

Hillcrest Homes (Scotland) Limited Governing Body Meeting

Item 3.1

Minutes of the meeting held on Tuesday 15th July 2025
at 5.30p.m. on MS Teams/HQ Board Room

Present:	D. Boyle	(Chair, HQ)
	C. Robertson	(Teams)
	A. Fyfe	(HQ)
	D. Hogg	(Teams)
	M. McMurdo	(HQ)
	E. Jones	(Teams)
	B. Matheson	(HQ)
	S. Qadar	(Teams)
	S. Elder	(HQ)
In attendance:	J. Alexander	(Chief Executive, HQ)
	A. Linton	(Chief Executive, HQ)
	M. Percival	(Director of Finance, HQ)
	S. Beattie	(CT Audit, Teams)
	A. Gauld	(Observer, Teams)
	L. Davidson	(Board Services Officer, HQ)

Action by

1. **Introduction**

The Chair welcomed S. Beattie, CT Audit, and A. Gauld, observer, to the meeting.

1.1 **Apologies for Absence**

Apologies for absence were received from P. Shepherd and R. Burnett.

1.2 **Declarations of Interest**

There were no declarations of interest.

3. **Business Matters and Approvals** (brought forward)

3.1 **Statutory Accounts to 31 March 2025**

The statutory accounts for the period ended 31 March 2025 were presented to the Governing Body. The statutory accounts have been audited by CT Audit who have confirmed that they are giving an unqualified audit report.

The 2024-25 Operating Surplus (before Pension Scheme and Financial Instrument movements) per the Management Accounts presented at the 20 May 2025 meeting of £1,612k has increased to £1,829k per the Statutory Accounts. The £217k increase was due to late adjustments mainly regards to depreciation made by the Finance Team before the audit, no audit adjustments have been made.

An impairment review was carried out and following assessment, and the Governing Body noted that there were no indicators of impairment at this time.

The Governing Body:

- *Approved the Statutory Accounts to 31 March 2025 to be presented at the Annual General Meeting.*
- *Noted the changes to the 2024-25 management accounts reported at the 20 May 2025 meeting.*
- *Approved the impairment review of the housing stock.*

S. Qadar and E. Jones joined the meeting.

3.2 Auditor's 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 during the audit were detailed in the audit summary report.

J. Alexander, A. Linton and M. Percival left the meeting.

The Chair provided the Governing Body members with an opportunity to raise any issues with the auditor.

A. Fyfe asked the auditor if following a review of the internal audit reports, if the review of internal risks is appropriate and rigorous enough to provide assurance to the Governing Body. The auditor highlighted that the audit reports have been reviewed and there are no underlying areas of weakness.

The auditor thanked staff for their support during the audit.

The Chair thanked CT Audit for their work during the audit and preparation of the statutory accounts.

S. Beattie left the meeting.

J. Alexander, A. Linton and M. Percival joined the meeting.

2. Minutes and Matters Arising

2.1 Minutes of the Governing Body meeting held on 20 May 2025 and matters arising

The Governing Body approved the minutes as an accurate record of the meeting.

There were no matters arising.

2.2 Minutes of the Audit and General Purposes Sub Committee meeting held on 27 May 2025

The Governing Body noted the minutes.

3. Business Matters and Approvals (continued)

3.3 Pension Provider

Hillcrest currently operates 7 different pension schemes across 3 providers. Early discussions have taken place with The Pension Trust Retirement Solutions (TPT) to move all existing pensions to them at our existing employer and employee contribution rates. The option comes with a reduced management charge and a salary sacrifice option for all eligible staff.

S. Qadar asked for further information relating to TPT which is considered to be a high performing provider. It was agreed that detailed information will be shared with the Governing Body from the recent presentation delivered by TPT to senior officers.

The Governing Body noted that the Futures, Enterprises and Maintenance Board will be presented with the proposal to transfer existing pensions to TPT.

The Governing Body approved changing the existing auto enrolment pension provider from Homes staff from Now: Pensions to The Pension Trust Retirement Solutions.

3.4 Cladding Update

The Director of Property and Finance presented the update report on cladding remediation surveys and works. As part of the Housing (Cladding Remediation) (Scotland) Bill, a new specification for Single Building Assessment (SBA) was published.

The draft SBA report for Colonsay View was presented to the Governing Body. The report detailed recommendation on the remedial works required. The works may cost in the region of £6m, with any funding from the Scottish Government still to be confirmed.

