

Agenda Number 2.1

Hillcrest Maintenance Board of Directors

Minutes of the meeting held on Tuesday 10th June 2025
at 5.30pm in HQ Board Room/MS Teams

Present:	B. Davidson	(Chair, HQ)
	D. Kelman	(HQ)
	S. Harvey	(HQ)
	F. Stevenson	(HQ)
	D. Gowans	(HQ)
In attendance:	J. Thomson	(Head of Hillcrest Maintenance, HQ)
	M. Percival	(Director of Finance & Property, HQ)
	W. Johnston	(Chair, Hillcrest Enterprises, HQ)
	S. Beattie	(CT Audit, Teams)
	J. Alexander	(Observer, Teams)
	G. Van Zyl	(Observer, HQ)
	J. Aitchison	(BT Manager, HQ, Item 6.1)
	L. Davidson	(Board Services Officer, HQ)

1. **Introduction**

The Chair welcomed everyone to the meeting, in particular:

- S. Beattie, CT Audit
- J. Alexander, incoming Hillcrest Chief Executive
- G. Van Zyl, prospective Maintenance Board member
- W. Johnston, Chair, Hillcrest Enterprises

1.1 **Apologies for Absence**

Apologies for absence were received from F. Doran.

Action by

1.2 Declarations of Interest

There was a declaration of interest from all Board members for Item 5.6.

2. Minutes and Matters Arising

2.1 Minutes of the meeting held on 11 March 2025 and matters arising

The minutes were approved as an accurate record of the meeting.

2.2 Actions Tracker

Reward package – this is due for completion in Q3 2025-26 with the HR team carrying out a review of the benefits package for the whole organisation.

The Board noted the actions tracker.

3. Business Matters

3.1 Statutory Accounts to 31 March 2025

The statutory accounts for the period ended 31 March 2025 were presented to the Board for approval. The outturn for the financial year was a £99k profit before tax compared to a £70k budget profit, an overall £29k favourable variance. Total Hillcrest savings is estimated at £1,909k. The Board approved a £75k gift aid payment to the Hillcrest foundation and was approved by member by email on 5th May 2025.

The Board noted the good performance and thanked staff for their hard work and dedication to deliver these results in a challenging external environment.

B. Davidson requested a breakdown of the individual loans held by Maintenance for the next meeting to understand the outstanding position.

MP

F. Stevenson noted the continued losses relating to void contracts. Void financial performance has improved over the last 3 years. This will be discussed with the Finance Business Partner to review the information presented to the Board to allow for easier analysis of data.

The Board:

- *Approved the statutory accounts for the year ended 31 March 2025.*
- *Approved a £75k gift aid payment to the Hillcrest Foundation.*
- *Noted the management accounts for the year ended 31 March 2025.*
- *Noted the contract performance and material productivity variances.*
- *Noted the cashflow forecast to 31 March 2026.*

3.2 Auditors Correspondence

The auditor presented the correspondence following their annual audit of the statutory accounts.

The auditor confirmed that an unqualified opinion was given on the financial statements. The key risks and issues arising from the audit were detailed in the audit summary report. The management responses and actions arising from the audit were also presented to the Board.

The Board noted that the stock management system remains on the issues arising and asked for an update on the stock software. The Head of Maintenance is in the process of implementing a stock control system which will reduce the reliance on manual spreadsheets. It is planned that this will be in place before the end of the financial year 31 March 2026.

B. Davidson noted that Maintenance is operating under tight financial margins and asked if there are any concerns to note. The auditor explained that as Maintenance is part of a wider group structure, there will be ongoing support from the parent, Hillcrest Homes, and there are no going concern issues.

D. Kelman suggested that as part of the SWOT analysis for business planning, good control of financial performance should be added as a strength.

The auditor thanked staff for their support during the audit.

The Board:

- *Approved and signed the letter of representation.*
- *Note the audit summary report.*
- *Noted and approved the responses to the issues/observations arising from the audit and internal control weaknesses.*

S. Beattie left the meeting.

4. Performance Monitoring

4.1 Health and Safety Report

There was one reportable incident under RIDDOR noted by the Board.

The Board suggested that further actions are required to mitigate this risk from occurring again in the future. The Head of Maintenance will discuss actions taken to address this incident, including lessons learned and an update will be provided to the Board.

The Board noted the report.

4.2 Contract KPI and Balanced Scorecard

JT

The Head of Maintenance provided an update on the following:

- Customer satisfaction remains high at 97%. Progress is being made on planned maintenance customer satisfaction surveys with surveys now set up for kitchen installations and window replacements.
- Complaints completed on time is 89.5%, marginally below the target of 90%.
- Non-emergency repairs average days target met at 7.03 days, against a target of 8 days.
- Emergency average hours target met at 3 hours 30 mins compared to target of 4 hours. This has increased slightly compared to 2023-24 due to expansion to include this service in Edinburgh and Aberdeen.
- Right first time continues to perform below target due to the complexity calculating this metric. There will be an amendment to this ARC indicator to make this easier to report.
- Non-access remains an issue and continues to be a focus for Maintenance.

