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 Inglish (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
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 Inglish 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
Company number: 2693163

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