



Westminster Foundation for Democracy

Company number: 2693163

Minutes of Meeting of Board of Governors of Westminster Foundation for Democracy, Room U, Portcullis House, Parliament, on 27 February 2020

Present: Richard Graham MP (Chair)
Sue English (Vice Chair)
Mark Babington
Patrick Grady MP
Anthony Smith (CEO)

In attendance: Christine Jardine MP (Incoming Governor)
Chris Lane (Company Secretary)
Joyti Mackintosh (Finance Director)

1. Apologies

The Board noted the following apologies for absence:

Dame Margaret Hodge MP
Sir Jeffrey Donaldson MP (Outgoing Governor)
Rushanara Ali MP (Vice Chair)
Simon Walker
Thomas Hughes
Louise Collings (Head of Finance)

2. Declarations of interest

No new declarations were made.

Anthony briefed the Board on Thomas Hughes' new appointment as Director of the Oversight Board Administration, which is the new independent governing body that exists to uphold freedom of expression and other human rights when reviewing content decisions on Facebook and Instagram, as well as issue advisory opinions on content policies. Anthony reported that WFD Management had no concerns about the appointment and, following a check with the Cabinet Office, the FCO had also expressed no concerns on Thomas' new role. The Board confirmed that it did not consider Thomas' new role to constitute a conflict of interest or present any reputational risk to WFD.

3. Minutes

The Board approved the minutes of the previous Board meeting held on 10 September 2019 with no amendments.

3. Matters arising

Governors reviewed the progress on the eight action points arising at Board meetings dating back to 29 November 2018. The Board noted that:

- One action (letter to Sir Martin Davidson) is complete and one further action is part-complete (subject to the PPOs participation in the Board away day)
- Four actions are deferred as they relate to suggested agenda items for the Board away day.
- Two actions are ongoing insofar as they relate to regular engagement with British Council and Wilton Pack and the appointment of a replacement Conservative board member.

The Board agreed that the away day ought to be scheduled from 10am to 4pm, with an optional additional hour, and hosted at WFD's offices on 14 May 2020. The Board suggested that the away day would benefit from showcasing WFD's work around the world, with country office representation if possible, and an in-depth strategic discussion. Careful thought should be given to who from the FCO and DFID could be invited to specific sessions.

Governance

4. CEO's report

Anthony presented the CEO report, focusing on recent engagement with HM Government officials, the Foreign Affairs Committee Chair, and Lords International Relations Committee, in relation to WFD's mandate, the forthcoming Integrated Review, and the Spending Review. Anthony added a note recognising WFD's recent investments of time and money in strengthening its internal systems capability and staff capacity.

The Board noted the report and endorsed Management's proposal to proactively identify opportunities to engage with both Reviews, with the full support and participation of Board members. The Board discussed ideas that could be drawn together as a campaigning approach linked to the need and opportunity for stronger democratic institutions and practice around the world. The Board agreed that this would need to press the case for change from the perspective of both values and interests, with an emphasis on the latter, and highlight WFD's unique value proposition. It is necessary to remake the case for democracy, in the context of other human rights and good governance objectives, and to align this case to tangible benefits to the UK.

Action: Management to circulate to Governors the draft slide deck prepared to set out WFD's outline proposition to the Reviews.

Action: In consultation with the Chair, Management should prepare an engagement plan to guide the range of activities, including those involving Board members, required to build support for recognising the significant contribution of democracy strengthening activities as part of the Integrated Review and Spending Review. This plan should include creation of documents to be submitted to the Reviews.

The Board further noted that Management intends to commission a stakeholder perceptions survey to help inform this work. The Board suggested that an idea to hold national or regional meetings around the UK should not be considered a priority at this time.

5. Board Governance

Governance Handbook

Chris presented the final draft of the Governance Handbook, drawing attention to the new section added on governance arrangements during election cycles and the revised delegation of financial authorities. The Board resolved to approve the Governance Handbook and adopted it as byelaws in accordance with Article 54 of the Articles of Association.

The Board noted that 2019-20 had been a challenging year for maintaining an effective governance structure for WFD due to the political context and recognised the important role played by the independent Governors. This would be reflected in the Annual Report and Accounts. However, moving forward, the Governor were optimistic that engagement levels can and should improve.

