

Hillcrest Homes (Scotland) Limited
Audit & General Purposes Sub-Committee

Item 3

Minute of the meeting held on Wednesday 8th October 2025
at 5.30 p.m. in HQ / MS Teams

Present:	A. Fyfe	(Convenor, HQ)
	S. Elder	(HQ)
	D. Hogg	(Teams)

In attendance:	L. Don	(Director of Corporate Services, HQ)
	N. Tragham	(Head of HR & OD, HQ)
	D. Archibald	(Henderson Loggie, HQ)
	J. Jones	(AJ Gallagher, Teams – Item 6)
	L. Davidson	(Board Services Officer, HQ)

Action by

1. Apologies for Absence

Apologies for absence were received from D. Boyle, B. Matheson and A. Gauld.

2. Declarations of Interest

There were no declarations of interest.

6. Insurance Renewal Report (*brought forward*)

J. Jones presented an overview of the insurance sector in relation to RSLs, highlighting the current market and challenges. The market is stabilising, with new insurers entering the social housing market.

The insurance programme for Hillcrest is stable however, it was noted that due to a large number of property claims in 2023/24, this has impacted the property stock renewal this year. However, the rate remains competitive following a benchmarking exercise. It was also noted that the cyber cover renewal has improved this year and there was successful negotiation on the abuse cover to meet the contractual terms with Glasgow City Council for the Futures contract.

S. Elder noted that legal expenses cover was not renewed this year. This policy was trialled last year and has not been used. The risk of significant legal claims was assessed and there is a framework in place for legal representation across all areas of the business with competitive rates.

A Fyfe asked if there are any areas which are not covered at present which should be considered. J. Jones explained that vulnerability scanning is carried out by the insurance brokers and cyber security and latent defects were highlighted to Hillcrest which they have acted on.

J. Jones left the meeting.

S. Elder also asked about the cyber cover and if a cyber incident response retainer would reduce premiums. The Director of Corporate Services will check with IT if this has been considered or is in place and provide an update to members.

LD

The Director of Corporate Services highlighted that there is an extension of the contract to insurance broker services for 2 years as Hillcrest have entered into a 3 year agreement for property stock and motor fleet insurance.

The Sub Committee:

- *Noted the insurance activity that has taken place during the last 12 months.*
- *Noted the insurance renewal report which was included for information.*
- *Noted the extension of contract to insurance broker services for a period of 2 years.*

3. Minutes of the meeting held on 27 May 2025 and matters arising

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

Matters arising:

Item 3 Hillcrest email addresses – this will be discussed with the Governing Body and subsidiaries. A. Fyfe highlighted the importance of ensuring that Board member email addresses are differentiated from staff email addresses.

4. Internal Audit

The Internal Auditor presented the following reports:

Reactive Repairs

The scope of this audit was to review the systems in place for recording and carrying out reactive repairs. The overall performance in this area of activity is 'satisfactory.' There were a number of strengths identified, particularly in relation to repairs performance and satisfaction. The key themes from the recommendations include:

- Manual processes associated with data entry from other systems is time-consuming with a risk of errors, impacting the accuracy and timeliness of repair records.
- Risk of inconsistent information capture without a call script or decision flowchart.
- Post inspection checks are not assessed or included in contractor performance evaluations.

Legionella and Asbestos Management

The scope of this audit was to review the policy framework in place to deal with legionella and asbestos management duties across all locations managed by Hillcrest. The overall performance in this area of activity is 'satisfactory.'

The Sub Committee noted that this area was audited in 2022, with a number of improvements made since the previous audit. The main recommendations made were in relation to documentation being consistently uploaded and updated.

The Sub Committee approved the internal audit management responses and timescales.

5. Risk Management

There are currently 13 risks on the risk register. Two of these are red risks with an adverse variance to the appetite level set:

- HH38 – Financial risk due to delays in contract handover of new developments.
- HH49 – Financial impact due to increase in interest levels.

There are 2 risks which have been archived this quarter:

- HH46 – Pension deficit contribution payment required as part of the new actuarial valuation. A 4-year repayment plan has been agreed commencing April 2026, and this has been fully provided for in the budget.
- HH60 – Unable to carry out adaptations to properties due to cuts in government funding. SG funding levels have been confirmed for 2025/26, and backlog of internal works has significantly reduced.

