Minutes of Meeting of Board of Governors of Westminster Foundation for Democracy Committee Room R, Portcullis House on 28 February 2019

Present: Richard Graham MP (Chair)
         Rushanara Ali MP (Vice Chair)
         Sue Inglish
         Mark Babington
         Patrick Grady, MP
         Louise Collings, WFD Head of Finance
         Anthony Smith (CEO)

In attendance: Chris Lane (Company Secretary) Romana Janku

1. Apologies

The Board noted the following apologies for absence:

   Thomas Hughes
   Dame Margaret Hodge MP
   Sir Jeffrey Donaldson, MP
   Andrew Rosindell, MP
   Simon Walker

2. Declarations of interest

The Board noted no declarations of conflict of interest

3. Minutes of previous meeting

The Board approved the minutes of the previous Board meeting held on 29 November 2018, subject to a correction of Thomas Hughes title.

Governors reviewed the progress on all 13 Action points assigned at the last two Board meetings and the Board Away Day. The Board noted that 10 of the 13 Actions were completed, whilst highlighting the following points:

   - Revised arrangements for the attendance of Political Party officers at Audit and Risk Committee and Programme Quality Committee were agreed (November 2018, Action point 1)
   - The CEO will circulate the proposed Board self-assessment questions to the Chair and Mark in February and, once confirmed, the questionnaire will be conducted in the first quarter of the next financial
year, with the findings reported to the next Board away day (September 2018, Action point 5).
- Any further reports of challenges in securing UK visas for visiting WFD staff or dignitaries should be notified to the Chair, who agreed to use such examples to request that Ministers issue guidance to relevant HMG agencies relating to WFD’s status (November 2018, Action point 3).
- A discussion on WFD’s approach to programme management will be scheduled for the June 2019 Board meeting. (Board Away Day: Action point 2)
- A representative of each of DFID and the FCO will be invited to an appropriate agenda item at the June 2019 meeting (Board Away day: Action point 5)

Governance

3. CEO’s Report

Anthony report contained some highlights of WFD’s work in the financial year to date. Richard welcomed this summary and commented on the success of the recent WFD conference in Malaysia, which he and Rushanara had attended. The Chair asked Management to pass on the Board’s congratulations to relevant staff on a great job.

The Board agreed that the CEO’s Report should be converted into a letter, signed by the Chair, to be sent to the Chairs of the Political Parties and relevant Ministers. The additions should include a selection of achievements and examples of collaborative working during the course of 2018-19.

Action Point 1: Anthony to prepare the letter for the Chair

4. 2019 – 2020 Planning


The Plan is focused on three priorities: reinforcing programme quality and impact, increasing assurance, and strengthening partnerships. WFD will focus on consolidation, rather than further significant growth.

The Plan comprises a number of key deliverables, linked to milestones, which will be tracked monthly and reported to the Board quarterly. These organisational-level deliverables will be monitored alongside performance of the programme portfolio. In addition, a selection of operational KPIs have been identified to regularly measure and report to the Board on organisational “health”. Together with the Management Accounts, this will ensure that the Executive Management Committee, Board, and FCO are regularly informed as to performance.

The Board noted that Management is currently working on a common WFD Results Framework – to cover all programming – that will provide a new range of strategic KPIs to measure impact and outcomes. These will be reported to the Board as and when available. The Board encouraged Management to identify and promote some powerful stories and evidence of its impact over the past 27 years. It was noted that
WFD’s internal capacity to undertake an extensive exercise was limited, but it should be possible to prepare some positive impact stories, possibly through WFD’s partnership with Birmingham University. It would be important to ensure that the product of such an exercise is engaging and accessible.

**Action point: Management to identify examples of WFD’s long-term impact and present at the Board Away day**

The Chair queried current arrangements relating to staff induction and on-going training, which is not explicitly included in the plan. Chris explained that Management plans to introduce standardised approaches to training on key compliance and ethical issues, as part of WFD’s new Policies & Practice Hub to be launched in April 2019, in the wider context of the new Learning & Development Framework for all staff referred to in the plan.

**Action Point: Romana to invite Governors to WFD internal learning events as part of a new programme of staff training.**

The Board approved the Corporate Plan for 2019-20 in principle and the reporting format. The Board requested sight of the strategic KPIs at its next meeting in June 2019.

Louise presented the draft of the 2019-20 Budget. The Board noted that current forecast amounts to a budget of approximately £17.3m, broken down as £14m direct programme costs, £1m programme support costs, and £2m corporate and overheads. The final version of the budget will be circulated to Governors by e-mail once the Grant-in-Aid is confirmed. The Board further noted that:

- The proposed increase in reserves, in line with the recent understanding reached with the FCO, was welcome and Management plans to present a draft Reserves Policy to the ARC in June 2019.
- Whilst staff costs had increased, on balance, the Board considered that the budget provides for a sensible and defensible level of investment in the core capabilities required to make WFD’s activities more sustainable in the long-term.
- Donor willingness to cover indirect costs varies from donor to donor. However, DFID has recently reviewed its approach to cost recovery and the revised policy is likely to be closer to the USAID model, which better recognises the resources needed to support programme delivery. This is in contrast to the typical EU model. The Board encouraged Management to adopt a rigorous approach to ensuring that new contracts or grants fit with our strategic objectives and are viable. This includes securing appropriate indirect cost recovery. In some circumstances, this may result in opportunities being turned down. The Business Development Strategy which is currently under development will be key to making these decisions.