Framework Agreement

The Board noted that WFD Management had now concluded negotiations with the FCO on a new form of Framework Agreement, to replace the 2013 Management Statement. Chris advised the Board that the ARC had been briefed on the draft Agreement and a summary of the key features of the new Agreement had been set out in the paper included in the Board pack. Chris clarified that there was now flexibility to grow the Board beyond the target of 10 members, excluding ex-officio members, should the Board ever wish to propose this. The outstanding issues noted in the report have now been resolved, namely:

- Whilst the FCO has granted WFD the right to hold reserves, this has been subject to some constraints due to the impact of consolidation of WFD's annual financial statements with the FCO. However, WFD and the FCO have agreed that WFD will have freedom to deal with the reserves up to the value of £50,000 per transaction or £100,000 in aggregate, which WFD Management considers is reasonable.
- There is explicit recognition of greater flexibility of annual grant-in-aid draw down over a spending review cycle.
- We have agreed and documented our understanding that WFD would not be expected to plan or provide for its own winding-up from reserves (or otherwise).

The document had now been reviewed and approved by HM Treasury and would be signed by the Permanent Secretary of FCO in due course.

The Board endorsed the Framework Agreement and resolved to approve the delegated authority of the CEO to sign the Framework Agreement on behalf of WFD.

Board and Committee nominations

The Board noted that Christine Jardine MP had been nominated as Sir Jeffrey's successor and was attending this meeting as an observer, pending formal approval of her appointment by the Foreign Secretary. WFD Management understands that the appointment is with the Foreign Secretary's Private Office and should be addressed shortly.

The Chair advised that he continued to be in discussions with relevant Party officials in relation to the proposed replacement for Andrew Rosindell as Conservative Party representative, but no decision had yet been made.

Anthony and Chris advised the Board that Management has been in discussions with several candidates for co-option to the Board's three committees. There are three qualified individuals, with relevant experience and expertise, who have been proposed for the ARC; two individuals for the PQC; and one individual for the People Committee. The Board resolved to approve the delegated authority of each Committee Chair to appoint up to two individuals as co-opted members of each Committee, subject to prior notification of the proposed appointments to the Board, via the Chair, before confirmation.

Action: Committee Chairs to appoint co-opted members prior to the next round of Committee meetings

People Committee

The Board approved the revised Terms of Reference for the People Committee.

Oversight and Performance Monitoring

6. Report of Programme Quality Committee (PQC) meeting

Deferred due to lack of time.

7. Report of Audit and Risk Committee (ARC)

Deferred due to lack of time.

8. Report of the People Committee

Deferred due to lack of time.

9. Quarterly Progress Report

The performance information as presented in the Board Progress Report and included in the Board pack was taken as read.

The updated Corporate Risk Register as included in the Board pack was taken as read.

10. Annual Plan and Budget – 2020/21

Annual Plan & Budget

Chris presented the Annual Plan for 2020/21, which would focus on three priorities:

1. Demonstrate quality and impact across our programmes;
2. Become a high performing organisation; and
3. Advance our ambitions.

The Board noted that each priority was supported by several key deliverables. At its March meeting, the Executive Management Team will develop a series of metrics or key performance indicators to monitor the health of the organisation. These will be reported on to the Board.

The Board endorsed the Annual Plan for 2020-21, subject to an adjustment to priority 3 to include a clear deliverable related to engagement with the Integrated Review and Spending Review.

Joyti introduced the Budget for 2020-21, which is aligned to the Annual Plan. The Budget proposed an increase in income of 17% year-on-year, with a corresponding increase in expenditure. The Board noted that the forecast income and expenditure for FY20-21 is £19.5m. WFD's core grants from the FCO and DFID are projected to remain static, with the increase in income entirely derived from WFD's growing portfolio of third party funding from FCO, DFID, and other institutional donors. Joyti clarified that the proposed increase in Programme expenditure was largely variable, rather than fixed, and aligned to the increase in third party income. If the income is not secured, the additional expenditure will not be incurred. The Board noted that, whilst the overall percentage of overhead costs remains at around 12% of total expenditure, there is a 10% increase proposed next year in corporate service costs in order to better support WFD's larger and more complex portfolio. London staffing is projected to grow, but 70% of the increase is linked to expansions in Programme delivery staff or technical experts who can be charged to grants.

The Board endorsed the Annual Budget for 2020-21.

Allocations to PPOs

The Board noted that the overall envelope for political party office expenditure remains at £2.4m and approved the proposed allocation in FY 2020/21, which tracks the distribution in FY 2019/20.

Action: WFD Management to prepare an options paper reviewing the current PPO allocation methodology and proposing a range of alternatives ready for a Board discussion prior to FY 2021/22.

