

Minutes of the 209<sup>th</sup> meeting of the Directors of the Company held at 3 Piccadilly Place, Manchester M1 3BN on 27 November 2025

**Present:**

Baroness Natalie Evans (NE) - Board Chair  
Tracy Vegro OBE (TV) - Non-Executive Director  
Andrew Jones (AJo) - Shareholder Representative Director, Department for Energy Security and Net Zero (DESNZ)  
Alison Jeffers (AJe) – Non-Executive Director, Chair of the Audit and Risk Assurance Committee  
David Conroy (DC) – Non-Executive Director  
Kevin Holland (KH) - Interim Chief Executive Officer and Accounting Officer  
Andy Gillies (AG) – Interim Director of Finance and Resources

**Attending:**

(Executive directors attended from Item 6)  
Ian Rodger, Director of Public Sector Decarbonisation  
Paul Hill, Director of Housing  
Simon Sharkey Woods, Director of Data, Technology and Workplace  
Andy Carter, Director of Communications  
Gemma Gregory - Director of Organisational Design and People  
Chiara Lorenzetti, Director of Delivery Excellence and Transformation  
Julie Ellis (JE) (minutes) – Head of Governance and Company Secretary

**QUORUM**

A quorum being present, NE declared the meeting open.

**1. WELCOME, INTRODUCTION, APOLOGIES AND DECLARATIONS OF INTERESTS**

Apologies were received from Claire Davies, who provided written comments on the papers to the Chair in advance of the meeting.

There were no declarations of interest.

**PART 1: PAPERS FOR CONSIDERATION AND/OR APPROVAL**

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

The Board formally agreed the minutes of the meeting of 30 September 2025 as a correct record (the content having been agreed within seven days of distribution).

The action log was noted. The Board noted progress with the actions.

Regarding item BER001, the revised scheme of delegation should now be implemented prior to the January 2026 Board meeting. Subject to approval of the Audit and Risk Assurance Committee terms of reference on today's agenda at Item 5.2 (*post Board note – approved*),

all Board and Committee terms of reference, which feed into and inform the scheme, will have been reviewed. Any consequential adjustments required will be made to the scheme before its issue.

**Action** - The deep dive on the risk appetite statement (see Item 11) to be added to action log.

### **3. UPDATE, OBSERVATIONS & ACTIONS FOLLOWING MEETINGS OF THE AUDIT AND RISK ASSURANCE COMMITTEE ON 16 AND 24 OCTOBER**

The Chair of the Audit and Risk Assurance Committee (ARAC), AJe, presented a paper on recent Committee activity.

The full Board was in attendance (non-ARAC members as observers) at the extraordinary ARAC meeting held immediately prior to this one, so a number of issues had been covered there. Key matters that had been discussed/dealt with by ARAC at its meetings and not covered on this agenda included:

- An overview of the National Audit Office's (NAO) report on energy efficiency installations under the Energy Company Obligation (ECO) and Great British Insulation Scheme (GBIS) programmes.
- Solid progress with the action plan to implement the recommendations from the ARAC Effectiveness Review from the findings reported to ARAC in July 2025.
- A review of risk management, including migration onto a new automated system.
- Updates on cyber-security, counter-fraud measures and internal audit activity.

The Board advised that cyber security should be regarded as an ever-present risk and business continuity planning should not just include immediate steps to be taken in the event of an attack on the integrity of our systems, but also allow for a longer period of recovery of up to several months.

### **4. FINALISATION OF ANNUAL REPORT & ACCOUNTS FY 2024-25**

The Board received the following reports for this agenda item:

- 4.1 Draft Annual Report and Financial Statements (ARA) for FY 2024-25 and future plans and going concern disclosures
- 4.2 The National Audit Office's (NAO) Audit Completion Report on the 2024-25 Financial Statements Audit
- 4.3 The NAO's draft Audit Certificate
- 4.4 The draft Letter of Representation to be provided by the Accounting Officer to the NAO
- 4.5 Assessment of Going Concern
- 4.6 Letter of Comfort from DESNZ regarding its funding of Salix

At the immediately preceding ARAC meeting, it was agreed that the approval and sign-off of the ARA by the Board would be recommended by ARAC. The Board noted that the senior statutory auditor had substantially completed his audit and documents were substantially ready, subject to i) resolution of a non-material cash-flow error; ii) review of housing

samples and iii) confirmation from the NAO's technical team. The Board were assured that these matters would not require their further consideration and that finalisation could be carried out by AG.

