

Minutes of the 196th meeting of the Directors of the Company duly convened by way of MSTeams on 27 February 2024

Present:

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

Attending:

Rita Varsani (RV) – Department of Energy Security and Net Zero (DESNZ) Observer
Julie Ellis (JRE) (minutes) – Head of Governance and Company Secretary

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 30 January 2024 as a correct record.

All action items were completed or on the agenda.

3. CHIEF EXECUTIVE'S REPORT

The Board noted the Chief Executive's Report. Its revised format was clear and welcomed.

The Board noted the focus on organisational change and people and process developments. A two-day Executive Team away day and Big Conversations with staff have been constructive.

The Board noted that discussion has been taking place in respect of closer alignment with the Civil Service offer in respect of staff benefits including pensions, with an announcement to colleagues planned for the 14th March.

The Board noted progress with reviews of the Public Sector Decarbonisation Scheme (PSDS), Social Housing Decarbonisation Fund Scheme (SHDF) and Home Upgrade Scheme (HUG) by the Infrastructure and Projects Authority. A satisfactory rating is anticipated in respect of the planned PSDS schemes review. HUG is under review due to its current red rating. The Board advised that it may be possible to seek further guidance from the IPA Team to assist Salix with the areas of focus as we endeavour to deliver schemes and implement a change programme.

The Board Chair has offered to assist with the appointment of a candidate for the post of Chair of the Audit, Risk and Assurance, which will become vacant when the Board Chair retires at the end of March. The appointment will be on an interim basis and the appointment process will be conducted by Salix.

4. RISK REGISTERS

4.1. CORPORATE RISK REGISTER

The Board noted the Corporate Risk Register (CRR).

The Board noted the addition of new governance and contract management risks to the CRR.

The Board queried the amber rating for fraud and cybersecurity in the light of the ubiquity of this threat and how all organisations were now having to bring ever-more attention to prevention and mitigation. It was noted that Salix had faced no specific incident for some time and that there were well-established mitigating actions including staff training and testing exercises.

Action – HP and RV to consider the pitching of the risk.

4.2 DELIVERY RISK REGISTER

The Board noted the Delivery Risk Register.

5. FRAMEWORK DOCUMENT

As previously noted at the January meeting of the Board, DESNZ has shared the draft Salix Framework Document with HM Treasury for its consideration; there is no further update.

6. SCHEME PERFORMANCE

The Board noted papers on the i) Public Sector Decarbonisation Schemes (PSDS) and Low Carbon Skills Fund (LCSF) and ii) Social Housing Decarbonisation Fund Scheme (SHDF) and Home Upgrade Grant Scheme (HUG).

Regarding (i), it was noted that performance was good. It was also noted that resourcing for PSDS Phase 4 may be challenging in the light of staff pay restraints.

The Board noted that the launch of LCSF Phase 5 initially scheduled for launch on 22 February, then deferred to 11 March by DESNZ should now take place on 22 April, with a pre-announcement on 7 March.

Regarding (ii), it was noted that our forecast for HUG for the financial year is becoming more aligned with that of DESNZ, though delivery on schedule is very challenging as the end of the financial year approaches and due to the complex nature of the delivery partner relationship.

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 January 2024.

The Board noted that feedback from the NAO following their audit work of the implementation of, and migration of Salix's operational data, to the new Finance ERP system is still awaited; see January's Board minutes.

The Board noted the paradox that focussing on ensuring the accuracy of claims rather than meeting the KPI for the scheme cashflow forecasting has resulted in two red ratings (of three), as more rigour is taken to assess supporting evidence.

8. AOB

8.1 REMCO

The Board noted the oral update from MS regarding formalising the business of the Remuneration Committee (RemCo) to address the hitherto ad hoc approach to its proceedings. The Board noted that RemCo now has agreed meeting and work schedules and a formal paper on the review will be presented to the next Board meeting.

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 the concessions made to Salix in respect of the tight deadline for the corporate benchmarking commission.

8.3 and 8.4 CORPORATE AND BUSINESS PLANS

The Board noted that good progress was being made in respect of the Corporate and Business Plans for 2024-27 and 2024-25 respectively. The Board noted that five strategic objectives have been established and the Executive Management Team have been asked to consider the inclusion of KPIs. A draft will be ready for its consideration shortly and listed on the March Board meeting agenda seeking approval.

The Board asked that the Executive be mindful of consistency across the organisation's public-facing documents, though it was acknowledged that the Corporate Plan is a high-level forward-looking document and Annual Report a retrospective that is subject to rigorous review by the NAO.

[8.5 CONFIDENTIAL ITEM]

[8.6 CONFIDENTIAL ITEM]

8.7 BOARD SCHEDULE OF BUSINESS (TO END FY 2024-25)

The Board welcomed the Board Schedule of Business a standing item at its meetings. The schedule will need to be reviewed in the light of a proposed change to moving Board meetings to sit bi-monthly, with two of the six per annum to take place in Manchester.

DATE OF THE NEXT BOARD MEETING

The next scheduled meeting of the Board is on Thursday 28 March 2024.

Chair

Date

Summary of Actions:

ACTION 1: HP and RV to consider the pitching of the cybersecurity risk.