

Minutes of the 183rd meeting of the Directors of the Company duly convened and in Room 1.01, First Floor, 10 South Colonnade, London E14 4PU on 1 November 2022.

Present:

Dame Teresa Graham DBE (TG) – Chair
Michael Stark (MS)
Tracy Vegro OBE (TV)
Annie Shepperd MBE (AS) – Accounting Officer
and Chief Executive (from Item 6)
Helen Powell (HP) – Director
of Finance and Resources

Attending:

Tessa Clayton (TC) – Head of Grant Audit (for
Item 6.2)
Carol Brown (CB) – Director of Human Resources
(for Item 8.1)
Richard Wilson (RW) - Director Delivery Agent
Housing (Interim) (for Item 8.2)
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 20 September 2022 meeting as a correct record.

All action items were either complete or to be dealt with in this agenda or elsewhere.

The Board noted that mixed approaches to funding will be discussed with BEIS with the objective of a briefing paper being presented to the December 2022 or January 2023 Board meeting, if those discussions have taken place.

3. CHIEF EXECUTIVE'S REPORT

The Board noted that the Cabinet Office review of Salix as part of the Arm's Length Bodies review programme has commenced. TV will review the Self-Assessment Model form that BEIS had provided to Salix to review and complete, prior to Salix returning to BEIS. The process is due to finish by the end of March 2023. The review will be discussed at this afternoon's BEIS/Salix Joint Strategy Group (JSG) meeting.

Action – HP to confirm the timetable to the Board following the meeting.

The Board noted that work on an updated disputes resolution procedure to update that currently in the Framework Agreement has commenced but that detailed feedback on the latest version has not taken place.

The Board agreed that the Chief Executive would commence a formal consultation with the Board and the Executive on the future structure of the Executive.

4. RISK REGISTERS

The Board noted the Corporate Risk Register (CRR).

MS had met with the former Director of Corporate Services to review the corporate risk register. This exercise will be renewed with the interim risk manager retained to assist with this work.

The Board agreed, following recommendation of the Executive, to close a risk relating to the transitioning of Salix to NDPB status and move that of the failure to meet PSDS scheme objectives to the Delivery Risk Register (DRR). AS, MS and the interim risk manager will meet to discuss the addition of new risks including those around governance of two discrete workstreams if we engage in housing projects and the risk on places for growth. Some consideration will be given to a risk relating to the security of funding in the light of recent political changes; there should be more clarity on government funding priorities when the Budget statement is issued on 17 November.

Action – MS, AS and the interim risk manager to meet to discuss these items.

The Board noted the DRR and in particular the proposal to use recycling funds 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.

5. ANNUAL REPORT AND FINANCIAL STATEMENTS

The Board noted that at the ARAC meeting on 27 September 2022, finalisation of the Annual Report and Accounts for the year ended 31 March 2022 had been delegated to TG, HP and the Financial Controller, before recommendation on behalf of ARAC to the Board for approval.

That recommendation being made, and having received the letter of representation:

The Board **APPROVED** the Annual Report and Accounts as presented.

6. SCHEME PERFORMANCE

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

The portal for applications for Phase 3b PSDS formally closed on 31 October 2022. Lower than expected applications were made for funding to accommodate a “planning” year, under which the bulk of the funding in multi-year schemes would be received in later years. Salix and BEIS will discuss whether current limitations on the timing of funding could be relaxed to optimise its use.

Salix will review its communications and campaigning strategy to maximise awareness of the success of the schemes for which it administers funding. Methods discussed included a systematic approach to the use of social media and testimonials from satisfied clients. The Communications team have been working on upgrading the website.

Action – A paper on Salix’s Digital Strategy will be provided for the next board meeting in December.

TC, appointed in August as Head of Grant Audit, was welcomed to Salix and to the meeting. The paper on the grant audits will be a standing item henceforth. The Board noted progress made with current audits and changes to the audit plan and process, including the introduction of a time recording application to improve planning for the estimated time for completion of future audits. The Board also noted a change to team structure. There was no fraudulent activity to report. The Board requested a

thematic review of audits and that lessons learned be directly fed into the terms of future Grant Offer Letters.

7. ADMINISTRATION COSTS

The Board noted the Operational Performance, Administration Costs Summary and the Administration Costs Breakdown for the period ended 30 September 2022.

8. AOB

8.1 JOB EVALUATION SCHEME

The Board noted a paper on the review Salix is conducting, with the assistance of the Local Government Association, of all roles within the organisation (excluding Executive roles) The Board noted the challenges in retaining staff in recent months.

The review will inform the business case that Salix will construct and submit to the Cabinet Office in advance of the publication of the Civil Service Pay Remit for 2023/4.

8.2 HOUSING PROJECTS

RW joined the meeting to update the Board on the progress of discussions with BEIS in connection with the potential involvement of Salix in connection with the delivery of the Social Housing Decarbonisation Fund and Home Upgrade Scheme.

DATE OF THE NEXT BOARD MEETING

The next scheduled meeting of the Board is on Tuesday 8 December 2022.

Chair

Date

Summary of Actions:

ACTION 1: HP to confirm the timetable for the ALB review to the Board following the JSG meeting.

ACTION 2: MS, AS and interim risk manager to continue review of the CRR and also review the DRR.

ACTION 3: A paper on Salix's Digital Strategy will be provided for the next board meeting in December.