



**The Westminster Foundation for Democracy Limited**

Company number: 2693163

**Minutes of Meeting of Board of Governors of Westminster Foundation for Democracy, on 24 February 2022**

*Meeting IN-PERSON (ROOM P, PCH) AND VIA ZOOM: 9:30-11.30am.*

**Present:** Richard Graham MP (Chair)  
Sue English (Vice Chair)  
Mark Babington  
Christine Jardine MP  
Rt Hon Maria Miller MP  
Anthony Smith (ex-officio, CEO)

**In attendance:** Chris Lane (Company Secretary)  
Femi Otukoya (Finance Director)  
Katy Murray (Head of Communications & External Affairs)  
Steph Le Lievre (Senior Communications & External Affairs Manager)

**Welcome and Apologies**

Richard Graham MP opened the meeting and welcomed attendees. The Chair noted that Rushanara Ali MP and Harriet Harman MP had left the Board since the last meeting and that there were apologies for absence recorded for Thomas Hughes, Simon Walker, and Brendan O'Hara MP.

The meeting was quorate.

**Declarations of interest**

None were raised.

**Minutes and matters arising**

The Board approved the minutes of the November 2021 Board meeting and noted that the actions arising had either been completed or would be covered by other agenda items.

**Chair's opening comments**

The Chair noted that the thoughts of all Board members and staff are with our colleagues in Ukraine in light of the Russian military incursion that commenced today. The CEO confirmed that Management is closely monitoring developments and taking steps to ensure that our staff are safe and that the USAID-funded programme activities continue for as long as possible.

The Chair further noted that the international context for democratic governance continues to deteriorate. WFD remains well-placed to contribute to efforts to reverse this decline, but this will require the right level of resources. There is still no

confirmation on WFD's funding allocation for the Spending Review period, although the Chair and Management continue to make representations to Ministers and officials. A Westminster Hall debate next week in Parliament is expected to focus attention on the issue.

The Chair indicated that, although the Labour Party currently has no formally appointed Board members due to the regrettable but understandable recent resignation of Harriet Harman MP, Valerie Vaz MP has been nominated by the Labour Party and will be a very welcome addition to the Board once her appointment is confirmed by the Foreign Secretary. It is hoped that an additional Board member will be nominated and confirmed by the Labour Party soon.

## **1. Annual Plan and Budget for FY22-23**

The CEO presented the draft annual plan and budget for endorsement as an interim set of planning assumptions, rather than approval as a final budget and plan. There continues to be a lack of clarity from the FCDO on WFD's core funding allocation and coverage for additional costs associated with restructuring and NI increases. Management welcomes the strong support offered by Governors to seek urgent clarifications.

The CEO advised that the key assumptions reflected in the interim proposal are:

- Core grant revenue at £5.68m, around £200k less than previous estimates in light of recent feedback from FCDO officials.
- Third party revenue increased from £4m to £4.5m as a result of a strengthening pipeline.
- WFD and PPO programming budgets each set at the same level of £1.15m, and each less than previous estimates due to the anticipated reduction in core grant.
- Reductions in UK staffing and non-staffing budgets
- Draw down of up to £350k of reserves to fund one-off costs associated with bridging or closing WFD offices, required largely in light of the announced delays in the FCDO budgeting process.

Board members noted that:

- The ARC chair is supportive of the interim proposal to take WFD through to end Q1, including the draw-down of reserves, but the ARC had expressed significant concerns about the reduction in core senior management capability, notably the reduced hours of the CEO and Finance Director and the proposed removal of the Director of Operations role in September 2022. These specific changes were voluntarily offered by the relevant individuals.
- An arms-length body requires minimal senior capabilities to fulfil its functions as a public body, which could be put at risk by this proposal. In addition, the current hiatus risks the loss of other key people from the WFD team.
- There could be value in the chair of the audit and risk assurance committee writing to his counterpart at the FCDO to express his concerns at the announced delay until the Summer for FCDO to develop its plans and budget for the spending review period.