The Governing Body discussed in detail the recommendation from the draft SBA report to implement a waking watch service, highlighting that the safety of tenants is of the highest importance. A. Linton confirmed that there are a number of measures currently in place to ensure the safety tenants whilst the required remedial works are established. Hillcrest are awaiting a final report to be issued by the building consultant, along with a proposed action plan to progress the required works. This will be presented to the Governing Body for review and approval at the September 2025 meeting.

The Governing Body noted the following:

- *Draft Single Building Assessment (SBA) report for Colonsay View and required remediation works and interim waking watch service.*
- *Further SBAs are required to be carried out at Sailmaker, Wharton Square and Lower London Road.*
- *Scottish Government communication advising that RSLs are expected fund remediation works.*

3.5 Development Update

Minute redacted due to commercially sensitive information.

3.6 River Street

The Director of Finance and Property presented the update on the post flood options appraisal on River Street, Brechin. A further report will be provided to the Governing Body in September with recommendations following the outcome of the discussions with the insurers and the Scottish Government's position on HAG repayment.

The Governing Body noted the report.

6. Strategic Issues (brought forward)

6.1 Hillcrest Enterprises and Hillcrest Maintenance

A. Linton presented the update on the proposal to merge Hillcrest Enterprises and Hillcrest Maintenance into one subsidiary organisation. The updated business case and communications plan were also presented to the Governing Body.

B. Matheson noted that whilst the merger would create new opportunities and benefits to the wider organisation, this should also be included in the communications to staff for a better understanding of the rationale for this change. D. Kelman also noted that this would also be useful for sharing with the representatives from the Enterprises and Maintenance Shadow Board for information.

The Governing Body:

- *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.*

6.2 Confidential Item

Minute redacted due to commercially sensitive information.

4. Performance Monitoring

4.1 Subsidiary Update Report

An update on the key matters within the three subsidiary companies was presented to the Governing Body for information.

There was feedback received from the Futures and Maintenance Board in relation to the paper on the remuneration of Board members. Whilst this was approved by all subsidiary Boards, the Futures and Maintenance Board members felt that there could have been more inclusion and involvement of the subsidiary Boards at an earlier stage in the process.

The Governing Body noted the subsidiary reports.

5. Briefing/Information/Governance Matters

5.1 Governance Matters

The Governing body noted the following:

- AGM arrangements.
- Adherence to point 68 of the Hillcrest Homes Rules.

The Governing Body approved the appointments onto the Boards of Hillcrest Futures, Maintenance and Enterprises as outlined in the report, subject to final approval by the subsidiary Boards.

5.2 Risk Appetite

The Governing Body considered the risk appetite levels for Hillcrest Homes for the next 12 months and agreed that these should remain the same:

- Financial – 3 (Cautious)
- Reputational – 4 (Open)
- Compliance – 3 (Cautious)
- Operational – 4 (Open)
- Strategic/Major Change – 4 (Open)
- Data & Information Management – 3 (Cautious)

The Governing Body noted that the risk appetite levels have, in the main, remained unchanged over the last few years and agreed that the review period should be moved from annually to every 3 years. Consideration will be given to the external environment, and the sector Hillcrest operates in, and the risk appetite will be reviewed outwith of this timeframe if necessary. This recommendation will also be presented to the subsidiary Boards.

The Governing Body:

- Agreed that the categories of risk appetite remain appropriate for Hillcrest

Homes.

- Agreed the risk appetite levels for each category.
- Noted the risk appetite levels that have been set by the subsidiary Boards.
- Agreed to change the review period for risk appetite levels from annually to every 3 years.

5.3 Housing Investment Task Force Report

A summary of the Housing Investment Taskforce Report published in early June was presented to the Governing Body for information.

The Governing Body noted the report.

5.4 SFHA Conference/Economic Summit

A summary of the feedback from the SFHA conference and Economic Summit was presented to the Governing Body for information.

The Governing Body noted the update from these events.

7. Other Issues

7.1 Training/Conference Opportunities

None for this period.

7.2 A.O.C.B.

The Governing Body thanked the Chief Executive, A. Linton for her commitment and dedication to the organisation and wished her well in her retirement.

8. Date of Next Meeting

Thursday 14th August 2025 immediately after AGM
Monday 1st September 2025

There being no other business the Chairperson thanked members
for their attendance and closed the meeting.

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