11. Update Mid-Term Review of WFD strategic framework

The paper setting out a briefing on the Mid-Term Review, as included in the Board pack, was taken as read. The Board noted that the away day on 14 May 2020 would include an agenda item on this.

12. Board priorities for 2020-21 and WFD/Governor engagement
Deferred due to lack of time.

Action: The Chair requested that Governors provide any comments on the proposed Board priorities and WFD/Governor engagement papers in writing to the Company Secretary.

AOB

Date of the next meeting: 18 June 2020
Away Day: 14 May 2020



Westminster Foundation for Democracy

Company number: 2693163

Minutes of Meeting of Board of Governors of Westminster Foundation for Democracy, on 18 June 2020

Meeting VIA ZOOM: 9:30-11:30am

Present: Richard Graham MP (Chair)
Sue English (Vice Chair)
Christine Jardine MP
Mark Babington
Patrick Grady MP
Anthony Smith (CEO)
Thomas Hughes
Simon Walker

In attendance: Chris Lane (Company Secretary)
Joyti Mackintosh (Finance Director)
Lizzy Millar (Board Secretary)
Fulvio Menghini (Heads of Communications) for item 6 only

1. Apologies

The Board noted the following apologies for absence:

Dame Margaret Hodge MP
Rushanara Ali MP (Vice Chair)
Louise Collings (Head of Finance)

The meeting was quorate.

2. Declarations of interest:

None were raised.

3. Minutes and matters arising:

The Board approved the minutes of 27 February 2020 with all actions complete apart from:

Action 2: Board away day had been postponed because of COVID-19. The Board agreed that, subject to COVID-19 considerations, the Board meeting currently scheduled for 10 September 2020 should be extended to allow for a Governors' away day.

Action 4: Engagement plan to be covered by item 10 in the agenda

Action 5: Since last Board, Helen Mealins and Atish Gonsalves have been co-opted to the PQC and Khalid Hamed has been co-opted to the ARC. Helen brings expertise

in international governance, evaluation and monitoring; Atish in e-learning and Khalid in public auditing. It had not yet been possible to co-opt any additional member to the People Committee, although efforts are ongoing. The Board welcomed them all warmly.

Action 10: WFD Management is to prepare an options paper reviewing the current PPO allocation methodology and proposing a range of alternatives ready for a Board discussion at the Board meeting in February 2021.

Action 12: No comments had been received from Governors on the proposed Board priorities for 2020-21 (namely WFD strategy and new opportunities, risk appetite and sustainability, programme impact, and Board effectiveness). As such, the priorities could be deemed agreed.

4. CEO's Report:

The CEO summarised highlights of his written report. WFD had rapidly responded to the pandemic by pivoting programmes and providing staff the capability to work from home. Whilst the funding outlook for this financial year seemed stable, the CEO advised that the next financial year would be a great deal more uncertain. Business was continuing and WFD had recently received new grants to run activities in Armenia and the Philippines.

The immediate focus would be on identifying ways to make a case for democracy and human rights at the heart of the combined FCO and DFID, contribute evidence to the Integrated and Spending reviews, and build stronger relationships for strategic and operational collaboration with other arms-length bodies such as Wilton Park and the British Council, and the FCO. Additional investment will be critical to address the democratic governance issues exacerbated by the pandemic.

The Board accepted the CEO's report as presented and noted that there were risks and opportunities in the proposed merger of FCO and DFID. WFD will need to monitor these closely and prepare for a range of scenarios, including both challenges, such as the anticipated fall in the value of 0.7% earmarked for overseas development assistance, and the positives such as a clear set of UK outcomes and priorities.

The Board supported Management's efforts to engage with other arms-length bodies and welcomed the proposal, made to the FCO, to establish a working group to focus on the building the UK's role in defending and advancing democracy following Brexit and COVID-19.

ACTIONS:

- **Chair to send a letter to the Foreign Secretary setting out WFD's position on additional steps to be considered as part of the merger and Integrated Review.**
- **CEO to circulate, once developed, WFD's proposed submission to the Integrated Review and Spending Review for Board member comments.**

5. Board Governance

The Board accepted the Governance paper as presented. The Board noted that the Framework Agreement with the FCO had now been signed on behalf of the FCO and WFD and welcomed the appointment of new co-opted members to the ARC and PQC.

The Board noted an update on the preparation of the draft Annual Report & Accounts and the external audit process, currently underway.

DECISION:

The Board resolved to approve the delegation of authority to the ARC to approve Annual Reports & Accounts for FY 19-20.

