

Minutes of the 193rd meeting of the Directors of the Company duly convened and held by way of MStTeams on 30 October 2023

Present:

Dame Teresa Graham DBE (TG) – Chair
Michael Stark – (MS)
Tracy Vegro OBE – (TV)
Annie Shepperd OBE (AS) - Chief Executive and Accounting Officer until 1 November 2023 (for Items 3, 5 and 6)
Emma Clancy (EC) – Chief Executive and Accounting Officer with effect from 1 November 2023
Helen Powell (HP) – Director of Finance and Resources

Attending:

Paul Chambers (PC) – Department of Energy Security and Net Zero (DESNZ) Observer
Tessa Clayton (TC) – Head of Internal Audit (for Item 10.2)
Julie Ellis (JE) – Governance Manager (minutes)

QUORUM

A quorum being present, TG declared the meeting open.

1. APOLOGIES

There were no apologies.

2. MINUTES AND UPDATE ON ACTION ITEMS

The Board agreed the minutes of the meeting of 28 September 2023 as a correct record.

Action item 1 on convening a formal Remuneration Committee (RemCo) meeting in advance of the Pay Remit submission is to be carried forward – *complete; on agenda*.

Action item 2: the joint DESNZ-Salix paper on communications to promote the PSDS schemes will not be pursued at the present time in the light of greater priorities.

All other actions are complete or otherwise dealt with.

3. CHIEF EXECUTIVE'S REPORT

The Board noted the Chief Executive's Report.

The Board noted that the final Framework Document has not been presented for agreement today as originally scheduled. A separate meeting will take place between the Salix team leading on this work and certain Non-Executive Directors to discuss current progress.

The Board noted that due to the technical difficulties that took place with the original launch on 1 October, Phase 3c launch will be re-run on 7 November.

4. RISK REGISTERS

4.1. RISK REGISTER UPDATE

The Board noted and welcomed the new risk added to the register in the light of the problems with the Portal. The Board were informed that liaison with applicants has been cordial and constructive and were pleased to note the absence of negative publicity to date. The Board discussed whether the risk of portal failure is one that should have been anticipated on the register.

Action - PC will review our risk registers from DESNZ's perspective.

Action - Tessa Clayton (Head of Internal Audit) and Joe Hayman (Interim Risk Manager) to review the registers and attend the next Board meeting.

4.2 and 3 RISK REGISTERS

The Board noted the Corporate and Delivery Risk Registers.

5. ANNUAL REPORT AND FINANCIAL STATEMENTS

The Board noted that at the ARAC meeting on 23 October 2023, finalisation of the Annual Report and Accounts for the year ended 31 March 2022 had been delegated to TG, MS and HP, before recommendation on behalf of ARAC to the Board for approval.

The Board also noted that ARAC had agreed that:

- i) unadjusted errors could be addressed in the Letter of Representation (Agenda Item 5.2); and
- ii) the going concern threshold was met.

That recommendation being made, and having received the letter of representation, the Board:

- i) **APPROVED** the Annual Report and Accounts as presented; and
- ii) **RECOMMENDED** the signing of the Letter of Representation by the Accounting Officer and Chief Executive Officer on behalf of the Board of Directors.

6. PAY REMIT 2023-24

The Board noted an oral report from MS from the RemCo meeting on 23 October convened to consider the pay remit submission and pay policy prior to its presentation to this meeting. Details of specific pay awards had been withheld from the full Board for data protection purposes. The Board noted the diligence and care demonstrated and the support of DESNZ throughout the process reported by RemCo.

The Board **AGREED** the Pay Policy. The Board noted the frustration reported by staff in respect of the time being taken to conclude the pay settlement and pressed for a very early resolution of the matter – if possible, via DESNZ alone, not requiring reference to the Cabinet Office which could involve crippling delays.

7. CORPORATE PLAN 2023-25

The Board received the Corporate Plan for 2023-25.

The Board observed that the current version of the plan did not cover this UK-wide reach in sufficient depth, but as it was behind schedule, agreed to sign it off in its present form. The Board noted that

the next plan would be considered on a rolling basis and that the incoming Chief Executive would wish to input into this.

The plan was **APPROVED** subject to minor revisions to adopt the points raised by the Board.

8. SCHEME PERFORMANCE

The Board noted papers on the i) Public Sector Decarbonisation Schemes (PSDS) and Low Carbon Skills Fund (LCSF); ii) a briefing on the PSDS Phase 3c Portal (see 3 above); and iii) Loan Schemes.

9. OPERATIONAL PERFORMANCE

The Board noted papers on i) Operational Performance, ii) Administration Costs Summaries for Housing and PSDS, iii) Administrative Costs Breakdowns for Housing and PSDS and iv) Finance KPIs for the period ended 30 September 2023.

The Board noted that a Corporate Services Director would not be recruited this year, but the post would remain in the establishment costs budget and that EC would review our executive structure shortly.

10 AOB

10.1 HOUSING UPDATE

The Board noted that delivery of the Housing schemes had fallen behind schedule for reasons including procurement delay, supply chain issues, difficulties in soliciting residents' interests in the improvements, and competing priorities within local authorities. The Board acknowledged that the three-month initial timeline was challenging, though any changes will need to be evidence-based.

The Board noted that timely consultation with residents and promotion of scheme benefits will be pivotal to successful delivery.

[10.2 CONFIDENTIAL ITEM]

10.3 ARM'S LENGTH BODIES' (ALB) REVIEW UPDATE INCLUDING CHAIR'S OBJECTIVES – PROGRESS REPORT

The Board noted progress made regarding Salix's compliance with specific recommendations arising from the ALB Review and the Annual Chair's Objectives Letter in the tracker documents issued as part of the Board papers.

The Board noted that as part of the benchmarking exercise to be performed/completed by DESNZ/Cabinet Office, as per one of the recommendations, a review of both Salix's fraud and grant management areas/process would be undertaken. Clarification will be sought of the grant management process as it is not clear how it applies to our business. *Post-meeting note: clarification provided by way of e-mail from DESNZ dated 1 November 2023.*

10.4 BOARD AND COMMITTEE CALENDAR 24-25

The Board noted the proposed meeting dates for the 2024-25 Financial Year.

[10.5 CONFIDENTIAL ITEM]

10.6 AS's FINAL BOARD MEETING

The Board noted that this was AS's last Board meeting as Salix's Chief Executive Officer before she leaves the organisation at the end of November. The Board thanked AS for her superlative service to both Salix and in respect of the impact of climate change and wished her all the best for the future.

DATE OF THE NEXT BOARD MEETING

The next scheduled meeting of the Board is on Thursday 14 December 2023.

Chair

Date

Summary of Actions:

ACTION 1: PC will review our risk registers from DESNZ's perspective.

ACTION 2: Tessa Clayton (Head of Internal Audit) and Joe Hayman (Interim Risk Manager) to review risk registers and attend next Board meeting.