Hillcrest Homes (Scotland) Limited
Governing Body Meeting

Item 2.1

Minutes of the Governing Body meeting held on Tuesday 19th May 2026 at 5.30p.m. in HQ Board Room/Teams

Present:	D. Boyle	(Chair, HQ)
	P. Shepherd	(HQ)
	A. Fyfe	(HQ)
	R. Burnett	(Teams)
	B. Matheson	(Teams)
	A. Gauld	(Teams)
	M. McMurdo	(Teams)
	S. Elder	(HQ)
	E. Jones	(Teams)
	C. Robertson	(Teams)
In attendance:	J. Alexander	(Chief Executive, HQ)
	F. Morrison	(Deputy Chief Executive, HQ)
	M. Percival	(Director of Finance & Property, HQ)
	B. Harris	(Head of Innovation & Improvement, HQ)
	G. Anderson	(Digital, Data & Tech Manager, HQ)
	M. Baxter	(Investors in People, HQ)
	L. Davidson	(Board Services Officer, HQ)

Action by

1. ***Introduction***

The Chair welcomed M. Baxter, Investors in People, to the meeting as an observer.

1.1 **Apologies for Absence**

Apologies for absence were received from S. Qadar.

1.2 **Declarations of Interest**

There were no declarations of interest.

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

2.1 Minutes of the Governing Body meeting held on 10 March 2026 and matters arising

A. Fyfe noted that under Item 3.5 Treasury Management Report, the change to the current loan interest cover covenant will *'provide financial capacity to the organisation to carry out net zero works.'* It was noted that the additional financial capacity will not necessarily relate only to net zero works and it was agreed that this should be changed to *'reduce financial risk.'*

With the above amendment, the Governing Body noted the minutes.

Matters arising:

Item 3.2 30 Year Budgets – the Governing Body had requested a list of actions that could be taken if interest rates and costs were to increase significantly. The Chief Executive has drafted a suite of actions that could be taken and this will be shared with Governing Body members by email. JA

Item 3.6 Business Plan – the feedback and amendments provided by the Governing Body have been included in the finalised business plan.

2.2 Minutes of the emergency meeting held on 16 Mach 2026 and matters arising

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

There were no matters arising.

2.3 Minutes of the emergency meeting held on 25 March 2026 and matters arising

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

There were no matters arising.

2.4 Minutes of the emergency meeting held on 8 April 2026 and matters arising

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

There were no matters arising.

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3. ***Business Matters and Approvals***

3.1 Management Accounts to 31 March 2026

The Director of Finance presented the results for the 12 month period to 31 March 2026, reporting a year to date £2,240k surplus against a budget surplus of £1,215k, an overall favourable variance of £1,025k. The 9 months of actual results and 3 months of forecast results was a £915k surplus, an overall favourable variance of £1,325k. The main variances were detailed in the report.

The loan covenant position was 123% against a budget of 115%.

The Chief Executive noted the overall positive position reported but the variances will be monitored closely to ensure that results are more in line with budget going forward.

A. Fyfe noted the adverse variance in relation to rental income and asked if there are any trends or areas of concern. The Chief Executive explained that this is due to delays in handover dates for new developments and delays will be included in financial projections and is currently under review. P. Shepherd also highlighted that the Operations Sub Committee has requested additional information to be included as part of the development report to include the financial impact of handover delays.

The Governing Body:

- *Approved the management accounts to 31 March 2026.*
- *Noted the loan covenant figure at 31 March 2026.*
- *Noted the 12 month cashflow forecast.*

3.2 Treasury Management Report

The Director of Finance presented the quarterly update on the Treasury Management activities at 31 March 2026. The annul Treasury Management Strategy review will be presented to the Governing Body at the 14 July 2026 meeting. ATFS will provide Treasury Management training to the Governing Body in June 2026 and the time and date will be confirmed.

The Governing Body noted the following:

- *Current position of the loan portfolio*
- *Latest security valuation*
- *Loan covenant discussions with lenders*
- *Hedging review in progress*

3.3 Loan Portfolio

The Director of Finance presented the portfolio return of loans to be submitted to the Scottish Housing Regulator.

The Governing Body:

- *Approved the loan portfolio return.*
- *Noted that the loan portfolio return is currently in draft and is subject to change pending any 2025-26 Homes statutory account changes.*

3.4 **Digital, Data and Technology Strategy**

The Head of Innovation and Improvement presented the Digital, Data and Technology Strategy for 2026-30 and supporting action plan. External digital consultancy support was commissioned to provide independent assurance and a formal review of the IT team's structure and operating model was also carried out alongside this work.

The delivery of the strategy will be driven through the action plan which is structured around five strategic themes – Service Excellence, Digital Inclusion, Data and AI, Systems and Applications, and Security and Resilience. Bi-annual reports will be provided to the Governing Body on the progress of the strategy and action plan.