- There may be significant challenges, at the appropriate time, in the Board approving the annual report and accounts on a going concern basis if the current state of uncertainty persists
- There appears to be a gap between HMG stated policy on open societies and the reality of resources. This will be highlighted at the Westminster Hall debate next week and could be followed up with ministerial meetings as appropriate.
- There has been repeated and strong engagement with officials, but allocations decisions are being reviewed at ministerial level.
- In light of comments from the two larger political party offices (PPOs) that the impact of revenue reductions over the past two years had fallen disproportionately on them, it was worth recalling that PPO funding continues to be allocated via a modified version of the Short Money formula. The modifications have been to (a) provide the governing party with an allocation (not granted under Short Money) set at the same level as the main opposition party, (b) include the Leader of the Opposition's office costs in the calculation, and (c) maintain a minimum viable level of funding to the two smaller offices.
- Management continues to believe that the PPO programmes make an effective and complementary contribution to WFD's outcomes. However, there remains a strong need to demonstrate the value of party work, to encourage cross-party collaboration on programmes between the PPOs, and to seek more sustainable funding to scale their work. Some Board members also felt that consideration could also be given to any synergies and savings that could be realised by merging the two smaller PPOs.

**Action: Management to prepare an analysis of different models for applying the proposed reduction in the overall PPO budget from £1.25m to £1.15m, including applying an unadjusted Short Money formula, a pro rata allocation of the reduction across party offices, any savings anticipated from a merger of the smaller party offices, etc. The Parliamentary Governors should then be convened to discuss and agree a way forward.**

## **2. CEO's report**

The Board noted that Management was making progress with negotiating a Strategy and Partnership MOU with the FCDO. Management is keen to align this to the process to develop the new WFD strategy and they will be meeting with FCDO officials soon to discuss a timeline and process for both parallel processes.

The Head of Communications & External Affairs and Senior Communications & External Affairs Manager provided a briefing to the Board on plans for the 30<sup>th</sup> anniversary, including a new animation to be launched in March 2022. Management will consider a suitable and simple strap line for the campaign and provide Board members with a monthly update on campaign events and lines to take.

**Action: Management to convene a meeting of the 30<sup>th</sup> Anniversary sub-committee in March 2022.**

The CEO advised the Board that a new programme had now started in Taiwan and that the Myanmar programme, currently being implemented from Jakarta, would be wrapping up by end-March 2022.

### **3. Report of the People Committee**

Maria Miller MP advised the Board that the People Committee had met and reviewed the implementation of the restructuring process, which seemed to be well managed. In particular, the Committee was impressed with the positive relations with the PCS union representatives. The Committee expressed gratitude to all WFD staff for their efforts during a period of considerable uncertainty and challenge.

### **4. Report of the Audit & Risk Assurance Committee**

Mark Babington advised that the Audit and Risk Committee had met and focused its time and attention on the funding situation and the proposed plan and budget.

### **5. Report of the Programme Quality Committee**

In Thomas Hughes' absence, a report from the Programme Quality Committee was deferred until the next Board meeting.

### **6. Company Secretary Report**

The Chair referred Board members to the report and noted the progress on Board appointments and the Board collective self-assessment, the results of which would form part of the agenda for the Board away day in July.

The Company Secretary reminded Board members that WFD is due to vacate its current head office at 22 Whitehall at end-March 2022. Negotiations on heads of terms for WFD's new accommodation at Clive House, effective 1 April 2021, were progressing well and a license agreement is expected to be signed prior to 1 April. This will be a five-year license with the Government Property Agency, with break clauses, and annual costs representing a saving of around £70k in year one and £50k from year two against WFD's current London accommodation costs.

**Decision: The Board resolved to approve:**

**1. A change to WFD's registered office in the UK from 22 Whitehall, London, SW1A 2EG to Clive House, 70 Petty France, SW1H 9EX.**

**2. The delegated authority of:**

**(a) the Chief Executive, Anthony Smith, to sign a license with the GPA, formally effective as of 1 April 2022, to occupy the space in Clive House, Petty France, SW1H 9EX; and**

**(b) the Company Secretary, Christopher Lane, to notify the Companies Registrar of England and Wales of the change of registered office in accordance**



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**with Sections 86 and 87 of the Companies Act 2006, and to sign all documents and perform such acts as may be necessary or desirable to update WFD's statutory records, notify other third parties, and/or otherwise to give effect to this resolution.**

#### **7. Quarterly Progress Report and Corporate Risk Register**

The Board accepted Management's Quarterly Progress Report covering the Q3 period to 31 December 2021 and the Corporate Risk Register, as presented.

#### **8. Any other business**

There being no other business to discuss, the Board noted that the next formal Board meeting would be held on 23 June 2022, with an away day on 21 July 2022.