Hillcrest Homes (Scotland) Limited
Governing Body Meeting

Item 3.1

Minutes of the Governing Body meeting held on Tuesday 14th July 2026 at 5.30p.m. in HQ Board Room/Teams

Present:	D. Boyle	(Chair, HQ)
	A. Fyfe	(HQ)
	B. Matheson	(Teams)
	M. McMurdo	(HQ)
	C. Robertson	(Teams)
	P. Crichton	(HQ)
	F. Keil	(HQ)
In attendance:	J. Alexander	(Chief Executive, HQ)
	F. Morrison	(Deputy Chief Executive, HQ)
	M. Percival	(Director of Finance & Property, HQ)
	J. Thorn	(Altair, Teams)
	L. Davidson	(Board Services Officer, HQ)

Action by

1. ***Introduction***

The Chair welcomed P. Crichton and F. Keil, newly elected Governing Body Members, and J. Thorn (Altair) to the meeting.

1.1 **Apologies for Absence**

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

1.2 **Declarations of Interest**

There were 2 declarations of interest, both for Item 6.2 from D. Boyle and A. Fyfe.

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

4.3 **Treasury Management Report**

The Director of Finance and Property presented the update on the Treasury Management activities at 30 June 2026, highlighting the current position of the loan portfolio and loan covenant discussions with lenders.

The Governing Body noted the report.

4.4 **Treasury Management Strategy**

As part of the Treasury Management Policy, Hillcrest is required to set out its annual Treasury Management Strategy, which is produced in line with the annual business plan and budgeting process. The primary aim of this strategy is to ensure the business objectives set can be met through a funding regime which provides stability in the financial position of Hillcrest.

The Governing Body noted the annual Treasury Management Strategy for the year to 31 March 2027.

4.5 **Hedging Report**

J. Thorn presented the hedging report which was prepared by ATFS (Treasury Consultants). A hedging review was carried out in November 2025, this recommended approaching RBS to break the £6m RPI linked swap, subject to breakage costs, and to fix the £25m RBC Facility C. These recommendations were put on hold pending the completion of the new funding proposal.

The new funding proposal is now complete, and an updated hedging review has been carried out by ATFS, with the recommendations for approval set out in the report.

The Governing Body approved the following:

- *Novate the existing £25m fixed rate loan into a loan-linked ISDA.*
- *Terminate the £6m RPI linked swap.*
- *Enter into a 10 year swap for RBS Facility A £32.5m.*
- *Enter into a 3 year interest cap for RBS £40m use of proceeds loans (re: £25m social loan, £15m retrofit loan).*

J. Thorn left the meeting.

2. ***Governing Body Business Following AGM***

2.1 **Governing Body/Sub-Committee Appointments**

2.1.1 **Appointments of Casual Vacancies and/or Co-options**

There were no casual vacancies or co-options.

2.1.2 **Appointments to Audit and General Purposes Sub Committee**

Members were invited to volunteer for serving on this Sub Committee. The Chair noted that following discussions at the recent annual reviews, members currently serving on this Sub Committee expressed an interest to continue.

A. Fyfe, S. Elder, B. Matheson, D. Boyle and P. Crichton were appointed to serve on the Sub Committee.

It was noted that the Chairperson is an ex-officio member of the Audit and General Purposes Sub Committee.

2.1.3 **Election of Convenor of Audit and General Purposes Sub Committee**

D. Boyle nominated A. Fyfe for the position of Convenor of Audit and General Purposes Sub Committee and seconded by M. McMurdo. As there were no other nominations, A. Fyfe was duly elected Convenor of Audit and General Purposes Sub Committee.

2.1.4 **Appointments to Operations Sub Committee**

Members were invited to volunteer for serving on this Sub Committee. The Chair noted that following discussions at the recent annual reviews, members currently serving on this Sub Committee expressed an interest to continue.

P. Shepherd, C. Roberston, S. Qadar, R. Burnett, E. Jones, D. Boyle and F. Keil were appointed to serve on the Sub Committee.

It was noted that the Chairperson is an ex-officio member of the Operations Sub Committee.

2.1.5 **Election of Convenor of Operations Sub Committee**

D. Boyle nominated P. Shepherd for the position of Convenor of Operations Sub Committee, seconded by A. Fyfe. As there were no other nominations, P. Shepherd was duly elected Convenor of Operations Sub Committee.

2.1.6 **Appointment for Reward and Recognition Panel**

The member appointed to the Reward and Recognition Panel serves for a period of 3 years. R. Burnett confirmed his continuation to volunteer on the Reward and Recognition Panel.

2.1.7 **Appraisal Panel – Chief Executive**

The Appraisal Panel for the Chief Executive comprises the Chair, Convenor of Audit and General Purposes Sub Committee and Convenor of the Operations Sub Committee.

2.2 **Draft Minutes of the AGM held on 13 August 2026 and matters arising**

The Governing Body noted the minutes.

2.3 **Membership Update Following AGM**

The report on the membership following the AGM was presented to the Governing Body. It was noted that with the recommended withdrawal of the members noted within the report, the membership at 1 September 2026 will be 43.