The Board approved the draft budget for 2019-20 in principle. In the event that FCO confirms a lower than forecast grant in aid, the Board should be notified as soon as possible.
5. **Tailored Review Implementation Plan**

Anthony presented the overview of recommendations and the Tailored Review implementation plan discussed with the FCO. Anthony highlighted the recommendations relevant to governance and Board.

The Board agreed, in principle, that a second Vice Chair ought to be appointed from among the independent Governors, subject to the willingness of at least one independent Governor to take on this role.

The Board did not see a case, at present, for increasing the size of the Board. It was possible that at some point in the future an additional independent governor would help share the burden of participating in WFD’s Board and committees or add skills or perspectives needed to provide proper oversight of WFD’s work.

**Action point:** Richard to approach independent Governors for nominations to the role of Vice Chair and to seek views around current capacity.

The Board agreed to discuss a draft proposal, to be prepared by Anthony, on the WFD/FCO strategic relationship at a separate meeting. This proposal will set out a vision for an HMG democracy policy or strategy in which WFD would play – and be held accountable for – a key role, with increased resources. A proposal on this will be submitted to the FCO in advance of a ministerial meeting in July 2019 and the next spending review (to start over the summer).

**Action point:** Romana to organise suitable day for WFD/FCO strategic discussion (around April recess).

6. **Rules of engagement**

The Board endorsed the approach set out in the ‘Rules of Engagement’ paper prepared by Dame Margaret Hodge MP and agreed to ask Dame Margaret to share any additional insights at the next meeting in June 2019.

The Board approved a new Geographical Presence Framework, which clarifies and confirms the internal approach to decision-making on opening and closing country offices.

The Board also approved a formal Resolution of the Board relating to overseas registration and compliance, confirming the Chief Executive and Company Secretary’s delegated authority in this area, and authorised the Chair to sign the Resolution.

7. **Political Party and WFD Collaboration**

Patrick presented the paper with a proposed approach for collaboration among political party offices and WFD programmes.
The Board welcomed the aim of securing more aligned programmes and closer collaboration. The Board approved the two recommendations included in the paper. Board members suggested that an annual conference could be considered as the flagship, cross-party initiative.

The Board noted the positive, joined-up planning process initiated with the parties and the commitment to agreeing a new mutually-supportive partnership agreement between WFD and each PPO.

**Action Point: Management to ensure that future Board reporting and the related KPI’s reflect the collaboration between PPOs.**

8. *Report of Programme Quality Committee (PQC) meetings*

Sue Inglish presented the report of the last Programme and Quality Committee meetings held on 13 Feb 2019.

There were no specific questions or comments and the Board accepted the report. The Chair praised the work of PQC under Sue’s leadership.

- **Programme hot spots: Bahrain, Venezuela, Myanmar**

The Board reflected on the feedback from Lord Bruce on mentorship within WFD’s Myanmar programme.

The Board noted the conclusions of the last Board meeting. After discussion, the Board decided that no changes should be made to that decision at present. The Board recognised Lord Bruce’s contribution to the programme in Myanmar and the possibility of securing Lord Bruce’s expertise in support of other programmes.

The Board noted and supported Management’s decision to close the programme in Bahrain after the recent elections and reflected on the current challenges experienced by the programme in Venezuela.

The Board further noted that Management will discuss Rushanara’s suggestion of exploring the possibility of supporting civil society in Bangladesh.

- **New opportunity clearances**

In line with WFD’s Delegation of Authority policy, Anthony requested approval of several bids above the £250,000 per annum threshold for approvals delegated to Management, namely for:
  - Palestine – Gender Equality in the Occupied Palestine Territories
  - Algeria – Support Open and Inclusive Democratic Institutions
  - Morocco – Inclusive and Responsive Parliamentary Reform and Participatory Decision Making
  - Uzbekistan – Supporting Parliamentary Effectiveness in Uzbekistan.

The Board confirmed its support and approval for proposals.
9. **Report on Audit and Risk Assurance Committee (ARC)**

Mark reported that, in addition to the routine oversight of the internal audit process, including submission of three audit reports, the ARC had requested closer oversight of the management accounts relating to the final quarter of the financial year. The ARC has also offered additional guidance to Management in relation to the procurement and implementation of a range of new corporate systems, likely to take the form of an informal Committee meeting in March.

Mark highlighted further work on introducing the new Safeguarding policy and welcomed efforts to clarify linkages and accountability as between WFD, political parties, and Parliamentary procedures.

There were no specific questions or comments and the Board accepted the report.

10. **Report of Terms and Conditions Committee meeting (TCC), 4 February 2019**

Patrick reported that the TCC meeting had taken place earlier in February 2019 for the first time since March 2017. Only Patrick had been present and hence the Committee was not quorate. Patrick asked the Board to consider appointing an additional independent Governor to the Committee and the Board agreed.

**Action: Richard to approach independent governors for volunteers to became members of TCC**

Patrick reported that the TCC decided that, in future meetings, the Committee will:
- monitor data around gender pay gap,
- clarify the application of WFD’s Code of Conduct to MPs (in particular where accountability lies between parliament, parties and WFD)
- monitor the increased and systematic communication between staff and management.

There were no specific questions or comments and the Board accepted the report.

11. **Quarterly Progress Report**

The Board noted the performance information under the Quarterly Progress Report and that a new format aligned to the Corporate Plan (as outlined under Agenda item 5) will be introduced at the next meeting in June 2019.

There were no specific questions or comments and the Board accepted the report.

12. **AOB**

No additional business was proposed for discussion and the meeting was closed.
Date of the next meeting: 6 June 2019