S. Elder noted that this is an in-depth strategy and highlighted that for AI adoption, acknowledgement of deploying this safely across the organisation should be included. The Head of Innovation and Improvement highlighted that security remains a priority in the adoption of AI with a prudent approach to be taken. The SFHA AI readiness tool has also been utilised for Hillcrest.

The Governing Body noted the comprehensive document presented and thanked staff for their hard work in the creation of the strategy.

The Governing Body approved the Digital, Data and Technology Strategy for 2026-30 and supporting action plan.

B. Harris and G. Anderson left the meeting.

4. ***Performance Monitoring***

4.1 **Annual Return on the Charter**

The Deputy Chief Executive presented the Annual Return on the Charter for submission to the Scottish Housing Regulator. The key performance areas were highlighted in the report.

A. Gauld commended the overall positive performance in staff turnover and sickness absence which as decreased in the financial year.

The Governing Body approved the submission of the ARC for the financial year 2025/26.

Officers confirm that the Annual Return on the Charter has been subject to appropriate internal review and validation and represents a fair and accurate reflection of performance for the year. Areas of underperformance and statutory exception have been reviewed by management and are subject to active mitigation. Officers have no concerns that the ARC submission will adversely impact regulatory confidence.

4.2 **Annual Equality, Diversity and Inclusion Report**

The report on the annual summary of actions taken across Hillcrest to improve Equality, Diversity and Inclusion was presented to the Governing Body for information. The Chief Executive highlighted the key activities undertaken by the organisation throughout the year and the new EDI Strategy is under development and will be presented to the Governing Body for approval in September 2026.

The Governing Body noted the report.

5. ***Briefing/Information/Governance Matters***

5.1 **Governance Matters**

The Deputy Chief Executive presented the report with an update on the following:

- SHR Engagement Plan
- SFHA Governance Forum Update
- Board member recruitment and resignation
- Leave of absence
- Board member annual reviews
- Board timetable to August 2027
- Company email addresses

The Governing Body:

- *Noted the report.*
- *Approved the request for up to 12 months leave of absence.*
- *Approved the draft Board timetable to August 2027.*

5.2 **Notification Procedure**

The Governing Body welcomed the introduction of this new procedure.

The Governing Body noted the report.

5.3 Cladding Update

The cladding update report was presented to the Governing Body. There are seven buildings which have been identified that require a Single Building Assessment (SBA). An update on the position of each of these SBAs and cladding remediation works were detailed in the report.

The Scottish Government have confirmed funding for all SBAs carried out and have funded waking watch and fire alarm system works at Colonsay View.

The Chief Executive explained that there are regular internal meetings held to discuss the cladding issues. There is a robust process in place to ensure that the content of the SBA reports is scrutinised prior to any decisions are presented to the Governing Body for approval. Regular update reports will continue to be presented to the Governing Body.

The Governing Body noted the report.

5.4 Chief Executive Update

The Chief Executive presented the report with a summary of the following key updates and activities:

- Update on legal action
- Merger of Hillcrest Maintenance and Hillcrest Enterprises
- Finance system
- Solar PV installation
- Young Workforce and Skills Development
- Staff Benefits
- Dundee Recovery Village

The Governing Body noted the report.

6. *Other Issues*

6.1 Training/Conference Opportunities

The SFHA Annual Conference takes place on 9th-10th June. Governing Body members interested in attending should contact the Board Services Officer.

6.2 **A.O.C.B.**

Operations Sub Committee

The Operations Sub Committee meeting scheduled for 12 May 2026 was inquorate and therefore unable to proceed. The meeting will be reconvened at a later date, however there are two reports requiring approval and consideration by the Governing Body to avoid delay.

Property Disposal

An update on the property disposal and seeks approval for the introduction of a voluntary relocation package to support and accelerate the disposal programme.

Under-Occupation Transfer Scheme

To introduce an incentive package for Hillcrest tenants occupying larger properties who wish to downsize.

B. Matheson noted that both the voluntary relocation and incentive package is offered up to £3k and asked if this is sufficient to achieve these objectives and to incentivise tenants to move. The Deputy Chief Executive explained that funding is on a case by case basis and will be subject to review after 6 months.

The Governing Body approved the following:

Property Disposal:

- *Approved the introduction of a voluntary relocation package as outlined in the report.*
- *Agreed that this approach is applied on a case by case basis where it supports value for money and accelerates disposals.*

Under Occupation Transfer Scheme:

- *Approved area housing teams to identify tenancies in three bedroom or larger properties who are currently under occupying the accommodation.*
- *Preference to be given to these tenants for transfers to more appropriately sized accommodation, enabling better use of larger family homes.*
- *Funding on a case by case basis up to a maximum of £3k to be made available per household to provide financial incentives to assist tenants with the costs associated with moving.*

Membership Applications

The Governing Body considered the application for membership of the association.

The Governing Body approved the application for membership of the association.

7. **Date of Next Meeting**

Tuesday 14th July 2026

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

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