

Minutes of the 210<sup>th</sup> meeting of the Directors of the Company held at 10 South Colonnade, London E14 on 29 January 2026

**Present:**

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

**Attending:**

(Executive directors attended for Items 6 and 7)  
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**

All Board members were present. There were no apologies.

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 27 November 2025 as a final record (the content having been agreed within seven days of distribution).

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

It was agreed that a potential Board visit to a geothermal project would be deferred from May to 29 September, a scheduled Board meeting date (subject to confirmation with the host site).

**Action** – JE to re-issue September Board meeting invitations to incorporate this visit.

### **3. UPDATE, OBSERVATIONS & ACTIONS FOLLOWING MEETINGS OF THE AUDIT AND RISK ASSURANCE COMMITTEE ON 15 JANUARY**

The Chair of the Audit and Risk Assurance Committee (ARAC), AJe, presented a paper updating the Board following the recent ARAC meeting. Tristan Morgan, a member of DESNZ's ARAC and a cybersecurity specialist, attended the meeting as an observer. Key matters that had been discussed/dealt with by ARAC included:

- Completion by the National Audit Office (NAO) of its external audit and issue of the letter to management.
- Agreement to recommend to the Board approval of the risk management framework and appetite (on this agenda, items 8 and 9).
- The Financial Reporting Council's forthcoming audit of the NAO's audit of Salix. The ARAC Chair has received a letter saying that she may be interviewed. Direct input of Salix management is unlikely to be required.
- A deep-dive on Salix cybersecurity history, status and plans.
- Agreement to extend its meetings from two to two-and-a-half hours in length.

Board members had attended an online cyber threat briefing for executive and non-executive directors run by DESNZ on 26 January, which was generally viewed as a helpful review of known risks and issues. The Chair recommended Board members complete the NCSC Cyber Governance training.

**Action** – JE to circulate details of training opportunities. (*Post meeting note: slides of training containing these circulated by e-mail*).

### **4. CEO REPORT AND OVERVIEW; OBJECTIVES. MILESTONES AND KPI – Q3 PERFORMANCE UPDATE**

The Board noted and discussed the Chief Executive's update paper, in particular:

- The publication on 21 January 2026 of the Government's Warm Homes Plan (WHP), under which Salix's functions and some of those of DESNZ and Ofgem, will transfer into a new agency, Warm Homes Agency (WHA). The Executive team attended a workshop on the future operating model and ways of working with its current and future partners. There will be an opportunity for staff to raise any queries about the plan at a town hall meeting on 4 February and Q&As will be published on the intranet. The Board noted quality assured delivery of substantial delivery programmes underway will remain a priority.

**Action** – JE to share staff Q&As with Board on its portal for papers

- David Thomas, currently Chief Financial Officer at DESNZ will replace Ben Rimmington as Director General of Net Zero Buildings and Industry. The appointment will be on an interim basis and take effect from 2 February 2026. The Board noted their thanks to Ben for his support and wished him well in his new role at the Ministry of Housing,

Communities and Local Government as joint Director General of Buildings, Fire and Resilience.

- Following a decision to withhold detail requested under EIR relating to the PSDS Phase 4 grant issued to LB Wandsworth (LBW), an internal review was completed and issued on 23 January. The request, dealt with under the Environmental Information Regulations, largely upheld the original decision to withhold the requested information for reasons of commercial sensitivity and confidentiality. The review sought to balance the public interest in transparency and protecting commercial interests, particularly at the pre-contract award stage.
- The Board discussed whether to initiate an external board effectiveness review, usually undertaken by boards triennially as an independent assessment of Board performance, with compliance reported in the annual governance statement. The Board noted the solid progress that has been made in implementing the recommendations from the internal board effectiveness review conducted last year. This, and recent satisfactory member appraisals provide assurance of Board effectiveness. The Board questioned whether an external consultant-led review would be value for money, due to its cost and given that any recommendations arising may be of limited benefit to Salix during its remaining time as a limited company and non-departmental public body. If DESNZ requires a formal review, the Board requested that a lighter-touch version be implemented, led by a suitably-qualified independent nominee from a government body.
- **Action** – AJo to discuss with the Partnerships' Organisation Team at DESNZ for recommendation (JE).
- The Board received an update on achievement of milestones, objectives and KPIs for quarter 3 of FY 2025-26. This had been shared at the Quarterly Review meeting between DESNZ and Salix on 26 January. DESNZ and the NEDs on the Board welcomed the information update and its format.

## 5 WARM HOMES PLAN SUMMARY

The Board received a slide deck from AJo highlighting key points and priorities from the WHP:

- The Plan will reduce bills while decarbonising energy delivery through clean home-grown power and reduce dependency on external fossil-fuel sources.
- Low-income households and fuel poverty will be a key focus for improvement, and there also will be an offer to upgrade every household.
- A move to increased use of solar and battery energy sources and a target increase in the installation of heat pumps from 50,000 to 450,000 per year, by 2030. An acceleration in linking to heat networks is planned.
- The creation of up to 180,000 new jobs.

