

Minutes of the 184th meeting of the Directors of the Company duly convened in Room 1.01, First Floor, 10 South Colonnade, London E14 4PU and via MSTeams on 8 December 2022.

Present:

Dame Teresa Graham DBE (TG) – Chair
Michael Stark (MS)
Tracy Vegro OBE (TV)
Annie Shepperd MBE (AS) – Accounting Officer
and Chief Executive
Helen Powell (HP) – Director
of Finance and Resources

Attending:

Ian Rodger (IR) – Director of Programmes
Joe Hayman (JH) – Interim Risk Consultant (for
Item 4)
Richard Wilson (RW) - Director of Housing (for
Item 9.5)
Paul Chambers (EA) – BEIS Observer
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 1 November 2022 meeting as a correct record.

The first three action items were either complete or to be dealt with in this agenda or elsewhere. Action 4 on communications and engagement with local authorities in respect of our involvement in the Social Housing Decarbonisation Fund and Home Upgrade Grant Scheme will be carried forward.

3. CHIEF EXECUTIVE'S REPORT

The Board noted the following points arising from the Chief Executive's Report:

In respect of any proposed changes to the Executive, the Chief Executive confirmed that the Board would be consulted before any firm proposals came to the Board.

The audit team has been restructured with a new Head of Internal Audit, two new auditors and a trainee.

AS reported progress on the Job Evaluation, being conducted by the Local Government Association, of all roles within the organisation (excluding Executive roles). The pilot of a cross section of roles across the organisation has been completed and an initial review of the results completed. The evaluation of the remainder of the roles has commenced and the completed questionnaires are due to be sent to the assessor by 16 December.

Work on a disputes resolution procedure to update that currently in the Framework Agreement is continuing. Timescales within which stages of the process are completed will be a key issue. The target date for agreement of the procedure is for the Board meeting on 31 January 2023.

Action – AS and MS to meet to discuss the current draft/template of the disputes resolution procedure.

4. RISK REGISTERS

JH, interim risk consultant, introduced himself to the Board and delivered a presentation on his focus and priorities. JH will lead internally on risk management issues including oversight of the Corporate and Delivery Risk Registers (CRR and DRR), staff training and harmonisation with BEIS' requirements.

JH has met with MS and AS to review the CRR. Changes that have been implemented in the light of the discussion to include the introduction of a cover sheet and listing risks in descending order of severity, with highest risks at the top. There was some discussion as to when would be the best time for the Board to review the risk management framework and progress with its development, as Board would need to look at implementation and how it was embedding across the organisation in practice, so a follow-up review would take place in six months' time.

Action – Risk management to be reviewed as part of the Internal Audit Plan for 2023-24.

The Board noted the CRR and DRR. A risk relating to SEELS remained red while we await guidance from BEIS on whether we can use underspend from PSDS 3a to address the accounting anomaly arising from conflicting guidance on the treatment of £5.7m worth of accruals in respect of Public Sector Energy Efficiency Loans (SEELS).

5. TERMS OF REFERENCE FOR THE REMUNERATION COMMITTEE AND CHANGES TO CONSTITUTION

The Board **AGREED** to ratify the following changes to the composition of the Remuneration Committee with effect from 1 November 2022:

- Michael Stark appointed as Chair
- Tracy Vegro OBE appointed to the Committee
- Dame Teresa Graham DBE resigned as Chair and member

The changes were made after consideration of the NEDs' skills, experience and other commitments.

Terms of Reference for the Remuneration Committee were presented to the Board for its consideration and approval. Subject to an insertion of a reference that members of the committee are appointed to Salix following an open and transparent Public Appointments process and their decisions are made in accordance with Civil Service Pay policies and other relevant controls, the terms were **APPROVED**.

6. ANTI-FRAUD POLICY

Following the recommendation made to the Board by the Audit, Risk and Assurance Committee at its meeting of 1 November 2022, the Board **APPROVED** the Anti-Fraud Policy.