Oversight and Performance Monitoring

6. Report of Programme Quality Committee (PQC) meeting, 13 February and 4 June 2020

Thomas Hughes provided a verbal update on the key matters arising at the recent PQC meetings:

- successfully pivoting activities to online delivery or outcomes to respond to the pandemic.
- enabling parliaments to carry out post-legislative scrutiny of emergency laws.
- expanding the thematic focus on inclusion (giving examples of programmes involving women leadership in Nepal and Maldives and PWD in the Philippines).
- enhancing the use of the Evidence & Impact Hub.
- launch of the new global Pandemic Democracy Tracker.

The Board welcomed the launch of the new Pandemic Democracy Tracker. Board members suggested that the UK should not be included in the tracker, but similar information could be hosted by a partner, for example the Institute for Government, and signposted by WFD.

7. Report of Audit and Risk Committee (ARC), 11 February and 8 June 2020

Mark Babington gave a verbal update on matters arising at the recent ARC meetings.

Under its delegated authority, ARC will convene on 6 July 2020 to review and approve the draft annual report and accounts for FY 2019-2020.

BDO was currently testing data provided by WFD to comply with a new accounting provision, IFRS 16, relating to the treatment of leases. WFD had also requested and was now waiting for the final version of a letter of comfort from the FCO.

Mark explained that the letter of comfort would amount to an assurance that WFD's obligations would be met over at least a 12-month period and would enable the Board, acting through the ARC, to approve the accounts as a going concern. This did not need to be noted in the annual accounts nor raised with donors.

The Board noted that the meeting on 11 February had not been quorate. However, the Vice Chair, Sue English, had kindly agreed to join part of that meeting to ensure key agenda items could be fully considered.

A series of internal audit reports had been presented to the ARC at its February and June meetings, together with an annual internal audit opinion. Through these, the ARC had received assurance on the finance system migration, Nigeria Country Office operations, cybersecurity, and business continuity planning.

8. **Report of the People Committee, 3 February 2020**

Patrick Grady gave a verbal update on matters arising at the recent People Committee meeting.

The People Committee had identified a prospective co-opted member with expertise in HR at the FCO, but COVID-19 had delayed these discussions. The Committee would continue to seek to secure safeguarding expertise.

At its meeting, the People Committee had re-emphasised its role and availability to act as a sounding board to any member of staff who wished to raise a concern about Management. This would not involve the committee becoming a formal part of the HR appeal process for grievances or disciplinary matters. This did not reflect any increase in staff complaints.

The Board endorsed the People Committee's intention to secure safeguarding expertise for the Committee as this could provide a focal point for staff and greater assurance to the audit on code of conduct.

The CEO raised a separate point related to the Multi-Party Office (MPO), which coordinates programming by, and represents, the smaller parties represented in the House of Commons. WFD had started discussions with the Head of the MPO to explore opportunities to improve the current structure and support for the MPO. This would involve bringing the MPO in-house as a hosted programme office, overseen by a new Steering Group of consortium members, chaired by Christine Jardine MP, and supported more directly by WFD.

Discussions between WFD and the Head of the MPO were positive and ongoing. Chris advised that the WFD was developing a transition plan and that the two staff members of the MPO would be fully consulted as part of the process, including through a formal process required by the legal rules on business transfers. A tentative transfer date of 1 October 2020 had been proposed.

The Board welcomed the proposal and requested a more comprehensive briefing at the September meeting.

ACTIONS:

- **People Committee to continue efforts to secure a co-opted HR specialist from the FCO and a safeguarding specialist to the People Committee.**
- **Management to consult with the Vice Chair and People Committee Chair on options to ensure that the Board is able to champion safeguarding and receive regular assurance.**
- **Management to provide a briefing at the next Board meeting on the plans to change the structure and support for the MPO.**

9. Quarterly Progress Report

The performance information in the Board Progress Report and the Key Deliverables and KPIs (Doc 4) and the updated Corporate Risk Register including commentary paper and update on safeguarding (docs 5a and 5b) were accepted by the Board as presented.

The Board noted that, since the last Board meeting, Management had been focused on three key risks: the funding outlook for the short and long term; safeguarding; and safety and security of staff and, in particular, implementation of WFD's Pandemic Response Plan designed to protect staff and partners.

10. Communications Plan and Board Engagement

Fulvio Menghini presented item (doc 6).

Highlights included the launch of Pandemic Democracy Tracker and a series of online thematic events designed to raise awareness and forge partnerships.