The Board noted the next steps in the process:

- KH as Accounting Officer will sign the letter of representation.
- A final version of the ARA would be sent to the National Audit Office for the completion of the NAO's final technical checks, and the signing of the audit certificate. It was agreed that this must be done by 3<sup>rd</sup> December.
- The fully signed and audited ARA would then be sent to DESNZ who will ask the Minister to approve the laying in the House of Commons library.
- After laying in the House of Commons library, the ARA can be filed at Companies House and published on Salix's website. The deadline for filing at Companies House is 31 December.

The Board noted that Salix has a letter of comfort from DESNZ confirming funding until at least 31 March 2027, and as a result it was agreed that it was appropriate to prepare Salix's accounts on a going concern basis.

The Board **AGREED** under Article 9 of Salix's Memorandum and Articles of Association to delegate authority to the Chief Executive and Accounting Officer for the signing on their behalf of the final versions of the:

- Annual report and accounts; and
- Letter of Representation.

Accordingly, the Board:

- i. **APPROVED** the content of the ARA as presented, with minor final adjustments to be resolved by KH and AG.
- ii. **APPROVED** the signing of the ARA and the Letter of Representation, when finalised, by the Accounting Officer and Chief Executive Officer on behalf of the Board of Directors.

The Board wished to thank to AG and AC and their teams for their work on the ARA. The Board said the ARA was an engaging document, with case studies bringing Salix's work to life.

## **5 ADDITIONAL DOCUMENTS FOR APPROVAL**

The Board were asked to approve revised: i) Directors' Code of Conduct, and ii) Terms of Reference for the ARAC Committee.

### **5.1 DIRECTORS' CODE OF CONDUCT**

The Board noted that the Code has at its core the requirements of the Cabinet Office's Code of Conduct for Board Members of Public Bodies. The main changes from the previous version of January 2021 are:

- a greater focus on the obligations and duties of Board members as company directors under the Companies Act. The Code has been mapped against the voluntary Institute of Directors Code (IoD Code) of Conduct for Company Directors published in October 2024 to reflect recent good practice guidance and adopts the IoD Code's provision regarding responsible business.
- Salix's new values published earlier this year have been reflected to reinforce our corporate identity across both Board and the workforce. The Code was **APPROVED**. The Board requested a tracked changes version to be circulated.

**Action** – JE to circulate tracked-change version to facilitate comparison between the new and previous documents.

## 5.2 ARAC TERMS OF REFERENCE (ToRs)

The Board noted that these ToRs are reviewed annually. Draft ToRs had been agreed by ARAC at their meeting of 16 October and recommended to the Board for approval.

The Board noted the following key changes to the current version:

- Minor change to the name of the committee
- An emphasis on ARAC's independence from the Board
- Clarity of the process for appointments to the committee
- Noting the delegation to ARAC of approval of the internal audit plan and initial approval of the internal audit charter
- A requirement the committee maintains and regularly reviews a matrix of its skills (following a recommendation from the annual ARAC Effectiveness Review)
- Clarity of the advisory/scrutiny role played by ARAC on risk appetite and tolerance, within levels set/agreed by the Board).

The Board **APPROVED** the ARAC ToRs. These will be published on Salix's website.

*Members of the Executive Leadership Team joined the meeting.*

## 6 CEO REPORT AND OVERVIEW

This item commenced with a review video that had been played to staff based at the Manchester office at their all-staff day the previous day (November 26<sup>th</sup>). The video outlined some of the key highlights and achievements for Salix over 2025 across all areas of the business including i) scheme activity and milestones, ii) engagement with social media and iii) personal news about and reflections of staff. This will be shown to London-based staff at their equivalent event on 4<sup>th</sup> December.

The Board noted and discussed (where not elsewhere discussed on this agenda) the Chief Executive's update paper, in particular:

- The announcement in the autumn statement of 26 November that the ECO20 scheme will be cancelled with effect from March 2026, though remediation measures will continue for some time after. The scheme is funded by a levy on consumer bills.

- The Board requested that recent green project ratings issued by the National Infrastructure and Service Transformation Authority ratings for the Home Upgrade Scheme (HUG) Wave 2 and Public Sector Decarbonisation Schemes be appropriately noted by DESNZ. The Board noted that AJo will convene a session with Salix Executive leadership to look at opportunities for further collaboration and joint working across the Net Zero space. The Board further noted that, as DESNZ is our sole member and major stakeholder, we would prioritise opportunities available via them.

