Hillcrest Enterprises

Hillcrest Enterprises Limited
Board of Directors

Item 2.1

Minute of the meeting held on Tuesday 9th June 2026
at 5.30pm, in HQ, Explorer Road/MS Teams

Present:	W. Johnston	(Chair, HQ)
	A. Thompson	(HQ)
	L. Edwards	(HQ)
	I. Collins	(Teams)
	B. Davidson	(HQ)
	D. Kelman	(HQ)
	S. Harvey	(HQ)
	F. Stevenson	(HQ)
	D. Gowans	(HQ)
	F. Doran	(HQ)
	G. Van Zyl	(HQ)

In attendance:	J. Alexander	(Chief Executive, HQ)
	F. Morrison	(Deputy Chief Executive, HQ)
	M. Percival	(Director of Property & Finance, HQ)
	C. Pickthall	(Head of Housing & Customer Service, HQ
	J. Thomson	(Head of Maintenance, HQ)
	D. Conway	(Head of Asset Management, HQ)
	S. Beattie	(CT Audit, Teams)
	L. Davidson	(Board Services Officer, HQ)

Action by

1. ***Introduction***

1.1 **Apologies for Absence**

There were no apologies for absence.

1.2 **Declarations of Interest**

There were no declarations of interest.

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

2.1 **Minutes of the meeting held on 2 March 2026, matters arising and action points**

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

Action points – as per update.

L. Edwards joined the meeting.

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

3.1 **Statutory Accounts to 31 March 2026**

The outturn for the 12 months to 31 March 2026 was a loss of £74k compared to the budgeted profit of £162k, an overall adverse variance of £236k. There are a number of variances that have contributed to this outturn detailed in the report.

The company is required to prepare the financial results in the statutory accounts in a set format. I. Collins noted the overall retained earnings in the profit and loss and requested that the dividend payment and gift aid payment is separated. The auditor will make this adjustment, showing the distribution of both payments.

The Board approved the following:

- *Statutory accounts for the 12 months to 31 March 2026, with the above amendment.*
- *Dividend payment of £48k to Hillcrest Homes to be paid during 2026/27*

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 auditor thanked staff for their support during the audit.

The Board:

- *Approved and signed the letter of representation.*
- *Noted the management letter.*
- *Approved the draft response to the management letter.*

S. Beattie left the meeting.

3.3 **Key Priorities 2026/27**

The Deputy Chief Executive presented the draft key priorities for Enterprises for 2026/27. The priorities have been developed in alignment with the broader business plan and reflect the outcomes of discussions held at the business planning meeting earlier in the year.

The Board discussed the following key priorities:

- Deliver new MMR homes in conjunction with the Scottish Government and Local Authorities – this is driven by local authority and SG demand and will inform the development programme.
- Involvement in city centre regeneration with a multi-tenure approach – investigation of opportunities on Dundee Waterfront noted. Quarterly meetings are held with Dundee City Council to discuss opportunities.
- Seek to diversify income through commercial activity and partnership based services – there has been engagement with other RSLs and external organisations for Maintenance growth and expansion to offer repairs services.

The Board noted that the priorities provide a strategic focus for the year and will continue to be refined as planning for the merged company progresses.

The Board agreed the key priorities.

4. ***Quarterly KPI Reports***

4.1 **Housing Management**

The Head of Housing and Customer Service presented the report, and the Board noted the performance levels for voids and arrears, highlighting the following:

- KPI performance has been strong, especially rent arrears in Q4.
- Relet void days was 28.16 days which is marginally over the target of 28 days for a total of 208 relets.
- Significant delays in First Tier Tribunal continuing. SFHA has met with Scottish Government to discuss RSLs concerns and are seeking further information from RSL's about the delays and financial impact so Hillcrest will provide feedback.

The Board noted the report.

4.2 **Asset Management**

The Head of Asset Management presented the quarterly report on Q4 performance, highlighting the following:

- Strong performance sustained on repairs.
- Right First Time repairs above target at 99.5% against target of 90%.
- External contractor performance issues highlighted and regular meetings being held to address delays and drive improvement.

- Compliance 100% with the exception of EICR with one property outstanding due to full electrical rewire.
- Void spend was an adverse variance of £244k, with painting being the main costs driver. B. Davidson asked if there are any themes driving the increase in void costs. There is a focus to reduce the use of external contractors to complete void works and to bring these in-house.

The Board noted the performance against KPIs to Q4 2025-26.

4.3 **Development Update**

The Deputy Chief Executive presented the update of all mid-market rent projects either on-site, programmed or speculative. There were 28 units completed in 2025/26, and 4 projects on site comprising a total 99 units. There are 5 programmed projects.

The Board noted the report.

4.4 **Activity Plan Update – Q4 2025/26**

The Head of Housing and Customer Service presented the update on the progress against the business plan objectives. The majority of the objectives have been met, with the objectives not met due to external factors.

The board noted the report.

5. ***Governance Matters***

5.1 **Governance Matters**

The Board noted the following:

- Board member recruitment and resignation
- Annual reviews
- Board timetable to August 2027
- Company email address
- Entitlements, payments and benefits reminder

I Collins noted that the annual gifts and hospitality register is presented to the Audit and General Purposes Sub Committee and asked if this could be shared with the Enterprises Board. It was agreed that the register will be shared with subsidiary Boards on an annual basis. FM

The Board noted the report.

5.2 **Risk Management**

Following the merger of the Maintenance and Enterprises, the risk registers have been combined. There are five Maintenance risks that are now included in the register. There are 11 risks, two of which continue to be out with the risk appetite. The Head of Housing and Customer Service and Head of Maintenance presented an update on the risks.

F. Stevenson noted that many RSLs are now introducing digital property monitoring services for temperature and humidity levels to pro-actively manage problems with dampness. F. Stevenson asked if there are plans for Hillcrest to explore the installation of these systems for tenants. The Head of Asset Management explained that environmental monitors are being piloted in some properties, with an analysis and review on the outcome of the trials required to inform the next stage of roll out of this programme.

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

S. Harvey left the meeting.

5.3 **Risk Appetite**

The Board noted the risk appetite levels as agreed by the respective Boards and considered the risk appetite for the next 12 months. Following discussion, the Board agreed the following risk appetite levels:

- Data and Information Management – Cautious (3)
- Financial – Open (4)
- Reputational – Open (4)
- Compliance – Minimal (2)
- Operational – Open (4)
- Strategic/Major Change – Open (4)

The Board agreed the risk appetite levels for each of the standard categories of risk for the next 12 months.

5.4 **Annual Information Governance Report**

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

The Board noted the report.

6. **A.O.C.B.**

<u>Mileage</u>

The Head of Maintenance highlighted that the HMRC mileage rates have increased from 45p to 55p per mile from 6 April 2026. A temporary increase was applied in

March 2026 to all staff due to rising fuel costs following the impact of the Middle East conflict. The additional cost for the increase, based on the previous 12 months is approximately £19k. The Board agreed the new HMRC mileage rate for Hillcrest Enterprises, back dated to 6 April 2026.

Resignation/Election of Chair

The Deputy Chief Executive explained that W. Johnston has served as Chair for over 5 years and is required to stand down. The Board and staff members thanked her for her collaborative, caring and compassionate stewardship during her tenure as Chair. W. Johnston will remain on the Board of Hillcrest Enterprises.

Invitations to serve as Chair were sought from the Board. B. Davidson volunteered to serve as Chair. This was proposed by F. Doran and seconded by F. Stevenson. B. Davidson was duly elected as Chair of Hillcrest Enterprises.

7. **Date of Next Meeting**

Tuesday 18th August 2026