Fulvio asked Board members to participate in or contribute to a series of thematic events:

- June – Richard and Rushanara to lead an online discussion on democracy and trade in their capacity as trade envoys, chaired by CEO.
- September – launch the UK Elections Hub.
- October – support democratic governance across the world.
- November – promote data, technology and civic space.

Fulvio asked that Governors share digital comms through their own channels, raise the WFD cause in Parliament, recruit other MPs for WFD activities, contribute more op-eds and help reform APPG at Westminster.

The Board thanked Fulvio and asked that he engage with each Governor.

The Chair reminded Governors to do everything they could to help promote global democracy, such as talking about their own first-hand experiences of overseeing WFD projects.

ACTIONS:

- **Board members to send feedback and suggestions for communication and engagement opportunities directly to Fulvio.**
- **Management to make arrangements for a Board away day on 10 September 2020, subject to COVID-19 considerations.**

AOB

The CEO advised that WFD has been notified by the Cabinet Office of a requirement to conduct an appraisal process for Governors. The Board noted that Chris is liaising with the FCO on this as it is keen to see a consistent process for ALB Boards.

Management will engage with Board members on this process prior to the next Board meeting.

Date of the next meetings:

10 September 2020 – away day

26 November 2020



The Westminster Foundation for Democracy Limited

Company number: 2693163

Minutes of Meeting of Board of Governors of Westminster Foundation for Democracy, on 26 November 2020

Meeting VIA ZOOM: 9:30-11.15am.

Present: Richard Graham MP (Chair)
Rushanara Ali MP (Vice Chair)
Sue English (Vice Chair)
Christine Jardine MP
Mark Babington
Patrick Grady MP
Thomas Hughes
Simon Walker
Anthony Smith (ex-officio, CEO)

In attendance: Chris Lane (Company Secretary)
Joyti Mackintosh (Finance Director)

1. Apologies

The Board noted apologies from new Board member the Rt Hon Maria Miller MP and Louise Collings (ex-officio, Finance) who is on maternity leave.

The meeting was quorate.

2. Declarations of interest

None were raised.

3. Minutes and matters arising

The Chair welcomed Board members to the meeting and noted the Foreign Secretary's recent announcement about the proposed temporary adjustment to the ODA target, reducing it from 0.7% to 0.5% of GNI, as set out in the International Development (Official Development Assistance Target) Act 2015. The Chair advised that Board members should be reassured that open societies, including strong democratic institutions, remains a priority for the Government.

The Board noted that all outstanding actions have been completed or will be covered in the agenda for this meeting, other than Action point 10 from the Board meeting on 27 February 2020, which will be tabled at the February Board meeting.

The Board approved the minutes of the meeting held on 10 September 2020.

4. CEO's Report

The CEO summarised the highlights of his written report.

In close consultation with the Government Property Agency and FCDO, WFD proposes to move its head office from Artillery Row to 22-26 Whitehall. WFD has provisionally agreed, subject to contract, to occupy a suite of seven rooms, which Management has viewed and are satisfactory from a cost and technological point of view. This move process will start in Q4 and complete by late March 2021 when WFD's current leases expire. The new space will be deployed as part of new agile working practices to reflect the shifts in culture and patterns of work due to COVID-19. The CEO confirmed that whilst WFD will be expected to contribute to a share of building rent and costs, there would be a material saving in accommodation costs for WFD.

The Board noted that the emerging outcome of the Annual Review of the ex-DFID Inclusive and Accountable Politics (IAP) programme looks very positive for WFD.

5. Governance Report

The Board noted the Company Secretary's report and the update on the terms of office of current Board members which expire in 2021. The Board hoped that the current vacancy for a second Labour Party Governor would be filled soon.

The Board ratified the appointments of Alison Fowler and Jennifer Kelly as co-opted members to the People Committee. The Board acknowledged that the membership of the ARC would benefit from an additional Governor.

The Board endorsed the proposal for the CEO's annual performance management process, save that the Chair confirmed that his office would coordinate the collation of anonymised feedback directly from the Chief Executive's direct reports.

Action: Company Secretary to share relevant contact details of the Chief Executive's direct reports with the Chair's office in advance of the next performance cycle in 2021.

6. Committee updates

Programme Quality Committee (PQC) meeting on 12 November 2020

Thomas advised that the Committee had agreed three priorities: good oversight of the programme performance review process, strategic programming priorities, and assurance on WFD's programme cycle systems. The PQC is also interested in exploring the evolution of WFD's business model.