The Sub Committee:

- *Approved the risk scores attached to each risk.*
- *Approved the amendments made to the risk register.*

7. HR Report and Bulletin

The Head of HR and OD presented the report, highlighting the areas of work that have been developed or continued to improve over the previous 6 months:

- Leadership programme – a new cohort will start in November 2026. The feedback has been positive from all delegates who have attended so far.
- IIP – the next assessment was due to take place in March 2026 but will be delayed until May 2026 due to a number of conflicting demands.
- Employee engagement – there have been a number of improvement opportunities identified, and the majority have already been captured in our activity plans.
- HR/Payroll/Learning Management System – the recruitment module went live in June 2025 and initial feedback has been positive.
- Legislative changes – changes to Statutory Sick Pay will take effect from April 2026 and will have a financial impact on all companies, in particular Futures and Maintenance. Further analysis of the impact is underway.

The Sub Committee noted the report.

8. Benefits Review Report

The Head of HR and OD presented the report on the outcome of the benefits review and the recommended changes to the benefits provided to staff by Hillcrest.

Tech Scheme – it was recommended that the tech scheme is extended to permit staff to purchase home items.

The Sub Committee approved this change.

Cycle Scheme – it was recommended that the maximum value of purchases through the cycle scheme is increased from £1,250 to £2,000 to reflect the current value of products available.

The Sub Committee approved this change.

Electric Vehicle Scheme – it was recommended that this is introduced through a salary sacrifice option for electric car schemes.

The Sub Committee approved the introduction of this scheme.

Volunteering Days – it was recommended that the number of volunteering days for staff is increased from 0.5 day per year to 1 day per year.

The Sub Committee approved the introduction of this scheme.

Pension Contributions – it was recommended that a review is carried out of the employer and employee contribution levels for Homes staff in The Pension Trust Retirement Solutions scheme. Any changes in contributions will be considered in the 2026/27 budget setting process.

The Sub Committee approved the review of the pension contribution levels for Homes staff.

Death in Service Benefit – this service has not been reviewed for some time and it was recommended that a tender exercise is carried out to test the market to ensure best value for money.

The Sub Committee approved the review of the death in service benefit.

Long Service Recognition – it was recommended that the length of service recognition is extended to 30 and 40 years respectively. This will include a commemorative item and delegated authority to the Head of Department to arrange an appropriate gesture to a maximum of £100.

The Sub Committee approved this change.

The Sub Committee approved the recommended amendments to the benefits offered.

9. Health and Safety Report

The Director of Corporate Services presented the 6-monthly update report. The health and safety audits are continuing, with no significant concerns highlighted. There was additional statistical information on mandatory training included within the report. Work is ongoing to provide more trend analysis reporting.

The Sub Committee noted the report.

10. Policy Review Report

The following policy and strategy documents were presented for approval:

Health and Wellbeing Policy – this policy was previously called Mental Health and Wellbeing Policy and supported by a separate Stress Awareness Policy. These policies have now been combined.

Learning and Development Policy – this policy has been updated to reflect our current practices and new People and Organisational Development Strategy.

Recruitment and Selection Policy – principles have been broadened to reflect our commitment to be an inclusive employer of choice and to reflect recent legislative changes.

Bullying and Harassment Policy – this policy has changed to reflect our current practices.

Fundraising Policy – this new policy outlines the core principles and expectations around fundraising.

Procurement Policy – this policy was due for review and no significant revisions were made to the policy.

Procurement Strategy – updated strategy developed to support the delivery of the overarching corporate strategy.

The Sub Committee approved the amendments to the policy and strategy documents submitted.

11. Procurement Activity Report

The report on the procurement activity over the last quarter and current activities was presented to the Sub Committee for information. The Sub Committee requested more information on the 'D2D electrical equipment and sundries' due to the value of the contract.

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The Sub Committee noted the report.

12. A.O.C.B.

The Internal Auditor highlighted that an internal audit on fraud will be presented to the Sub Committee at the next meeting. Fraud prevention training was also delivered to staff last month.

13. Date of Next Meeting

Monday 1st December 2025

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

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