

The Westminster Foundation for Democracy Limited

Company Number 2693163

Minutes of Meeting of the Board of Governors held in Committee Room 19, Palace of Westminster, on Wednesday, 25 January 2012

Present

Gary Streeter (Chair)
Jim Bewsher
Tina Fahm
Rt Hon Don Foster MP
Rt Hon George Foulkes
John Glen MP
Bronwen Manby
Meg Munn MP (Vice Chair)
Andrew Rosindell MP
Myles Wickstead (Vice Chair)
Pete Wishart MP

In attendance

Linda Duffield	Chief Executive
Paul Naismith	Company Secretary/Director of Finance
Alex Romaniuc	Head of Programmes, Europe
Marina Narnor	Head of Programmes, Africa and Asia
Dina Melhem	Head of Programmes, MENA
Lorraine Dixon	HR Manager
Tracey Edginton	Strategy & Communications Manager
Nabila Sattar	Labour Party
Paul Speller	Liberal Democrats
Natalie Darby	Liberal Democrats
Chris Levick	Smaller Parties
Nicole Gregory	Team Leader-Programme & Democracy Team, HRDD/FCO
Mark Brownjohn	Desk Officer-Elections/WFD, HRDD/FCO
Tamara Moluch	Minute Taker

1. Apologies for absence, welcomes, appointments

Apologies were received from the Rt Hon Hilary Armstrong, Ken Jones and John Osmond.

Gary Streeter confirmed the **reappointment** of Tina Fahm as WFD Governor for a further three-year term and **welcomed** Tracey Edginton, the newly appointed Strategy & Communications Manager, to her first Board meeting.

He took the opportunity to thank Myles Wickstead, who would be stepping down as Governor at the end of January, for his invaluable contribution to the work of WFD and, in particular, to the Projects and Programmes Committee which he had chaired since 2006. The Chair proposed and the Board confirmed Ken Jones' **appointment** as Chair of the PPC as from 1 February 2012.

2. Conflict of Interest Declarations

None declared.

3. Minutes of Board meetings (Document 1)

The minutes of the Board meeting held on 26 October 2011, being an accurate record of the meeting, were APPROVED and duly signed by the Chair.

4. Matters arising not already covered on the agenda.

Action Point 1: Amendments to the Evaluation of WFD's Business Plan 2010-11. With no amendments received, Gary Streeter confirmed that the Evaluation would now be published on WFD's website.

TOPICS FOR DISCUSSION

5. Business Case to DFID and FCO

Linda Duffield updated the Board on the Business Case for funding submitted to DFID / FCO on 3 November 2011. Since then, there had been discussions with both Departments on a detailed log frame, financial case and appraisal of options. This was still being considered internally by DFID and FCO and a decision on future funding was still awaited. Linda informed the Board that DFID was considering a six-month 'inception phase' during which WFD would need to evidence progress towards the development of a monitoring and evaluation framework for the whole organisation, the development of log frames for each of the strategic programmes, as well as the implementation of the Change Agenda.

Board members expressed their concerns at the delay in confirming future funding, which had already impacted on WFD's ability to finalise its Business Plan and budget for 2012-13, and looked forward to a positive and early decision. It was AGREED that Gary Streeter would take the matter up with Ministers if necessary.

6. Draft Business Plan 2012-13 (Document 2a)

Linda Duffield introduced the **Draft Business Plan 2012-13** which, in the absence of confirmed funding from FCO and DFID, was based on two scenarios:

- Scenario A – combined funding from FCO / DFID for 2012-13 of **£5.5m**
- Scenario B – FCO grant-in-aid for 2012-13 of **£3.5m**

In line with WFD's own strategy, as well as the Business Case, the regional teams and political parties were aiming to deliver more strategic, joined up programmes in future. The Business Plan proposed 13 country / regional programmes for 2012-15, subject to detailed assessment visits once DFID / FCO funding had been confirmed. The priority country and regional programmes had been proposed following internal strategic reviews between the regional teams and political officers. These regional strategies had been shared with the Board, FCO and DFID. In addition to these 13 programmes, WFD would also be delivering a number of externally funded programmes and continue to seek extra-budgetary resources for future work where possible.

The political parties were in the process of prioritising their party-to-party programmes in line with WFD's Strategy and the Business Case with a view to developing longer-term strategic programmes (regional, thematic or country specific).

Questions were asked about activities scheduled under SO3 "becoming a results and learning oriented organisation delivering programmes of the highest quality". Linda explained that if DFID funding were confirmed, £500,000 would be earmarked under SO3 to strengthen technical expertise, M&E and professional skills across the whole organisation. It would also support some innovative programmes bringing together WFD's parliamentary, cross-party and sister party work. Without DFID funding, no specific budget had been identified for this work and the Board might wish to reallocate funds to support this objective in due course.

The Board APPROVED the Business Plan 2012-13 in principle, including programme plans for the coming year, subject to confirmation of funding.

Draft Budget 2012-13 (Document 2b)

Paul Naismith presented an overview of the **Draft 2012-13 Budget** which, in line with the draft Business Plan, presented two scenarios, as follows:

- Scenario A - assuming Business Case approved – total budget revenue of **£7.7m** including third-party income
- Scenario B - assuming current level of grant-in-aid – total budget revenue of **£5.7m.** including third-party income

He highlighted that confirmation of future allocation of funding to the political parties and programme teams would be taken once the outcome of the FCO/ DFID Business Case was known. This would take into account under Scenario A a requirement that DFID funds not be used for sister party work and that additional FCO funds would therefore be allocated to parties. Overall, the budget would follow the historic 50:50 split (political parties and regional teams), after top slicing for corporate costs (capped in future).