The Committee was reassured that the majority of WFD's programmes performed well in the most recent quarter. The Committee had noted a small number of programmes of concern, notably the Kyrgyzstan IAP programme (due to political instability and the severe impacts of COVID-19), Ghana and Mozambique IAP programmes (which were being closed-out), and a youth inclusion programme in Nigeria.

Thomas indicated that the Committee had heard presentations on the emerging – and positive – findings of the IAP Annual Review and WFD's environmental democracy thematic work. The Committee believed the latter had made a very impressive start

and potentially had a limited window, in the run-up to COP26, to maximise its relevance and impact.

The Committee recognised the challenges to WFD's pipeline and programmes due to the FCDO/DFID merger and the pandemic, notably barriers to participation by excluded stakeholders and digital or geographic accessibility. There were also opportunities to expand WFD's audiences.

Board members agreed that, with the introduction of a more coherent strategic direction to the UK's international policy next year, there is a good opportunity for WFD to develop its strategic approach. Board members indicated that this should demonstrate the value of its programmes both to the UK's Open Societies agenda and to partner countries and prioritising the kinds of countries where WFD should focus its efforts.

People Committee meeting on 6 November 2020

Patrick reported that the People Committee had held a very productive meeting in November, joined by two new, first-class, co-opted members. The Committee had discussed the London office and the development of new agile working practices. It had also reviewed Management's approach to this year's pay award and heard about encouraging progress on the gender pay gap.

The Committee had reviewed the proposed arrangements for the CEO's performance management and spent some time discussing how best to ensure safety in a digital context.

Patrick indicated that he was very pleased with how the Committee's recently, expanded terms of reference and membership are bedding down. The Committee benefited from the participation of WFD's Union representatives.

Audit and Risk Committee (ARC) meeting on 16 November 2020

Mark advised that at its recent meeting the Committee had received a reassuring report from WFD's internal auditors and approved a more focused internal audit plan, including an audit on internal controls. There were no concerns raised from a recent audit on safety and security.

The ARC had reviewed a lessons' learned paper on the most recent external audit process, which highlighted an issue about the design and physical production of the annual report and accounts, which Management will take forward.

The Committee had spent substantial time discussing Management's proposed assumptions for scenario planning for FY21-22. Mark noted that there continues to be significant uncertainty for the next financial year and no certainty for future periods now that the spending review covers only one year. The Board should request confirmation of funding from the FCDO before approving a budget in February and it will require assurances, including a further letter of comfort, from the FCDO before it

approves the next annual report and accounts in July. Board members, as company directors, will need to be confident that WFD continues to be a going concern.

The Committee had encouraged Management to make the case to FCDO that without a substantial funding commitment, WFD would not be able to continue to protect its capability to support an expansion of programming required by the Government's Open Societies agenda.

The CEO agreed with the Committee's assessment and confirmed that Management would continue to press the case to FCDO colleagues for the earliest possible notification of an increased WFD's funding allocation for next year. In the meantime, to provide reassurance and retain staff during this uncertain period, Management has reviewed the fixed term contracts for staff and will extend them for an appropriate period. Over time, WFD would also wish to re-build its reserve capacity to rapidly respond to new opportunities and adverse events.

6: Quarterly Progress Report and Corporate Risk Register

The Board accepted Management's Quarterly Progress Report and Corporate Risk Register, as presented, and noted the commentary, including the ongoing Management focus on risks associated with funding and safety and security.

The Board further noted that:

- WFD currently forecasts a £239k deficit for this financial year, which is linked to the 12% in-year reduction in WFD's income from £7.4m to £6.5m and closure costs associated with three country office closure processes.
- Third party income will be lower than budget due to the economic impacts of COVID-19 on our donors.
- Due to the deficit, WFD's reserves level will reduce to £415k by year-end, which is lower than our target reserves level. The reserves are a mix of deferred income and the 'profit' element of contracts.
- The high level 'lines to take' document was well-received and useful.

10. Scenario planning for FY 2021-2022

The Board noted that a first draft of a financial model for the next financial year is being prepared. This covers four scenarios:

- 15% reduction in income
- Comparable income level to FY20-21
- 15% increase in income
- 25% increase in income

Management advised that, from 1 January 2021, WFD could still be eligible for several EU funding instruments, subject to the outcome of the EU seven-year budget process. Management will also be monitoring the potential US funding opportunities that may emerge once the Biden administration is installed in January.

The Board welcomed the ARC's inputs into the scenario planning assumptions and endorsed Management's proposed scenarios.

11. WFD strategy development

The Board noted Management's proposal to develop a new multi-year strategy in 2021, following the anticipated publication of the Government's Integrated Review.

