

Minutes of the 198th meeting of the Directors of the Company duly at Room 2, 3 Piccadilly Place, Manchester, M1 3BN on 28 May 2024

Present:

Baroness Natalie Evans - (NE) Board Chair
Michael Stark – (MS)
Tracy Vegro OBE – (TV)
Emma Clancy (EC) – Chief Executive Officer
Helen Powell (HP) – Director of Finance and Resources

Attending:

Alison Jeffers – Interim Chair of the Audit, Risk and Assurance Committee (ARAC)
David Conroy – Board Observer
Claire Davies – Board Observer
Rita Varsani (RV) – Department of Energy Security and Net Zero (DESNZ)
Jonathan Edwards (JE) – Director of Housing (for item 5)
Beric Dawson – Fraud Manager (for item 6)
Julie Ellis (JRE) (minutes) – Head of Governance and Company Secretary

QUORUM

A quorum being present, NE declared the meeting open.

1. WELCOME, INTRODUCTION AND APOLOGIES

Welcomes were extended to Alison Jeffers, appointed Interim Chair of the Audit, Risk and Assurance Committee with effect from 1 April 2024 and to Claire Davies and David Conroy, both attending the meeting as observers.

There were apologies from Andrew Jones, DESNZ Shareholder Representative.

2. MINUTES AND UPDATE ON ACTION ITEMS

The Board agreed the minutes of the meeting of 30 March 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 at item 6.

3. CHIEF EXECUTIVE'S REPORT AND OVERVIEW

The Board noted the Chief Executive's Report.

The Board noted the continued growth of Salix's Manchester office, progressing towards a target in pursuance of the Government's Places for Growth agenda of 60% of staff being based there by 2025, with increased representation of core services across both sites.

The Board noted that there are indications that the introduction of flexible working and payment of a bonus have contributed to increased staff satisfaction levels. The CEO met with staff in the lowest pay band who had expressed concerns about their pay and reward. A letter has been sent to all staff setting out the pecuniary and non-pecuniary benefits of our current pay offer.

Regarding changes to the Executive Team, the Board noted that offers made have been accepted in respect of new director posts for i) People and Organisational Development and ii) Transformation and Excellence.

The Board noted that Salix's Business Plan has been published on our website. Furthermore, a business-wide general strategy development proposal and plan for managing risk will be presented at the July Board meeting. Salix's recently appointed Director of Data and Information Systems will present a plan for how IT will support this at the meeting.

The impact of the calling of a general election to take place on July 4 will have the result that some scheme activity will be put on hold, depending upon the stage that has been reached in the process. It was agreed that the Board would be kept up to date on developments/manifesto commitments as they become clear.

The Board noted that DESNZ are continuing with the recruitment of the independent reviewer that will lead the internal team that will conduct the full arms' length body (ALB) review of Salix, anticipating a start in July, and that Salix had received a (highly caveated) draft of the scope and purposes section of the terms of reference. *Post-meeting note: the commencement of the review has been deferred to September.*

Action – Draft Terms of Reference of the ALB Review to be provided to all Board members and the report from the initial review to be re-issued.

4. UPDATE, OBSERVATION AND ACTIONS FOLLOWING ARAC MEETING

The Board noted the first of what will be a standing report from the ARAC Chair of recent committee activity to the Board, notably at its meeting of 10 April. The Board noted the following matters:

- ARAC meeting time has been increased to two hours to allow “deeper-dives” into issues and avoid a formulaic approach to the agenda.
- There would be a focus on the top three risks to the organisation at each meeting. IT would feature on a future agenda and opportunities arising in relation to the Housing scheme should be included at a suitable early juncture.
- Report authors will be required to attend meetings.
- The tracking and monitoring of actions will be prioritised.
- The risk appetite of the Board and ownership of the Corporate Risk Register are to be established.
- An ARAC effectiveness review is a matter of priority but will be scheduled appropriately so as not to coincide with other overlapping reviews, such as the ALB.
- Following an invitation to all DESNZ's ALB ARAC members, AJ and TV will attend a DESNZ ARAC as observers.
- ARAC has benefited from the expertise of specialist advice from the Infrastructure and Projects Authority during the last financial year. This will be reviewed in the light of the new membership of the Committee.

The Board also noted that new RADIO logs for recording risks, assumptions, issues, dependencies and opportunities are to be rolled out across the organisation from 5 June.

Action – Board risk appetite to be included in a future meeting agenda.

[5. CONFIDENTIAL ITEM]

6. FRAUD DISCUSSION

BD attended the meeting to outline the work of his team, which was set up in June 2023 and is now composed of a manager and two officers. The Board noted that the team assesses scheme-based and corporate fraud risks. The team considers and implements the organisational response to fraud and error as it arises and works on continuous improvement to fraud handling, risk and prevention in accordance with Government Functional Standard 013 on counter-fraud. The Board also noted that the team conducts risk assessments, produces an annual report to ARAC, trains staff on fraud awareness and inputs into relevant policies and corporate documents.

7. RISK REGISTERS

The Board noted the Corporate Risk Register.

8. SCHEMES OVERVIEW

The Board noted papers on the i) Public Sector Schemes, ii) PSDS Phase 4 Policy Changes and iii) Housing Schemes.

With respect to i), the Board noted that differences in the risks identified between the schemes may be attributable to the fact that English loan schemes are no longer available to new applicants. This observation will be passed on to the delivery teams to review with the objective of identifying common key risks for monitoring, where possible.

9. FINANCE PAPER

The Board noted papers on i) Operational Performance and ii) Administration Costs Summaries for Housing and PSDS for the period ended 31 March 2024.

10. AOB

10.1 BOARD PAPER PORTAL

The Board noted that Salix is trialling portals for meeting papers which Board and Committee members will be able to access via their Salix e-mail accounts.

Action – ensure all Board and Committee members have access to and utilise a Salix account.

10.2 POLICY FRAMEWORK

The Board noted that Salix is developing a policy framework to ensure it meets regulatory, good practice and the requirements of being an NDPB. Board members said that they would assist in identifying needs and providing their specialist knowledge in developing the framework.

Action – Current draft to be considered by EMT before issue to Board members.

10.3 MEDIA COVERAGE AND INFLUENCE

The Board was delighted to note positive media coverage of Salix's work and the visibility of Salix staff in projects. The Board noted that there were opportunities to be taken to promote the benefits of decarbonisation amongst housing associations and local authorities.

DATE OF THE NEXT BOARD MEETING

The next scheduled meeting of the Board is on Tuesday 16 July 2024 in our London office.

Baroness Evans of Bowes Park

26th June 2024

Chair

Date

Summary of Actions:

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

ACTION 2: Draft Terms of Reference of the ALB Review to be provided to all Board members and the report from the initial review to be re-issued.

ACTION 3: Board risk appetite to be considered in a future meeting agenda. (JH/JRE)

ACTION 4: Ensure all Board and Committee members have access to a Salix account to enable access to a Board paper portal. (JRE)

ACTION 5: Circulate policy framework to Board after it has been considered by EMT. (JRE)