A review of WFD's administrative and staffing costs (parties, programme teams and corporate) was planned over the next few months. Some concerns were raised that no alternate arrangements had been put in place to replace the financial resources currently available to assist political parties to undertake cross-party work. It was noted that these would end with the start of the FY as regional teams took on responsibility for all cross-party parliamentary work. Political Governors drew attention to the fact that, without additional financial resources, all political party offices - and in particular that of the Smaller Parties - would find it difficult to carry out cross-party programmes in addition to their sister-party work and might necessitate cuts to their current staffing levels. The Board also expressed some concerns about WFD's ability as a whole to manage the expected increase in funding and activity without increasing staff resources.

The Board AGREED:

- The review of political parties' administrative costs, being undertaken by John Glen and Paul Naismith, should be prioritised and concluded by end-February 2012 at the very latest. The review would seek to find a fair, transparent and accountable solution including a review of the percentage caps on party administrative costs. It would also need to identify an appropriate level of resource for managing cross-party (but not parliamentary) programmes in future. The intention was to find a solution which, at the very least, maintained the parties' current staffing levels.
- There would be a parallel review, undertaken by John Osmond and Paul Naismith, of WFD's staffing and administrative costs – programme teams and corporate.

The Board APPROVED in principle the draft Budget for 2012-13 subject to confirmation of funding. Confident that Scenario A would be confirmed, Gary Streeter expressed the hope that all outstanding issues would be resolved by end-March 2012.

7. Proposals for strengthening WFD's governance structure (Document 3)

The Board AGREED all the recommendations set out in Document 3 (WFD Change Agenda: Strengthening Governance Arrangements) and APPROVED the following:

BOARD OF GOVERNORS

Strategic focus: In order to allow for a full review of regional strategies and agreement of priorities for including in the following year's Business Plan, the October Board meeting would need to be slightly longer for this purpose. (It was felt preferable to have this discussion at a formal Board meeting rather than an informal Away Day. The timing and focus of next year's Away Day would therefore be agreed later.) The October Board would also review the Risk Strategy as a whole. The revised work plan was agreed.

PROJECTS AND PROGRAMMES COMMITTEE

PPC Membership: To be revised to read that membership comprises eight members including four Political Governors (one from each of the three larger parties and one from the smaller parties) and four Independent Governors; other Governors to be encouraged to participate in the work of the Committee and attend its meetings.

Delegated financial responsibility to PPC: To be revised to read that the current limit for approval by PPC for any single programme is set at £100,000 within any single year (e.g. year 1 of a £300,000 three-year programme).

Delegated financial responsibility to CEO: To be revised to read that the CEO has delegated authority to approve budget increases and approve projects up to £20,000 whether from the parties or the teams. In the case of the parties, the CEO would not have a veto and would refer such proposals to the PPC for decision.

Urgency procedure: To be revised to reflect the new delegated financial responsibilities.

Other Issues to enhance Board effectiveness:

- There would be benefit in making training available across the whole of WFD - Governors, staff and party officers e.g. on Anti-Bribery and Corruption legislation.
- Opportunities should be provided to bring together Governors, staff and programme deliverers (MPs etc) to share experiences, lessons learnt etc. This would also help build networks for the future.

REPORTS FOR INFORMATION

8. Chief Executive's report (Document 4)

The Board NOTED the report.

9. Audit Committee (document 5)

The Board NOTED the minutes of the 10 January 2012 meeting of the Audit Committee.

10. Projects and Programmes Committee (Document s 6a-c)

- The Board NOTED the Minutes of the 11 January 2012 meeting of the Projects and Programmes Committee and APPROVED the following proposal (over £50,000):
 - WFD: DRC – Supporting the RCPP towards the Second Provincial Assemblies (£76,273.50)

11. Parties Management Group

The Board NOTED that the PMG did not meet this quarter following the decision that it meet on an *ad hoc* basis, as and when necessary.

12. Other Reports

- Finance Director's report

Paul Naismith introduced the **Management Accounts to 30 November 2011** noting that:

- Overall **grant project spend** up to November 2011 was below target but both political parties and teams were confident that the targets would be met.
- **Programme spend** during the same period was at 58% of full year estimate.

The Board NOTED the report

- Political Party reports (for the period July – December 2011)

In NOTING the reports, the Board requested further details to be circulated on the outcome mapping trial that the Labour Party was conducting as a potentially useful monitoring and evaluating tool.

- Regional Team reports (for the period July – December 2011)

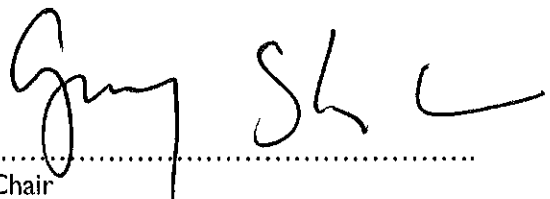
The Board NOTED the reports.

13. Any other business

None.

14. Date of next meeting:

Monday, 26 March 2012 at 16.00h



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Chair

Date: 26 March 2012