The Board endorsed the suggested overall timeline for the strategy development process, running from February 2021 with publication in September 2021. The Board welcomed Management's proposal to prepare a short paper and plan for the process, including the engagement points for Board members and FCDO ministers and officials, ready for the February Board meeting.

The Chair suggested a scoping discussion among Board members to kick off the strategic thinking before the end of the calendar year.

Action: Management to arrange an informal session of the Board in December 2020 to discuss the scope and ambition of the new WFD multi-year strategy.

12. AOB

Board members agreed to provide short video clips to be communicated to WFD staff. Otherwise, there was no other business.

Action: Management to organise a welcome event for all Board members and Committee members in April 2021, or as soon as possible thereafter considering COVID-19 conditions, in WFD's new London office.

The Board noted that the next meeting would be held on 25 February 2021.



The Westminster Foundation for Democracy Limited

Company number: 2693163

Minutes of Meeting of Board of Governors of Westminster Foundation for Democracy, on 10 September 2020

Meeting VIA ZOOM: 9:30-10.45am.

The meeting preceded the annual Board away day attended by following participants and non-Board members

Present: Richard Graham MP (Chair)
Rushanara Ali MP (Vice Chair)
Sue English (Vice Chair)
Christine Jardine MP
Mark Babington
Patrick Grady MP
Anthony Smith (ex-officio, CEO)
Thomas Hughes
Simon Walker

In attendance: Chris Lane (Company Secretary)
Joyti Mackintosh (Finance Director)

1. Apologies

Other than Louise Collings (ex-officio, Finance and now on maternity leave), the Board noted no apologies for absence.

The meeting was quorate.

2. Declarations of interest

None were raised.

3. Minutes and matters arising

The Board noted that the Foreign Secretary had responded to the Chair's letter advising of the importance of human rights and democracy to the new Foreign, Commonwealth & Development Office ("**FCDO**").

The Board approved the minutes of 18 June 2020 with all actions complete apart from:

Action point 2: CEO to circulate, once developed, WFD's proposed submission to the Integrated Review and Spending Review for Board member comments.

Completed and to be discussed in Workshop 1.

Action point 3: People Committee to continue efforts to secure a co-opted HR specialist from the FCO and a safeguarding specialist to the People Committee.

Ongoing: Management is in discussions on the possibility of co-option with Alison Fowler HR and organisational development lead at the FCDO and Jennifer Kelly, head

of International Safeguarding at the Prince's Trust. The Board noted the update and generally endorsed the proposal.

Action point 4: Management to consult with the Vice-Chair and People Committee Chair on options to ensure that the Board can champion safeguarding and receive regular assurance.

Ongoing and to be discussed in Workshop 3 and at the next People Committee meeting in November 2020.

Action point 5: Management to provide a briefing at the next Board meeting on the plans to change the structure and support for the MPO.

Ongoing: The Board noted the update and generally endorsed the proposal. The transition of the Multi-Party Office from hosting by the Office of Jeffrey Donaldson QC MP to hosting by WFD has a scheduled completion date of 1 November 2020.

Action point 6: Board members to send feedback and suggestions for communication and engagement opportunities directly to Fulvio.

Outstanding and to be discussed in Workshop 1.

4. CEO's Report

The CEO summarised the highlights of his written report.

Following the outcome of the savings exercise, WFD's outlook appears to have stabilised for this financial year but remains uncertain for future periods. WFD will submit evidence to the Integrated Review this week and had supported FCDO to compile evidence for the Spending Review. WFD is seeking to increase the level of ambition for democracy and human rights as part of a new ambitious foreign policy for the UK, which is anticipated to prioritise open societies and open economies. It is expected that the headlines of the Integrated Review will be published in October, with the Spending Review settlement known in November.

Matthew Hedges had been appointed as the new Regional Director for Asia and the Americas. Matthew is a former ambassador to Paraguay and had previously served in Myanmar, Japan, and Iraq. Eveline Demchenko had been appointed head of the Conservative Party Office and Sarah Rooney as head of the Labour Party Office.

As part of its civil estate consolidation strategy, the Cabinet Office has earmarked the WFD office at Artillery Row for closure when its lease expires in March 2021. WFD is researching alternative accommodation, including the civil estate and private leased options, and would report any updates to the Board. The Board agreed that it would be critical to retain office-space for WFD in central London that is appropriate to WFD's needs and status and offered to assist in any way possible.

