

Minutes of the 193<sup>rd</sup> meeting of the Directors of the Company duly convened and held in Room 1.05, 10 South Colonnade, Canary Wharf, London E14 4PU and by way of MSTeams on 14 December 2023

**Present:**

Dame Teresa Graham DBE (TG) – Chair  
Michael Stark – (MS)  
Tracy Vegro OBE – (TV) (up to and including Item 7)  
Emma Clancy (EC) – Chief Executive Officer  
Helen Powell (HP) – Director of Finance and Resources

**Attending:**

Paul Chambers (PC) – Department of Energy Security and Net Zero (DESNZ) Observer to end of December 2023  
Andrew Jones – DESNZ Observer with effect from January 2024  
Jonathan Edwards – Director of Housing - (Items 6 (iv) and 8.3) (JE)  
Julie Ellis (JRE) – Governance Manager and Company Secretary (minutes)

**QUORUM**

A quorum being present, TG declared the meeting open.

**1. APOLOGIES**

There were no apologies. TV offered apologies in respect of her absence from 10:22.

**2. MINUTES AND UPDATE ON ACTION ITEMS**

The Board agreed the minutes of the meeting of 30 October 2023 as a correct record.

All action items are complete or on this agenda.

**3. CHIEF EXECUTIVE'S REPORT**

The Board noted the Chief Executive's Report.

The Board noted with satisfaction that the revised Pay Remit submission for 2023-24 had been approved by DESNZ Ministers on 11 December and was therefore final (requiring no reference to Cabinet Office). The Board agreed that non-consolidated payments to most staff would therefore be made in December payroll.

Regarding the Places for Growth agenda, all agreed this was an opportunity Salix needed to embrace. The Board noted that the staff headcount in our Manchester office is growing and those interested in a move there will be supported in accordance with a new relocation policy.

The Board noted the need to ensure robust oversight of matters relating to staff pay within the parameters of decision-making frameworks which would apply to us as a non-Department Public Body.

**Action** - MS as the Chair of the Remuneration Committee (RemCo) will present proposals at an early Board meeting for the improved governance of that Committee.

The Board noted that although Salix's geographical reach in terms of scheme projects was broad, there were some constituencies without PSDS projects.

**Action** – TV and Andrew Carter, the new Head of Communications, will discuss a Communications Plan to increase the profile of PSDS schemes. *Post-meeting note: meeting arranged for 18 January 2024.*

## **4. RISK REGISTERS**

### **4.1. RISK REGISTER UPDATE**

The Board noted the following papers (i) Risk Register Update; ii) and iii) Corporate (CRR) and Delivery Risk Registers respectively.

The Board noted that changes to the CRR had been considered by the Audit, Risk and Assurance Committee at their ARAC meeting earlier today. DESNZ were content with the amendments proposed, though PC noted that the Housing schemes remain to be fully integrated into both risk registers. New risks around corporate governance and contract management have been added to the CRR. It was noted that the "ownership" of the risk of changing Government priorities should be allocated to the Board.

### **4.2 DELIVERY RISK REGISTER**

The Board noted the Delivery Risk Register. The Board noted that the portal for the Scottish grant scheme is working as expected; delays in finalising scheme documents, such as the agency agreement and mid-year report, account for the high risks on the register.

**Action** – relevant risks to be reviewed.

## **5. FRAMEWORK DOCUMENT**

The most recent version of the Framework Document governing the relationship between Salix and DESNZ was presented to the Board for approval in principle. DESNZ has reviewed its compatibility with other key documents including delegated authority letters. The revised Framework Document now aligns Salix further with the requirements mandated for all non-departmental public bodies and carries forward many of the existing arrangements. A copy for signature would be presented to the Board after some further minor amendments were implemented and final review by HM Treasury. The Board asked for some flexibility to comply with some of the requirements, such as in respect of procurement and will seek written assurance in respect of these, if required.

The Board **AGREED** the document in principle, subject to satisfactory resolution of the outstanding matters referred to above.

## **6. SCHEME PERFORMANCE**

The Board noted papers on the i) Public Sector Decarbonisation Schemes (PSDS) and Low Carbon Skills Fund (LCSF); ii) Loan Schemes; iii) Grant Audits Update and iv) Housing.

Regarding iv), the Board noted that operational delivery of the Housing Schemes was progressing. In the future, opportunities for Salix to absorb some delivery partner functions could be explored.

## **7. OPERATIONAL PERFORMANCE**

The Board noted papers on i) Operational Performance, ii) Administration Costs Summaries for Housing and PSDS, iii) Cash Management and iv) Finance KPIs for the period ended 31 October 2023.

The Board noted that the Financial Reporting Team is being replaced following a series of departures.

## **8 AOB**

### **8.1 FORMAL NOTIFICATION OF CHANGES TO COMPANIES HOUSE REGISTER**

The Board noted that the following changes had been made to the Companies House Register with effect from 1 November 2023 in respect of the Company's officers:

- The appointment of Emma Clancy as a Board Director;
- The resignation of Annie Shepperd as a Board Director and Company Secretary; and
- The appointment of Julie Ellis as Company Secretary.

and **RATIFIED** these changes.

The Board noted that Salix's Register of Directors has been updated under section 162 of the Companies Act 2006 and Register of Secretaries under section 275 of the same Act accordingly.

### **8.2 ARM'S LENGTH BODIES' (ALB) REVIEW AND ANNUAL CHAIR'S OBJECTIVES REVIEW**

The Board noted the paper on progress made with compliance with the recommendations arising from the ALB review and annual chair's objectives. The Board also noted that work on the benchmarking exercise to be conducted by DESNZ/Cabinet Office, as per one of the recommendations for a review of both Salix's fraud and grant management processes, has commenced.

### **8.3 HOUSING DELIVERY PARTNER - PILOT ASSESSMENT AND CONTRACT EXTENSION**

The Board noted this paper:

- i) assessing the impact of not extending the Housing Delivery Partner contract beyond the six-month pilot stage; and
- i) seeking Board approval for extension of the contract from March 2024 through to May 2026.

The Board **AGREED** to extend the contract subject to the Delivery Partner agreeing proposed improvements set out at 3c of the report during the post-pilot period. These include clarity on the use of grant recipient data, and the sharing of learning from the Technical Assistance Facility and monitoring and evaluation agencies. The Board will be informed before its March 2024 meeting whether this condition has been met and the contract has therefore been extended.

### **[8.4 CONFIDENTIAL ITEM]**

### **[8.5 CONFIDENTIAL ITEM]**

### **8.6 GOVERNMENT INTERNAL AUDIT AUTHORITY'S AUDIT OF DESNZ**

PC reported that the GIAA's audit of DESNZ's governance, during which our Head of Internal Audit was interviewed, was positive.

### **DATE OF THE NEXT BOARD MEETING**

The next scheduled meeting of the Board is on Thursday 30 January 2024.

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Chair

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Date

**Summary of Actions:**

**ACTION 1:** MS to present proposals at an early Board meeting for the improved governance of RemCo.

**ACTION 2:** TV to meet with Andrew Carter, the new Head of Communications, to discuss a Communications Plan to increase the profile of PSDS schemes.

**ACTION 3:** Risks relating to Scottish schemes in the delivery risk register to be reviewed.

**ACTION 4:** JE to assure Board at or before its March 2024 meeting that conditions regarding clarity of the use of grant recipient data and sharing of learning in respect of the Housing Schemes' contract extension are being met.