The Governing Body approved the following:

- *Withdrawal of 3 members under Rule 11.1.3.*
- *Withdrawal of 3 members under Rule 11.1.1.*

3. ***Minutes and Matters Arising***

3.1 **Minutes of the Governing Body meeting held on 14 July 2026 and matters Arising**

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

3.2 **Minutes of the Governing Body meeting held immediately after AGM on 13 August 2026**

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

4. ***Business Matters and Approvals*** *(continued)*

4.1 **Management Accounts to 30 June 2026**

The Director of Finance and Property presented the results for the 3 months to 30 June 2026. The outturn was a £610k surplus against a £204k budget surplus, an overall favourable variance of £406k. The key variances were noted in the report.

The Chief Executive highlighted the areas reporting an adverse variance are being monitored closely, with mitigating actions in place. The Deputy Chief Executive provided an update on the development activity, with detailed quarterly reports presented to the Operations Sub Committee. The annual development report will be presented to the Governing Body at the October meeting.

D. Boyle noted the adverse variance to budget for voids. A review of the voids process is underway to reduce and stabilise void costs. The void days KPI is performing well but costs have increased due to use of external contractors. This is currently under review, and an update will be presented to the Operations Sub Committee.

The Governing Body:

- *Approved the management accounts to 30 June 2026.*
- *Noted the forecast loan covenant position to 31 March 2027.*
- *Noted the cashflow forecast for the next 12 months.*
- *Noted the 2026-27 3+9 revenue forecast.*
- *Noted the 2026-27 3+9 capital forecast.*

4.2 **Annual Review of Management Accounts**

The Governing Body considered the content of the management accounts and accompanying report to confirm the reporting requirements for 2026/27.

B. Matheson noted that a dashboard with a consolidated financial overview position of Homes and its subsidiaries would be useful. The Chief Executive explained that as part of the Digital, Data and Technology Strategy, a review of the data held by the organisation is underway. This review is required to ensure the accuracy of data held to develop dashboard reporting.

The Governing Body approved the content and format of the management accounts including:

- *Variance levels to be reported upon - £100k for the year or 5% of budget.*
- *Inclusion of a cashflow on a quarterly basis.*
- *Key performance indicators to be reported upon.*

4.6 **Confidential Item**

- *Minute removed due to commercially sensitive information*

5. ***Performance Monitoring***

5.1 **Business Plan Update**

The Deputy Chief Executive presented the Q1 update on progress against the Hillcrest Business Plan 2026/27 to 2028/29. Overall, good progress has been made. Financial performance remains positive, significant work has been undertaken to strengthen covenant compliance, and activity has continued across digital transformation, workforce development, asset management and sustainability priorities.

The Governing Body noted the report.

6. ***Briefing/Information/Governance Matters***

6.1 **Governance Matters**

The Governing Body noted the following updates:

- Board resignation
- Governance forum and policy briefing
- Board commitment
- Risk appetite for subsidiary boards

M. McMurdo highlighted that EDI training has been requested previously by Board members. The EDI training is held on Hillcrest's LMS system which requires a Hillcrest email account to access. The Chief Executive will provide an update to members on the roll out of Board member email addresses.

The Governing Body:

- *Approved the Board Commitment for inclusion in the strategy.*
- *Noted the risk appetite levels for subsidiary companies for the next 12 months.*

6.2 **Board Member Remuneration**

In accordance with the Board Remuneration Policy, an overview of the key areas of activity carried out by the Chairperson and Convenors over the past 12 months was presented to the Governing Body for information.

It was also recommended that the payment for the role of Chairperson, Convenors and Subsidiary Chairperson to remain for a further 12 months and to apply a cost of living uplift of 3.8% to the amount.

The Governing Body discussed the inclusion of the summary of activities, and it was agreed that this record will continue to be kept by the Chairperson and Convenors but agreed that there is no requirement to present this to the Governing Body on an annual basis.

The Governing Body:

- *Noted the activity that has taken place.*
- *Approved the annual remuneration payment for a further 12 months.*
- *Agreed to a cost of living uplift to the monetary amount of 3.8%.*
- *Agreed to the same uplift being applied to both Subsidiary Chairpersons.*

6.3 **Chief Executive Update**

The Chief Executive presented an update on the following areas during the reporting period:

- Update on legal action
- Finance system
- Financial optimisation and value recovery
- Social Bite – Dundee Recovery Village

The Governing Body noted the report.

7. ***Other Issues***

7.1 **Training/Conference Opportunities**

Details of the Share Governing Body Convention was included on the Board Portal.

7.2 **A.O.C.B.**

Governing Body Meeting – it was agreed that the 3rd November meeting will be moved to the 24th November.

Plug in solar panels – A. Fyfe highlighted the potential risk of the introduction of these solar panels and consider if advice should be provided to tenants.

Easy Fundraising App - We have registered the Hillcrest Foundation and Hillcrest Futures with Easy Fundraising, a free platform that turns everyday online shopping

into donations for our organisation. Further information will be shared with Governing Body members.

Courier Business Awards – Hillcrest are a finalist in the medium to large business category.

8. **Date of Next Meeting**

Tuesday 20th October 2026

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

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