government agencies. Our new utilities database will manage our water consumption and we will reduce this through technology interventions and staff education.
Structure and Governance	C25	Is the housing provider registered with the national regulator of social housing?	Yes.
Structure and Governance	C25	What is the most recent regulatory grading/status?	Compliant.
Structure and Governance	C27	Which Code of Governance does the housing provider follow, if any?	We comply with the Scottish Housing Regulator's Standards of Governance and Financial Management.

Theme	Criterion	Description	Performance
Structure and Governance	C28	Is the housing provider Not-For-Profit? If not, who is the largest shareholder, what is their % of economic ownership and what % of voting rights do they control?	Yes.
Structure and Governance	C29	Explain how the housing provider's board manages exceptional risk.	<p>There are a Risk Management Policy and Risk Register in place. Our risk appetite is set on an annual basis in relation to Reputation, Operational Delivery, Financial, Compliance, Data and Information Management, and Major Change/ Strategic Delivery risks. Any variance to the risk appetite is reported.</p> <p>Risks are regularly reviewed by the Senior Team and are reported to the Governing Body through the Audit and General Purposes Sub-committee. All subsidiary risks are monitored in terms of any impact to Hillcrest Homes. Additionally, we carry out a risk assessment for any new business, employ Treasury Management specialists and have an internal audit programme that provides further reassurance.</p>
Structure and Governance	C30	Has the housing provider been subject to any adverse regulatory findings in the last 12 months (data protection breaches, bribery, money laundering, HSE breaches etc) - that resulted in enforcement or other equivalent action?	No.
Board and Trustees	C31	<p>What are the demographics of the board? And how does this compare to the demographics of the housing provider's residents?</p> <p>Add commentary if useful.</p> <p>NOTE: Comparison to area operated in has been removed.</p>	<p>Board:</p> <ul style="list-style-type: none"> ● 27% are women ● 0% are BAME ● 9% have a disability ● average age – 62 ● average tenure - 5.9 years <p>The data above is based on voluntary responses provided by Board Members so is not a true and proper reflection of the diversity of the Board. We are currently recruiting for additional Board members with a particular focus on increasing diversity and recruiting younger members.</p> <p>Tenants:</p> <ul style="list-style-type: none"> ● 56.8% are women ● 6.6% are BAME ● 29% have a disability

Theme	Criterion	Description	Performance
Board and Trustees	C32	What % of the board AND management team have turned over in the last two years? Add commentary if useful.	Board - 45.5% Executive Leadership Team - 44.4% The turnover of the Executive Leadership Team aligns with a restructuring of the business which includes a more streamlined executive team.
Board and Trustees	C33	Is there a maximum tenure for a board member? If so, what is it?	No, there is no maximum tenure. If a Board Member has stood for a continuous period in excess of nine years, and is standing for re-election, the Board Member must be able to demonstrate their continued effectiveness. This is in line with the Model Rules provided by the Scottish Federation of Housing Associations.
Board and Trustees	C34	What % of the board are non-executive directors?	100%. As per our Rules, "An employee of the Association, or a Close Relative of an employee, may not be a Governing Body Member."
Board and Trustees	C35	Number of board members on the Audit Committee with recent and relevant financial experience.	2
Board and Trustees	C36	Are there any current executives on the Remuneration Committee?	No.
Board and Trustees	C37	Has a succession plan been provided to the board in the last 12 months?	No.
Board and Trustees	C38	For how many years has the housing provider's current external audit partner been responsible for auditing the accounts?	32. There have been regular competitive re-tendering exercises over the years and changes in the engagement partners.
Board and Trustees	C39	When was the last independently-run, board-effectiveness review?	An independent board-effectiveness review will be completed in 2023/24.
Board and Trustees	C40	Are the roles of the chair of the board and CEO held by two different people?	Yes, our Rules prevent both roles being held by the same person.

Theme	Criterion	Description	Performance
Board and Trustees	C41	How does the housing provider handle conflicts of interest at the board?	There is a Code of Conduct which all Governing Body Members must sign and adhere to. All Members must declare any interests and these are held and published in a Register of Interests, which Members must keep updated. During meetings, Members must declare any interest in a matter and are required to leave the meeting while the matter is discussed. Any interests declared during a meeting are recorded in the minutes.
Staff Wellbeing	C42	Does the housing provider pay the Real Living Wage?	Yes. Apprentices and Contractors are not included.
Staff Wellbeing	C43	What is the median gender pay gap?	20.79%
Staff Wellbeing	C44	What is the CEO:median-worker pay ratio?	5.2:1
Staff Wellbeing	C45	How does the housing provider support the physical and mental health of their staff?	Read more about our Health and Wellbeing Strategy and Equality, Diversity and Inclusion Strategy .
Staff Wellbeing	C46	What is the average number of sick days (both long and short term) taken per employee?	Short-term = 7 Long-term = 5.4
Supply Chain	C47	How is Social Value creation considered when procuring goods and services?	Regardless of the value of the contract that Hillcrest is procuring, social value or community benefits are considered and, where appropriate, are included within the tender documentation. We ensure that these are proportionate, reasonable and achievable based on the value and type of work being procured. This can take a variety of forms from training opportunities, to added value services to tenants but our preferred approach is for the successful bidder to make a donation to the Hillcrest Foundation based on a percentage of the actual contract value for the year. We ask bidders, at the contract notice stage, to agree to a specific percentage of donation paid directly into the Foundation. We monitor and record all donations and other community benefits achieved.
Supply Chain	C48	How is Environmental impact considered when procuring goods and services?	We have a minimum criteria that we expect any bidder to meet. This includes having some form of environmental policy or management system in place.



Helping people live better lives

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