

Minutes of the 197th meeting of the Directors of the Company duly at Room 1:03, 10 South Colonnade, London E14 4PU on 28 March 2024

Present:

Dame Teresa Graham DBE (TG) – Chair of meeting; retiring 31 March 2024
Baroness Natalie Evans – Board Chair with effect 1 March 2024
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) (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 28 February 2024 as a correct record.

Action item 1 on the pitching of the cybersecurity risk is to be carried forward and item 2 is on this agenda.

3. CHIEF EXECUTIVE'S REPORT

The Board noted the Chief Executive's Report.

The Board noted that Baroness Evans has been registered as a director of Salix Finance Ltd at Companies House and the company's internal register of directors has been updated as required by section 162 Companies Act 2006.

The Board noted further that Alison Jeffers had been appointed to the position of Interim Chair of Audit and Risk and all agreed to delegate powers under Article 9.1 of our Articles of Association to enable her to fulfil the requirements of this role. The Board is seeking to recruit two further permanent Non-Executive Directors as expeditiously as possible given the necessary formalities of, and timescales for, the public appointments process. DESNZ had though confirmed that further appointments could also be on an interim basis, which might enable appointments to be made a little sooner.

Regarding changes to the Executive Team, the Board noted that Simon Sharkey-Woods has been appointed to the Executive as Director of Data and Systems.

The Board wished to extend its gratitude to Paul Smyth, Director of Strategy and Technical Services who will be leaving Salix after 17 years of sterling service and wished him all the very best for the future.

The Board noted that an announcement had been made to staff in respect enhancing Salix's benefits to achieve closer alignment with those available to members of the Civil Service at a meeting on 14th March.

The Board noted that Salix has achieved silver accreditation under the Investors in People scheme. Staff concerns about pay and reward have contributed to the loss of "gold" status.

The Board noted the launch of PSDS Phase 4. The Board was pleased to note that all Grant Offer Letters had now been issued in respect of Phase 3c, despite the initial delay caused to the process by difficulties experienced with access to the application portal on the scheme's launch in October last year.

The Board were also pleased to note the positive comments made by in the IPA review of the PSDS regarding Salix operations, track record of delivery and leadership. An overall amber rating was awarded.

4. RISK REGISTERS

4.1. CORPORATE RISK REGISTER

The Board noted the Corporate Risk Register.

4.2 DELIVERY RISK REGISTER

The Board noted the Delivery Risk Register.

4.3 HOUSING RISK REGISTER

A Housing Risk Register was presented for this first time to Board. The Board noted that the Housing Risk Register presented was an early version and would be presented in a more concise form for future meetings.

[5. CONFIDENTIAL ITEM]

6. ANNUAL AND CORPORATE BUSINESS PLANS

The Board considered the most recent drafts of the Annual and Corporate Business Plans. The Board noted that further work was being undertaken to establish appropriate KPIs for the five strategic objectives in the Plan.

The Board welcomed the format of the Plans. The Board suggested that there be placed greater emphasis generally to i) innovation; ii) fitness for the future; iii) lessons learned and iv) help Salix has given to communities through its work.

The Board also made the following specific points/suggestions for improvement:

- Replace the phrase "people are our greatest asset" with a more bespoke phrase;
- In the "Our Programmes" section, figures in support would provide an illustration of scale;

- Rephrase the wording “ensuring integration into civil service” in the light of our Arm’s Length Body status; and
- Review the KPIs which refer to accurate payments as accuracy is assumed as standard.

7. SCHEME PERFORMANCE

The Board noted papers on the i) Public Sector Decarbonisation Schemes (PSDS) and Low Carbon Skills Fund (LCSF), ii) Loan Schemes (SHDF) and iii) Grant Audit Update.

Regarding (ii), the Board noted that a change in the accounting treatment of interest free loans under IFR9 which will come into effect on 1 April 2024 had resulted in the Welsh Government ceasing to offer interest free loans from this date, with all loans made after this date being interest bearing. As a result, all loans (12) that had been committed under the interest free scheme would be paid out in advance by 31 March 2024.

8. 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 the explanation for the red KPI for Salix’s February cash flow forecast for its operational cashflow and that processes are being reviewed to prevent recurrence.

9. AOB

9.1 REMCO

The Board noted the oral update from MS regarding formalising the business of the Remuneration Committee (RemCo). It was noted that RemCo will meet on as scheduled basis going forwards with an agreed schedule of business, which will include consideration of the Annual Pay Remit for all staff. Current Terms of Reference will be reviewed accordingly.

[9.2 CONFIDENTIAL ITEM]

[9.3 CONFIDENTIAL ITEM]

DATE OF THE NEXT BOARD MEETING

The next scheduled meeting of the Board is on Tuesday 28 May 2024 in our Manchester office.

Baroness Evans of Bowes Park

28th May 2024

Chair

Date

Summary of Actions:

<p>ACTION 1: (carried forward) HP and RV to consider the pitching of the cybersecurity risk in the Corporate Risk Register.</p>
