

## Agenda Number 2.1

### Hillcrest Maintenance Board of Directors

Minutes of the meeting held on Tuesday 19<sup>th</sup> August 2025  
at 5.30pm in HQ Board Room/MS Teams

Present:		
	B. Davidson	(Chair, HQ)
	D. Kelman	(Teams)
	S. Harvey	(HQ)
	F. Stevenson	(HQ)
	D. Gowans	(HQ)
	G. Van Zyl	(HQ)

In attendance:		
	J. Thomson	(Head of Hillcrest Maintenance, HQ)
	M. Percival	(Director of Finance & Property, HQ)
	J. Alexander	(Chief Executive, HQ)
	F. Morrison	(Deputy Chief Executive, HQ)
	L. Davidson	(Board Services Officer, HQ)

#### 1. *Introduction*

##### Apologies for Absence

Apologies for absence were received from F. Doran.

*Action by*

##### 1.2 Declarations of Interest

There were no declarations of interest.

#### 2. *Minutes and Matters Arising*

##### 2.1 Minutes of the meeting held on 10 June 2025 and matters arising

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

## 2.2 Actions Tracker

Item 3.1 Loans – the Director of Finance and Property provided a breakdown of the current loans position for Maintenance. A £1.3m loan from Hillcrest Futures was approved in 2020/21, repayment over a 12 year period and the current balance is £1m. An additional £0.5m was from Hillcrest Enterprises was approved during 2024/25 over a 12 month period.

Item 4.3 Apprentices – an additional apprenticeship post was approved by the Board at the June 2025 meeting. The Board suggested that a partnership with contractors for apprentices to gain experience on construction sites could be explored. The Deputy Chief Executive and Head of Maintenance will discuss and explore this opportunity for apprentices.

FM/JT

*The Board noted the actions tracker.*

## 3. Business Matters

### 3.1 Management Accounts to 30 June 2025

The Director of Finance and Property presented the results for the 3 month financial period to 30 June 2025 which reflects an overall profit of £35k compared to budget of £56k. There are several variances resulting in the overall results as noted in the report.

F. Stevenson highlighted the performance of day to day and voids and asked if there are any underlying issues. It was noted that this is due to the way this is reported, and feedback will be provided to the Finance Team to report performance against budget for future reporting.

MP

The Chair noted that costs for Abbeyfield were not included in the 2025/26 budget. Whilst this work is not included in the budget, the Board acknowledged the contribution of this work carried out by Maintenance and noted that this is due to the way this is reported in the accounts.

The Board noted the increased costs in relation to the use of external contractors for painting. This is currently under review, with arrangements to reduce the level of contractors used and maximise the volume of work through the use of internal resources. This will include the recruitment of a painter in Edinburgh.

The Board requested more detailed information in relation to areas where adverse variances are reported for future reports to highlight issues and action taken.

*The Board:*

- *Approved the management accounts for the 3 months ended 30 June 2025.*

- *Noted the 12 month cashflow forecast to 30 June 2026.*

### **3.2 Annual Review of Management Accounts**

The Board considered the content of the management accounts for the reporting requirements for 2025/26.

The Board discussed the reporting of variances in agenda item 3.1, and this will be taken forward for 2025/26 reporting. The variance levels to be reported on will be reviewed as part of the newly merged company during as part of the business planning.

*The Board:*

- *Approved the content and format of the management accounts.*
- *Approved the variance levels to be reported on to remain in excess of 10% of budget or £100k for the year across all areas of the accounts.*

### **3.3 Cost of Living Increase CIJC**

The Board discussed and reviewed the CIJC annual pay award for 2025/26 of 3.2% to take effect from 30 June 2025.

The Board noted that a cost of living increase of 2% for plumbers was approved in March 2025 to align with their trade body SNIJIB. The erosion of salary differentials between plumbers and joiners was discussed, and the recent salary benchmarking exercise indicated that salaries are in line with market rates. The importance of the benefits review was also noted, to ensure that Hillcrest remains competitive in the labour market.

*The Board approved the recommended cost of living increases in accordance with previous Board decisions:*

- *Cost of living increase of 3.2% for Joiners, Builders, Plasterers, General Operatives, Painters, Operations Supervisor (Cleaning and Multi-Trade) and Operations Managers for the 2025/26 year to align with their trade body (CIJC).*
- *3.2% cost of living increase for the on-call rate.*
- *Salary increase for CIJC aligned apprentices in line with the relevant trade body rates.*

### **3.4 Pension Provider**

The Head of HR and OD is carrying out a review of the benefits offered to staff, including the pensions offering to ensure we remain competitive in recruitment markets.

