

Minutes of the 174th meeting of the Directors of the Company duly convened and held by video conference on 21 December 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)
Tricia Allen (TA) – BEIS Observer

QUORUM

A quorum being present, TG declared the meeting open.

1. APOLOGIES

All Board Members were present.

An apology had been received from Katherine Wright – BEIS, who was represented by Tricia Allen.

2. MINUTES AND UPDATE ON ACTION ITEMS

The Board agreed the minutes of 30 November 2021 meeting as a correct record, subject to the deletion in Minute 6 of the sentence starting with the words “Whilst Government rules...”.

3. CHIEF EXECUTIVE’S REPORT

The Board noted the report, which provided an update on the staffing impact of Covid and noting that vacancies would arise from the departure of two programme managers.

In response to a question, AS agreed to provide ahead of the next Board meeting an analysis of the staffing situation.

ACTION 1: it was AGREED that AS bring back, to the next Board meeting, a report addressing issues of staff recruitment and retention.

The Board noted that in line with the Government’s request for support staff were being encouraged to volunteer to help with the urgent roll-out of the vaccine programme, subject always to business needs.

4. PHASE 1 PSDS: EXTENSION OF DEADLINE FOR PROJECTS FUNDED UNDER SECTION 31

As explained in a supplementary Board paper, BEIS had very recently secured Treasury consent to extend the deadline for Phase 1 PSDS projects funded under Section 31 of the Local

Government Act 2003 (S31) to 30 June 2022. This opportunity arose because of the different treatment in public accounts of S31 local government funding, as opposed to other grants. BEIS was keen that Salix should agree to administer this extension, so that more S31 projects could complete. However non-S31 funded projects would continue to be bound by the original deadline of 31 March 2022. BEIS now sought a decision from Salix whether it was willing to implement this extension in respect of S31 funded projects only.

The Board discussed this matter in depth. On the positive side the Board recognised the benefits to its S31-funded clients, and to BEIS and society, of a significant number of good projects being completed which would otherwise have to be cancelled through inability to complete within the 31 March deadline. Against this, there was an apparent inequity in relation to the roughly 50% of Phase 1 PSDS projects **not** funded through S31 but through grants administered directly by Salix. Until now, BEIS and Salix had consistently stated that **all** Phase 1 projects must be completed by 31 March.

In answer to Board members' questions, Salix staff confirmed that there was no difference between the quality or other merits of approved Phase 1 projects funded by these two different funding routes. It would therefore be essential to construct convincing explanations why one category would now be allowed an extended deadline but the other would not.

After extensive debate the Board agreed to implement the extension for Section 31 grant recipients only, on the following conditions:

- (a) this would be new work, coming at a particularly busy period, and Salix would need an undertaking from BEIS that all necessary additional costs would be taken into account through adjustment of administration costs for the period in question;
- (b) for reputational reasons it was essential that BEIS and Salix should jointly develop a clear explanation why different deadlines would now apply, to be shared transparently with those Phase 1 clients affected early in the new year.

ACTION 2: AS to pursue with BEIS to ensure that (a) administration resources were specifically allocated for the additional work and (b) joint lines were developed and full information shared transparently with those Phase 1 clients affected early in the new year.

5. RISK REGISTERS

The Board reviewed both the corporate risk register and delivery risk registers, noting their content.

ACTION 3: to review Risks 3 and 9 on the Corporate Risk Register (addressing reasons for small differences in ratings)

6. SCHEME PERFORMANCE

The Board considered the reports on the delivery of Phase 1 and Phase 2 PSDS, Phase 3 PSDS and the Loan Scheme Programmes Report.

The Board was now receiving fortnightly flash reporting on underspends.

On Phase 3 there were technical issues, causing additional work for the PSDS 3 team in creating the grant Offer Letters, that needed to be addressed relating to systems; there was a need to prioritise resources in consultation with BEIS.

7. OPERATIONAL PERFORMANCE

The Board received and noted the reports on Operational Performance and Administration Costs Summary.

8. OFFICE RELOCATION PROJECT

The Board noted the update provided within the briefing paper and the current options that were being considered.

AS reported receipt of a letter from the BEIS Director of Finance in relation to renewing the current buildings licence to which she was responding formally.

9. PAY REMIT

The Board was updated on the latest information received from BEIS HR and agreed to the two recommendations contained within the paper. Legal advice for the Board will be arranged by CB.

DATE OF THE NEXT BOARD MEETING

Thursday 27 January 2022

Chair

Date

Summary of Actions:

ACTION 1 : AS to bring to the next Board meeting a report addressing issues of staff recruitment and retention.

ACTION 2: AS to pursue with BEIS to ensure that (a) administration resources were specifically allocated for the additional work and (b) joint lines were developed and full information shared transparently with those Phase 1 clients affected early in the new year.

ACTION 3: to review Risks 3 and 9 on the Corporate Risk Register (addressing reasons for small differences in ratings)