## **7 WARM HOMES PLAN [and CONFIDENTIAL ITEM]**

### **7.1 Warm Homes Plan**

The Board noted that publication of high-level details of the Warm Homes Plan is expected before the Christmas Parliamentary recess on 18<sup>th</sup> December.

### **7.2 [CONFIDENTIAL ITEM]**

## **8 HOUSING PERSPECTIVE AND UPDATE (2025 TO 2027), INTRODUCTION TO SALIX PROCESS FOR MANAGING NEW OPPORTUNITIES (2025 TO 2027)**

The Board noted the paper on the performance of our housing team and managing future opportunities.

The Board heard that the team has advanced well despite the decision of DESNZ to take in-house the implementation of the Social Housing Decarbonisation Fund 2 and Home Upgrade Grant Scheme and the loss of two senior managers. Improvement measures have been installed in 67,000 homes.

The Board noted that the team was well placed to provide scheme assurance and/or assist in setting up the functions of a new agency and a pipeline of opportunities is maintained.

**Action** – PH to review the current mode of rating pipeline opportunities.

The Board requested that current capability for business development be carefully considered. The Board noted that our teams, at an informal level, assist the department in honing the requirements of new business and processes, feeding in from lessons learned. Although positive activity, the Board urged some caution regarding risks or liability arising from this.

## **9 PUBLIC SECTOR DECARBONISATION PERSPECTIVE (2025 to 2027)**

The Board noted the following key points from this update paper:

- The PSDS team have been building an assurance framework, feeding in experience to inform new schemes.

- Salix has compiled its first annual carbon savings report and plans to publish this in early 2026.
- Three geothermal projects are progressing well. The Board noted that this is an exciting new technology, but not without risks e.g. exploratory drilling is required to establish viability.

## **10 FY 2025-26 UPDATE (MILESTONES, OBJECTIVES, FUNDING) AND FY 2026-27 PREVIEW (KEY THEMES. FUNDING OUTLOOK, PRIORITY OBJECTIVES)**

The Board received an update on milestones, objectives and funding from members of the executive leadership team in respect of core business areas. These would be fed into the next refresh of three-year strategic plan which would be presented to the Board for input and final signoff at future meetings. Key priorities include:

- **Communications** - Housing and Public Sector teams joining forces where possible; Salix working collaboratively with DESNZ e.g. shared case studies and site visits.
- **People and Organisational Design** - Staff retention and ensuring Salix has the skills to equip us for the future.
- **Data, Technology and Workplace and** - Signing up to a new Customer Relationship Management platform, closer collaboration with DESNZ data teams and harnessing the power of artificial intelligence appropriately.
- **Finance and Resources** - Reducing manual processes and having appropriate and proportionate controls for governance and compliance.

The Board thanked the Executive team for their work. It was proposed that a draft three-year strategic plan be presented for discussion at the January 2026 Board meeting. The refreshed plan will be signed off at the March Board meeting and then sent to DESNZ for approval, a requirement of Salix's framework agreement with DESNZ.

## **PART 2: PAPERS FOR NOTING**

### **11 RISK MANAGEMENT REPORT AND CORPORATE RISK REGISTER**

The Board noted this update and that several risks remained outside appetite. A review of our risk appetite statement is scheduled for the January 2026 ARAC meeting.

### **12 PERIOD 7 FINANCE REPORT**

The Board noted the report for the period ended 31 October 2025.

### **13 COMMUNICATIONS MONTHLY UPDATE**

The Board noted the Communications Monthly Update.

### **14 KEY MEETINGS CALENDAR/BOARD SCHEDULE OF BUSINESS FY 25-26**

The Board noted the current calendar and schedule of business. Full reviews of proposed Board and committee business for the 2026-27 financial year will take place in early 2026.

*(post Board note – the executive will look at possibilities for a Board meeting to be held at a location near one of the current geothermal projects next year).*

## **15 AOB**

### **15.1 Non-executive Board member appraisal process**

The Board noted that the annual non-Executive Board member appraisal process will commence next week. The appraisal meetings conducted by the Board Chair are expected to take place online in the week commencing 11<sup>th</sup> January. Anonymised data from the appraisals will be fed into the skills analysis exercises to be conducted by the Board and ARAC.

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

The next scheduled meeting of the Board is on 29 January 2026 in our London office.

Baroness Evans of Bowes Park

29 January 2026

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Chair

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Date