Four WFD country offices will close in 2020-21 due to a change in the need, demand, or opportunity for further programming, namely Mozambique, Ghana, Uzbekistan, and Kosovo. WFD continues to monitor the sustainability of all its country offices and has procedures in place to manage the closure process.

Whilst noting that democratic change is a long-term process, stimulated and sustained by a range of internal and external factors, Board members indicated that it would be useful to have access to a distillation of relevant case studies that demonstrate the impact of WFD's contributions to democracy support.

ACTIONS:

- **Management to provide an update on London accommodation proposals at the next Board meeting on 26 November 2020.**
- **Management to create a briefing document for Board members which includes a digest of case studies demonstrating examples of WFD's relevance and impact.**

5. Committee updates*Programme Quality Committee (PQC) meeting on 3 September 2020*

Thomas advised that the PQC continues to provide a quality assurance role in scrutinising programme delivery and impact. The PQC will pay close attention, over the coming months, to the process to close country offices.

Committee members intend to participate in a mini retreat to discuss the useful role the PQC can play in overseeing performance and strategy.

Audit and Risk Committee (ARC) meeting on 7 September 2020

Mark advised that the NAO audit had now been completed and the Annual Report & Accounts for FY19-20 has been approved and will be laid before Parliament today.

The ARC endorsed Management's decision to extend the current term of the Internal Auditors, Crowe LLP, for an additional year. A revised internal audit programme for FY20-21 will now span two financial years and focus on providing critical assurance for the Board and Accounting Officer.

The ARC had considered the outcome of the savings exercise and revised income and expenditure projections for this financial year. Mark suggested that the ARC would play a closer role in reviewing the draw down from reserves in the current financial year. The ARC has asked Management to provide a detailed analysis of the financial implications of the reduction of overall funding to programming and closure of offices in the current financial year and to start work to plan for different scenarios in the next financial year, including the sustainability of WFD's geographic footprint.

6: Quarterly Progress Report and Corporate Risk Register

The Board accepted Management's Quarterly Progress Report and Corporate Risk Register, as presented, and noted the commentary.

The Board further noted that:

- The Chair's recommendation for Finance Director Joyti Mackintosh's appointment as an ex-officio member of the Board had been submitted to the Foreign Secretary. Joyti would substitute Louise Collings. The recommendation to re-appoint Thomas Hughes and Sue Inghish for a full three-year term had also been submitted to the Foreign Secretary. Management expects to hear an update on progress at its quarterly meeting with the FCDO on 14 September.
- Whilst its priority continues to be the protection of staff and partners, WFD's Pandemic Response Plan has evolved. This will seek to achieve a better balance with the need to continue to create value, engage effectively with our stakeholders, and maintain operational delivery. The London office has re-opened as a COVID-secure space to work. The initial decision to re-open a country office, following lockdown, will be taken by the Country Representative, in consultation with the Regional Director and the Director of Operations, with flexibility to adapt to changing public health conditions. Face-to-face events and activities will be possible if conditions allow and WFD safety standards can be applied.
- The other key risks Management is focused on are funding and IT security.

7. Revised Budget for FY 2020-2021

The Board noted that WFD had been asked to make in-year savings of 15% to 20% in relation to its FCO grant-in-aid and DFID accountable grant. This is due to the contracting in Gross National Income and the corresponding fall in the value of the 0.7% commitment to ODA. In addition, WFD was projecting a deficit of £377k due to emerging reductions in forecast third party income amounting to £1.2m.

Following detailed discussions, and a comprehensive savings exercise, FCO and DFID agreed to an in-year reduction amounting to 11% or £845k of the combined value of these two grants (£7.4m). The package also involves utilising £250k of WFD's reserves, from the current total of £710k. The reductions involve difficult cuts to programme activity and corporate support budgets but avoid additional office closures or redundancies. A revised budget was presented on this basis.

In response to queries raised by Board members on WFD's legal obligations and the impact of the proposed use of reserves on future periods, Joyti advised that the utilisation of the reserves was proportionate and would stabilise WFD for this year and leave it able to deliver on its legal commitments to donors and staff. There was no certainty on the outlook for future periods and, following the Integrated Review and Spending Review, Management and the Board would need to consider a strategy, plan, and budget that was appropriate for future periods. Mark confirmed that he and the ARC had reviewed the revised projections and were satisfied that the revised budget was appropriate.

The Board approved the revised budget, which now forecasts income of £16.6m for this financial year.

8. AOB

There was no other business.



The Westminster Foundation for Democracy Limited

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The Board noted that the next meeting would be held on 26 November 2020