7. SCHEME PERFORMANCE

The Board noted papers on the i) Public Sector Decarbonisation Schemes (PSDS) and Low Carbon Skills Fund, ii) Grant Audits and iii) Loans Schemes.

In respect of the loans paper, future reports will forecast the end of year position as well as reporting historic performance. Complexities in recording loans means that it is desirable to limit deviation from forecast where possible.

The Board was pleased to note the efficient operation of the loans schemes. It was further noted that this is an area where levels of staff satisfaction and added value are high. The inability to roll SEELS loans any longer into following years is challenging.

8. OPERATIONAL PERFORMANCE

The Board noted the Operational Performance, Administration Costs Summary and the Administration Costs Breakdown for the period ended 30 September 2022. The Board also noted a new paper on Finance KPIs.

Any delay to the implementation of the IT transformation scheme will mean that we continue to use manual systems for longer, but there would be no operational risks. The launch of a new website has been delayed to March 2023, so we are focussing on updating the current website.

Action – HP to present a paper to Board to outline the IT transformation plan, with progress, timelines/milestones to be covered.

9. AOB

9.1 [CONFIDENTIAL ITEM]

9.2 CESSATION OF DISPUTE

The Board noted for the minutes that following the resolution of the Salix staff pay issues through agreement of Salix's 2022/23 pay remit, Salix was no longer in dispute with BEIS.

9.3 DIGITAL STRATEGY UPDATE

The Board received a six-month digital update report, which included an outline for a digital strategy. A high-level plan will be devised with digital colleagues at BEIS to promote the success of the Public Sector Decarbonisation Schemes. Salix will review Comms staffing to ensure there is specialisation in digital content as there are gaps in expertise at present. The Board were pleased to note that Salix is exploring newer digital platforms and technologies.

Action – Progress with the plan and strategy to be covered on the Board agenda in the New Year, with a timeline.

9.4 ARM'S LENGTH BODIES REVIEW

The Board received an oral update on the progress of the Cabinet Office review of Salix as part of the rolling Arm's Length Bodies review programme. Salix is working through follow-up questions issued after its initial submission to the BEIS ALB review team. It has been acknowledged by the BEIS ALB review team that, as a relatively new arm's length body, our alignment with Civil Service policies may not, understandably, be fully mature and that we should explain progress made where full compliance had not yet been reached. The process is due to finish by the end of March 2023.

9.5 HOUSING PROJECTS

RW joined the meeting to update the Board on the progress of discussions with BEIS in connection with the involvement of Salix in connection with the delivery of the Social Housing Decarbonisation Fund and Home Upgrade Scheme. The target date for agreement of roles and responsibilities is the Board meeting of 31 January.

9.6 IPA

The Board noted that Salix received an overall rating of amber and generally positive feedback from the Infrastructure and Projects Authority review. AS, HP and IR had been interviewed during the review. It was observed by BEIS that PSDS delivery was very effective (this aspect was rated green), but improvement could be made in terms of accruing real data about carbon savings made and ensuring that schemes were commensurate with their aims.

9.7 AUTUMN STATEMENT

The Board noted the launch of the campaign on energy efficiency in the statement.

9.8 ACCOUNTS

It was confirmed that the Annual Report and Accounts have been filed in the House of Commons Library, so are now ready for publication.

DATE OF THE NEXT BOARD MEETING

The next scheduled meeting of the Board is on Tuesday 31 January 2023.

Chair

Date

Summary of Actions:

ACTION 1: BEIS and Salix will embark upon an action programme and related communications to establish local authority/housing association awareness of the Housing Schemes and promote them to ensure take-up at launch.

ACTION 2: AS and MS to meet to discuss the current draft/template for disputes resolution in the Framework Agreement.

ACTION 3: Board Chair, Head of Internal Audit and HP to review progress of our risk management system in six months' time.

ACTION 4: HP to present a paper to Board to outline the IT transformation plan, with progress and timelines/milestones to be covered.

ACTION 5: Progress with the high-level plan to promote the Public Sector Decarbonisation Scheme and a paper on Salix's Digital Strategy with timelines to be provided for a board meeting in early 2023.