



Minutes of the 172nd meeting of the Directors of the Company duly convened and held by video conference on 2 November 2021.

Present

Dame Teresa Graham (TG) – Chair
John Edmonds (JE)
Michael Stark (MS)
Annie Shepperd (AS) – Chief Executive
Helen Powell (HP)

Attending:

Carol Brown (CB)
Richard Hood (RH)
Jo Mills (JM)
Ian Rodger (IR)
Paul Smyth (PS)
Katherine Wright – BEIS Observer

QUORUM

A quorum being present, TG declared the meeting open.

1. APOLOGIES

None, all Board Members being present.

2. MINUTES AND UPDATE ON ACTION ITEMS

The Board agreed the minutes of the September meeting as a correct record, subject to the grant allocation referred to in Minute 2 being corrected to read £1.075 billion.

3. CHIEF EXECUTIVE'S REPORT

The Board noted the report, with additional updates:

Office Review – a proposed timetable and further information had now been received, including details of the Government's relocation policy and would be considered within the context of Salix's own needs, business continuity and current office location. The Board expressed concern at the implications on staff of a requirement to relocate into existing vacant space within the Government estate, at a time when Salix was already experiencing significant recruitment and retention problems. The implications for retention of existing staff could be severe and recruitment problems, which were already in evidence, were likely to become even more severe. A special meeting of the Board would be convened to consider proposals for relocation. Careful consideration would need to be given to messaging and communication with staff, and the Chair indicated that she would like to see these communications in draft.

Covid amongst staff continued to be an issue and presenting a challenge to the organisation.

4. RISK REGISTER

Strategic Risk Register

The Board reviewed the corporate risk register and noted the content.

The procurement of technical advisors had now been completed and could be removed from the risk register. A number of contractors had been appointed for each of the services required, providing good levels of support for Salix's work.

Delivery Risk Register

This was reviewed and considered. MS commented on some small anomalies concerning residual ratings after mitigation; it was agreed that these would be adjusted in the next Board report.

5. SCHEME PERFORMANCE

The Board noted the updates provided and discussed the actions being taken to address the challenges being faced on around 30 - 40 projects, including some significant NHS schemes, where additional support was being provided to help clients deliver by the deadline. However, due to supply chain, contractor and market issues (such as increasing costs and especially equipment delays), there would inevitably be some large projects that would not be able to complete on time and accordingly would be abandoned. Further abandonments could be expected as we moved towards the end of the financial year.

6. OPERATIONAL PERFORMANCE

The Board received the following reports:

- Operational Performance – noted the additional reporting detail that Salix was required to provide to BEIS in relation to the loan book consequential to Salix now being classed as an agent rather than principal in accounting terms.

Noted that it was expected that the NAO would this week be providing their comments on the draft Annual Report and Accounts, with the Audit Risk and Assurance Committee receiving the full audit report at their meeting on 23 November 2021.

- Administration Costs Summary – this paper was noted without discussion.

7. OTHER BUSINESS

PSDS Phase 3 had received an *Amber* rating following the Gateway Review and work would now continue on completing the associated assurance processes.

Noted that, whilst the Spending Round may have finished, there was now further work involved in allocating funding within BEIS and it would be several months before details were available on actual budgets.

DATE OF THE NEXT BOARD MEETING

Tuesday 30 November 2021.

Chair

Date

Summary of Actions:

None outstanding