

Minutes of the 194th meeting of the Directors of the Company duly convened and held in Room 1.10, 10 South Colonnade, Canary Wharf, London E14 4PU and by way of MSTeams on 30 January 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:

Andrew Jones (AJ) – Department of Energy Security and Net Zero (DESNZ) Observer
Julie Ellis (JRE) – Head of Governance and Company Secretary
Jonathan Edwards (JE) -Director of Housing (for part of Item 5)
Aman Johal (ASJ) (minutes) – Governance Officer

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 14 December 2023 as a correct record.

Action Items 1 and 4 are to be carried forward.

Action Item 2: A meeting to discuss a Communications Plan to increase the profile of Salix between TV, EC and Andrew Carter, Head of Communications, took place on 18th January 2024. A positive impact on social media posts has been noted.

Action Item 3: Completed.

3. CHIEF EXECUTIVE'S REPORT

The Board noted the Chief Executive's Report.

The Board noted that extensive work was underway on developing Salix's future strategy with the objective of presenting this to the incoming Chair and the Board meeting in March for approval.

The Board noted that risks remain with regards to staff pay and ability to recruit.

There are currently approximately 55 members of staff based in the Manchester office, potentially increasing to 70 in March, representing 27-33% of Salix's staff headcount. The Board noted that Salix was reporting monthly to DESNZ regarding the Places for Growth agenda.

The Board noted that Salix has submitted proposals to DESNZ, in a spirit of giving feedback early, to improve the efficiency and effectiveness of the delivery model for the Housing schemes in the light of

lessons learned. This work was important in ensuring the future deliverability of the schemes and it was considered a crucial time for the schemes.

The Board noted that DESNZ has shared the draft Salix Framework Document with HM Treasury, and the document is with the Permanent Secretary for consideration.

4. RISK REGISTERS

4.1. CORPORATE RISK REGISTER

The Board noted the Corporate Risk Register.

The Board noted that the “Changing Government Priorities” risk was indicated as “red” on the assumption that Government funding may be scaled down. This should also address the risks associated with increased Government ambition and funding, requiring Salix to scale up operations.

Action – Risks associated with increased Government ambition and funding to be addressed in the register.

4.2 DELIVERY RISK REGISTER

The Board noted the Delivery Risk Register.

The Board noted the red risk posed to the new Welsh FTC scheme of a General Election/purdah period impacting the timing of the scheme launch.

5. SCHEME PERFORMANCE

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

Regarding i), the Board noted that over 50 Phase 3c projects had either failed delivery quality checks or technical assessments or had been withdrawn and one of our assistant directors of programmes has compiled an analysis of these.

Regarding iii), the Board noted that a lower number than expected of draft applications have been received to date for SHDF Wave 2.2, and expressed concern that the application portal is due to close tomorrow. JE explained that the tight Wave 2.2 timescales, coupled with the proximity of Wave 3 may be significant factors and that DESNZ remained optimistic that the number received was sufficient.

Action – JE to provide a live update on draft application figures as soon as possible.

With regards to HUG 2, JE indicated that the gap between Salix and DESNZ forecasts has narrowed, with outturn expected to be less than £50m.

The Board noted that members of the Salix Housing team had insights to share which were critical and were keen to influence the development of the schemes.

The Board noted that Lord Callanan (LC) will be attending the Manchester office on 8th February. The Board requested that some grant recipients be asked to attend to demonstrate the impact of Salix’s work and scope.

6. 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 December 2023.

The Board noted that a Project Lead for the Grants and Loans elements of the Finance ERP is due to start this week. It was also noted that the NAO's audit work of the implementation of, and migration of Salix's operational data, to the new Finance ERP system is in the process of being completed. Following discussion with the NAO, it was agreed that deferring the go-live dates to post year end may be prudent.

While an informal indication of the revised budget delegation for delivering the housing schemes has been shared, the Board noted that Salix has yet to receive from DESNZ the formal delegation of financial authority for the financial year 2024-25.

Action - AJ will ascertain the status of the issue of Salix's Delegated Authority Letter to EC and will contact HP once there is an update.

7 AOB

[7.1 CONFIDENTIAL ITEM]

7.2 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, with no major developments reported.

[7.3 CONFIDENTIAL ITEM]

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

The Board noted the draft Schedule of Business setting out the anticipated business for Board meetings to the end of the 2024-25 financial year. This overview of the year's business should assist in ensuring that the Board considers and completes its business in accordance with strategic aims and regulatory requirements and assist with the timely production of and issue of meeting papers. This will be presented as a standing item at Board meetings to monitor progress.

8 AOB

8.1 Board Chair

The Board noted that its Chair's contract expires at the end of March, with arrangements to appoint a replacement at an advanced stage.

8.2 External Comms

The Board requested that external facing information including the Salix website be checked for any out-of-date information, notably concerning the change of Chief Executive. The Board noted that a review of the website is already underway, and suggested the following items be included:

- a precis of key facts on the home page of Salix's website which could include who we are, the source of our funding, who we are audited by; and
- a facts of the week section could be included with links to key documents.

Action - JRE to liaise with the Salix Comms Team accordingly.

DATE OF THE NEXT BOARD MEETING

The next scheduled meeting of the Board is on Tuesday 27 February 2024.

Chair

Date

Summary of Actions:

ACTION 1: The risks associated with increased Government ambition and funding to be considered in the "Change in Government Priorities" element of the Corporate Risk Register.

ACTION 2: JE to provide Board with an update on SHDF Wave 2.2 draft application figures as soon as possible.

ACTION 3: AJ to ascertain when Salix's Delegated Authority Letter will be sent to EC and will contact HP once there is an update.

ACTION 4: JRE to liaise with the Salix Comms Team regarding updating the website.