The Board noted detail of the final scope and size of WHA remained to be established, such as which of Ofgem's schemes would be included.

The Board further noted that while there remains a ministerial commitment to net zero for public sector non-domestic buildings, this area was not specifically referenced in the WHP. Early clarification is essential to enable Salix to plan appropriately and formulate key

internal and external messaging. Salix skill and expertise lies in delivery and can be applied in an agile way as delivery schemes change goals.

CD noted that the directors have fiduciary duties to Salix, and therefore the Board's priority should be to ensure the orderly closure and transition of Salix. This might potentially conflict with planning for the future work of the WHA. In discussion, it was agreed that the Accounting Officer has wider duties in respect of value for money and future planning and to ensure the best use of public funds. The Chair receives direction from Ministers through the annual Chair's letter and Ministers are focused on the success of the WHA. While it was accepted that the Chair was required to act in accordance with any mandate from the Department, it was noted that no mandate had yet been received in respect of the WHA. It was therefore important that the Board did not exceed its authority. Salix must maintain momentum to facilitate a successful transfer to the WHA, which is expected to be a related body with common interests. It was agreed that clear transition principles and a decision-making framework should be developed and presented at the next meeting to enable the Board and Executive to take decisions that impact the period after the expected closure of Salix. The Board noted that DESNZ could provide a letter of comfort for Salix to pursue projects in advance of the WHA.

**Action** – Transition principles to be developed and presented for discussion at the March Board and should include i) operating model(s); ii) budget and iii) consideration of risk. Clarity around Salix's authority and mandate is key to the successful transition (KH).

## **6 DRAFT BUSINESS PLAN AND BUDGET FY 2026-27**

Executive Team members joined the meeting for this item.

### **Housing**

PH updated Board on our involvement in respect of audit relating to legacy housing schemes that had been administered by other bodies.

The Board noted that the Scottish Government will not proceed with the Salix delivery model for the Scottish Housing Heat Decarbonisation Fund.

### **Public Sector**

The Board discussed the progress of recent business development activity. The Board agreed that our strategy for future bids must consider future WHA scope

## **Draft business plan**

The Board noted that the draft business plan is largely based on assumptions based on the situation “as is”. In the light of the publication of the WHP since the draft was considered, the Board requested that the next version addresses/includes:

- a clear context statement;
- work in relation to the transition to the new agency;
- future possibilities;
- how to maintain delivery momentum;
- the start of operations under the WHA; and
- budgeting for these phases.

The refreshed plan will be presented at the March Board for approval and then sent to DESNZ for final approval, a requirement of Salix’s framework agreement with DESNZ. Board asked for sight of the draft in advance of the meeting so their input could be incorporated to ensure timely sign-off.

**Action** – updated draft plan to be issued to the Board as soon as is practicable following its consideration and before the March Board (KH).

The Board were asked to approve the £5m capital budget for 2026-27 for spend on the development of a grant management platform. As DESNZ’s capital spend has yet to be approved formally (though a strong informal indication was given that Salix’s budget would be approved), the Board **APPROVED** this spend in principle, subject to DESNZ’s formal approval.

## **7. REFRESHED THREE YEAR STRATEGY FY 2026-27 TO 2028-29 – STATUS UPDATE**

The Board noted the refreshed strategy as Salix is entering the second year of the plan. The caveats required for the business plan also apply to this document, with options for current, transitional and future arrangements to be discretely addressed.

The Board asked for people issues such as retention, upskilling and location to be more explicitly considered. In response to a question, Board noted that Salix will become the anchor tenant in its lease for its Manchester office, creating more desk space for staff.

## **8 and 9 RISK MANAGEMENT FRAMEWORK AND APPETITE – FOR APPROVAL**

The Board noted the recommendation from ARAC for approval of these items. The Board commented on the clarity and comprehensiveness of these and extended thanks to ARAC and the risk team. The framework may be a suitable template for wider Departmental use. The Board further noted that the new risk management software works well.

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

### **10 DELIVERY SCHEMES OVERVIEW**

#### **10.1 Public Sector Schemes Update**

The Board noted the Public Sector and Devolution Schemes Update paper.

#### **10.2 Housing Schemes Update**

The Board noted the Housing Schemes Update paper.

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

The Board noted this update.

### **12 PERIOD 9 FINANCE REPORT**

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

### **13 COMMUNICATIONS MONTHLY UPDATE**

The Board noted the Communications Monthly Update.

### **14 KEY MEETINGS CALENDAR/BOARD SCHEDULE OF BUSINESS FY 25-26 and 26-27**

The Board noted the current calendar and schedules of business for this and next financial years.

### **15 AOB**

#### **15.1 Employee survey**

The employee survey was launched on 26 January and will run initially for two weeks. The Board noted that this will be a key indicator of how staff have received the WHP.

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

The Board noted the completion of the annual non-Executive Board member appraisal process. Appraisal meetings conducted by the Board Chair took place on 12<sup>th</sup> and 13<sup>th</sup> January.

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

The next scheduled meeting of the Board is on 26 March 2026 in our London office.

Baroness Evans of Bowes Park

26 March 2026

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Chair

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Date