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.

The Governing Body have been presented with the same consideration and have given approval to proceed. The Futures and Enterprises Boards will be provided with the same consideration at their meetings in August.

*The Board approved the change to the existing auto enrolment pension provider for staff from Now: Pensions to The Pension Trust Retirement Solutions (TPT) and moving existing members from Aegon to TPT.*

### **3.5     Retrofit Work Accreditation**

The Head of Maintenance presented the report on the proposal for Hillcrest Maintenance to gain accreditation in the installation of more retrofit measures. To help improve service levels and reduce costs, it was proposed that Maintenance staff are upskilled to gain the relevant qualifications to install retrofit measures for air source heat pumps, windows, doors, and insulation.

*The Board were supportive of the proposals and gave approval for Hillcrest Maintenance to gain the relevant accreditation for the installation of air source heat pumps (ASHP), windows, doors, internal wall insulation and loft insulation.*

## **4. *Performance Monitoring***

### **4.1     Health and Safety Report**

The Board noted the improved culture and understanding of the health and safety measures in place, as shown in the outcomes detailed in the report.

*The Board noted the report.*

### **4.2     Contract KPI and Balanced Scorecard**

The Board noted that the Completed Right First-Time repairs performance has improved at 99.25%, above the target of 90%. The reporting criteria has changed for this indicator to a much simpler and truer reflection of work orders that are competed right first time.

F. Stevenson note that whilst a trial has started on customer feedback for kitchen replacements but was keen to see this rolled out for other planned maintenance works. The plan is for the rollout to more planned maintenance contracts and there are discussions being held with the customer services manger on simplifying and streamlining customer feedback.

*The Board noted the 2025/26 contract KPI and balanced scorecard report.*

#### **4.3 Activity Plan Update**

*The Board noted the update against the activity plans to Q1 2025/26.*

#### **4.4 Management Information**

The report on staffing and fleet information was presented to the Board for information.

*The Board noted the report.*

### **5. Governance Matters**

#### **5.1 Governance Matters**

The Board recruitment exercise has now been conducted, and meetings have been held with potential Board members and representatives from Hillcrest. It was recommended that Board approve the appointment of Gerhard Van Zyl onto the Board of Hillcrest Maintenance.

At the Governing Body meeting in July 2025, a decision was made to change the review of the risk appetite levels from annually to every 3 years. The Board highlighted that due to the difficulties in forecasting risk and the current volatility of the external environment, the Board agreed that this review should remain annually. It was noted that as part of the newly merged company, the risk appetite level will be reviewed as part of the business planning and the newly formed Board will agree on the frequency of review.

*The Board:*

- *Approved the appointment of a new Board member onto the Board of Hillcrest Maintenance.*
- *Agreed that the review of the risk appetite levels should remain annually.*

#### **5.2 Risk Management**

At the June 2025 meeting, the Board considered a new risk appetite category – Technology. The Head of Hillcrest Maintenance has discussed this with the Director of Corporate Services and that this category does not relate to innovation and more on systems.

There was a discussion around business continuity and the risk of cyberattacks. The Executive Leadership Team will be undertaking a test on our plans and further information will be provided to Board members to provide assurance in this area.

*The Board approved the risk scores attached to each risk.*

## 6. **Strategic Matters**

### 6.1 **Hillcrest Enterprises and Hillcrest Maintenance**

The Deputy Chief Executive presented an update on the proposal to merge Enterprises and Maintenance into one subsidiary organisation.

The business case for the merger has been approved by all three Boards – Enterprises, Maintenance and Homes. It was agreed that the name of the new company will remain as Hillcrest Enterprises.

Work on the detailed project plan is underway, and the Shadow Board met on 7 August where the communication to staff was agreed. The communication outlined the high-level benefits of the merger and provided a point of contact for any concerns or queries.

*The Board:*

- *Noted that all relevant approvals have been achieved.*
- *Noted that a detailed project plan is being developed and delivered in line with our new project governance and management methodology.*
- *Noted the dates of the Shadow Board meetings.*

## 7. **A.O.C.B.**

There was no other competent business.

## 8. **Date of Next Meeting**

Tuesday 4<sup>th</sup> November 2025