

Minutes of the 200th meeting of the Directors of the Company duly held in Room 1.11, 10 South Colonnade, London E14 on 16 July 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
Andrew Jones (AJ) – Shareholder Representative Director, Department of Energy Security and Net Zero (DESNZ)

Attending:

Alison Jeffers (AJ) – Interim Chair of the Audit, Risk and Assurance Committee (ARAC)
David Conroy (DC) – Board Observer
Claire Davies (CD) – Board Observer
Ian Rodger (IR) – Director of Public Sector Decarbonisation
Jonathan Edwards (JE) – Director of Housing
Simon Sharkey Woods (SSW) – Director of Data and Information Systems
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

All Board members were present. There were no apologies.

2. MINUTES AND UPDATE ON ACTION ITEMS

The Board agreed the minutes of the meeting of 26 June 2024 as a correct record.

All action items from the meetings of the 28 May and 26 June were dealt with; no matters required forwarding to the next meeting.

3. CHIEF EXECUTIVE'S REPORT

The Board noted the Chief Executive's Report. In response to questions raised by the Board:

- The Board noted that work to establish a project management office under the leadership of Chiara Lorenzetti, the recently appointed Director of Transformation and Excellence, had commenced. The Board also noted the appointment of JE as Deputy Chief Executive Officer; this was not a separate role but conferred a series of additional responsibilities alongside his primary role.

- The Board noted that the current public sector and operational key performance indicators (KPIs) for Salix set by DESNZ had been rationalised. Many of these related to i) operational performance targets and would be reported as part of the monthly scheme/monthly reporting or ii) legal/other obligations rather than as formal KPIs. KPIs in Salix's corporate plan had been incorporated. Housing-related metrics would be included before the KPIs were finalised, though monthly reporting against the current set would continue in the meantime.

ACTION – AJo to advance the progress of the compilation of KPIs.

- The Board noted that the CEO would meet with staff on 17 July to discuss the interest expressed in trade union membership.

4. UPDATE, OBSERVATION AND ACTIONS FOLLOWING ARAC MEETING

The Board received its standing report from the ARAC Chair of recent committee activity. Since the last scheduled Board meeting of 26 May, ARAC had met on 6 June and 9 July; the minutes for the first of these meetings had been issued to Board members. Those for the meeting of 9 July were in the process of being completed, so an oral update of its business was delivered to the Board. The Board noted the following matters:

- ARAC had considered risks and opportunities following the outcome of the General Election. It had noted the impact of the £1 million shortfall in the budget approved by DESNZ for delivering the public sector schemes for 2024-25 compared to the budget requested and that Salix was still awaiting confirmation of the budget for managing the housing schemes.
- A presentation on our risk management process was received from our outgoing interim risk manager and new permanent replacement. The risk appetite of the Board would be considered at a future meeting.
- Following an invitation to all DESNZ's ALB ARAC members, AJ and TV attended a DESNZ ARAC as observers. The management challenges posed in operational relationships between DESNZ as sponsoring department and its ALBs were noted. DESNZ are creating a Project Management Office (PMO), so it would appear to be efficient to collaborate in respect of the development of Salix's own (see minute 3 above).
- ARAC considered the first full draft of the Annual Report and Accounts (ARA). Parts of the document will be subject to audit by the NAO and they will review the remainder before the final version will be considered by ARAC at its meeting on 17 October. ARAC will consider the ARA in detail prior to making a recommendation for signing to the Board and Accounting Officer.

5. STRATEGY AND FUTURE PLANS

The Board received a presentation on strategy and future plans. The plans are in outline and are likely to evolve in the light of the emerging priorities of the new Government.

The Board noted that there may be a focus on renewable energy and a high-level steer on priorities is expected to be announced before Parliamentary recess on 30 July.

The Board counselled the Executive to focus on immediate priorities and business as usual matters pro tempore until more clarity around the political landscape emerges; then strategy can develop in alignment. These areas include:

- People development and ensuring Salix has the right staff with the right skills to meet its business needs.
- Delineating our relationship with DESNZ, including how differences of opinion/approach should be resolved/worked through and harnessing their resources to benefit our business.
- Continuing to invest in our data and IT systems and information support services.

[6. CONFIDENTIAL ITEM]

[7. CONFIDENTIAL ITEM]

8. INTERNAL AUDIT CHARTER

The Board considered the paper seeking approval of the Internal Audit Charter (Charter). The Charter is reviewed annually and was approved by the Audit, Risk and Assurance Committee and Accounting Officer at the ARAC meeting of 9 July. To comply with Public Sector Internal Audit Standards ('PSIAS'), the Charter also requires formal approval by the Board.

There being no further observations on the Charter, it was **APPROVED**.

9. RISK REGISTER UPDATE

The Board noted the Corporate Risk Register.

10. SCHEMES OVERVIEW

The Board noted papers on the i) Public Sector Schemes, ii) Housing Schemes and iii) Grant Audits.

The Board noted how successfully public sector schemes are continuing to be managed and delivered.

11. OPERATIONAL PERFORMANCE

The Board noted that the financial report for Q1 of the financial year 2024-25 will be distributed to them in due course; a paper was not ready for today's Board as this meeting had been brought forward from its original date scheduled at the end of the month.

12. AOB

None.

DATE OF THE NEXT BOARD MEETING

The next scheduled meeting of the Board is on Tuesday 29 October 2024 in our Manchester office.

Baroness Evans of Bowes Park

22nd August 2024

Chair

Date

Summary of Actions:

ACTION 1: AJo to advance the progress of the compilation of KPIs.