The Board noted the report.

4.3 Activity Plan and Operations Report

The Board noted the continued focus on maintaining a rolling programme of 12 apprentices. The recent advert for 4 new apprentices received over 500 applications. The Board noted the overall availability of apprenticeship posts has reduced externally and asked if there would be consideration to increase this number for Maintenance. The Board were supportive of taking on additional apprentices and it was agreed that this will be reviewed as part of the budget setting process.

MP/JT

F. Stevenson asked if there is training on airtightness for trades carrying out routine work and if this is an area to explore. This will be discussed with the Property Team.

JT

The Board noted the update against the activity plan to Q4 2024-25.

4.4 Management Information

The Board noted the staffing and fleet information detailed in the report.

4.5 Flexible Working Trial

A report on the outcome of the flexible working trial was presented to the Board for information. Over the course of the trial, the number of trade staff participating in flexible working reduced. The approach proved unsustainable due to low staff engagement.

The Board were keen to ensure that flexible working continues to be reviewed, with the possibility that this is re-considered in the future based on customer and staff demand.

The Board noted the report.

5. Governance Matters

5.1 Governance Matters

The Board noted the following updates:

- Board member recruitment
- Board timetable to August 2026
- Feedback from the Group Board Members Event
- Board member resignation
- Digital Governance Guide for Board meetings

The Board noted the report.

5.2 Risk Management

There was one new risk added to the risk register as requested by members at the meeting on 11th March 2025 – risk of not meeting the 2025/26 budget.

The Board approved the risk scores attached to each risk and the amendments made to the risk register.

5.3 Risk Appetite

F. Stevenson asked if an additional category should be considered – technology. The importance of technological advances and the use of AI was highlighted. Due to the speed of innovative changes, the Board noted the risk relates to the organisation not responding to these changes. The Board would rate their risk appetite in this category as ‘open.’ It was agreed that the inclusion of technology as a risk appetite category will be discussed with the Director of Corporate Services.

The Board discussed the risk appetite levels for Maintenance for the next 12 months and agreed that these should remain the same:

- Financial – 4 (open)
- Reputational – 4 (open)
- Compliance – 2 (minimal)
- Operational – 4 (open)
- Strategic/Major Change – 4 (open)
- Data and Information Management – 3 (cautious)

The Board:

JT

- *Noted the risk appetite categories.*
- *Agreed the risk appetite levels for each category for the next 12 months.*

5.4 Annual Information Governance Report

The annual report on the information governance matters was presented to the Board for information, with detailed information in relation to information requests, personal data breaches and data protection training for staff.

The Board noted the report.

5.5 Service Level Agreement

The Service Level Agreement between Homes and each of the subsidiaries is reviewed every 3 years and the latest review was presented to the Board. There were limited changes made to the body of the document in appendix 1, with an updated appendix 2 outlining the process for setting the intercompany charges. The charges are set taking an estimated time from staff in Homes Corporate Services, IT and Finance teams.

The Board agreed the revised Service Level Agreement.

5.6 Remuneration of Board Members

The report was presented to the Board to ratify the decision made by the Governing Body to introduce payment for Board members who hold the position of Chair across Hillcrest subsidiary companies.

There were some disagreements around the remuneration of Board members, with some members supportive of the changes due to the time commitment and responsibility of the role, and others noting that these are voluntary roles and should remain as such.

Following a vote by Board members (the Chair abstained from voting), three of the four remaining members were supportive of the proposal to introduce payment for Board members who hold the position of Chair.

The Board:

- *Approved the Board remuneration payment to be effective from the date of election after the AGM.*
- *Noted the Board Remuneration Policy.*

J. Aitchison joined the meeting.

6. Strategic Matters

6.1 Hillcrest Enterprises and Hillcrest Maintenance Merger

The Business Transformation Manager presented the business case, communications plan and other information on the proposal to merge Enterprises and Maintenance into one subsidiary company. Refinements have been made to the business case and communications plan following consultation with the Shadow Board at its first meeting on 8 May.

JA

F. Stevenson requested that the schedule of bi-monthly shadow board meetings is shared with members.

JA

B. Davidson also requested that the business planning for the new merged company is included in the detailed project plan.

The Board discussed the proposed name of the new organisation, with a recommendation that this remains as Hillcrest Enterprises. The Board were in agreement that Hillcrest is the recognisable brand in our geographical areas of operation. The Board were in agreement that Hillcrest Enterprises should remain as the name of the new organisation.

- *Approved the business case.*
- *Agreed the proposed name of the new organisation remains as Hillcrest Enterprises.*
- *Noted that a detailed project plan will be developed and delivered in line with our new project governance and management methodology.*

7. A.O.C.B.

There was no other competent business.

8. Date of Next Meeting

Tuesday 19th August 2025