

WSUP Board Meeting
WSUP
8-12 New Bridge Street, EC4V 6AL
19th May 2016

Participants

Day, William (Chair)
Birch, David (Independent)
Marmot, Rebecca (Unilever)
McCummiskey, Jim (Borealis & Borouge)
Mitchell, Ed (Independent)
Pankhurst, Helen (CARE)
Parker, Alison (Cranfield)
Scott, David (Independent)
Westcott, Rachel (WaterAid)

Apologies

Kruger, Rupert (Thames Water)
Thomas, David (Mott MacDonald)
Tyrrel, Sean (Cranfield)

In Attendance

Bacon, Nathan (WSUP)
Baghirathan, Baghi (WSUP)
Jeffery, Neil (WSUP)
Martin, Robert (WSUP Advisory)
Metcalf, Steve (WSUP)
Peacock, Bill (WSUP)
Rajesh, Madhu (WSUP) – by Skype
Wilde, Chris (WSUP)

Minutes & Action Points

1.1 Welcome & Apologies

There were apologies from Rupert Kruger, David Thomas and Sean Tyrrel.

1.2 Approval of Minutes of Last Meeting

The Board approved the minutes of the last meeting.

Ed Mitchell (EM) said that he was pleased the Charities Commission had approved our application to establish a charity.

Neil Jeffery (NJ) confirmed to the Board that the management company for the building had confirmed that the cleaners would now be paid the London Living Wage.

1.3 Approval of the agenda and matters arising

Will Day (WD) introduced the agenda.

1.4 Conflicts of Interest

There were no conflicts of interest.

1.5 Company Secretarial and Membership

The Board noted the additional credit cards.

There were no related party transactions.

Chris Wilde (CW) updated the Board about financial matters in Zambia, and stated that confirmation had been received from USAID regarding the resolution of the VAT situation. As a result WSUP can now be included on their list of approved purchasers.

CW noted the recommendation that the charity could be renamed from The WSUP Foundation to The WSUP Charity. NJ explained to EM that this was recommended by the lawyers who established the application process. WD informed the Board that Richard Aylard (RA) would take on the role of Chair of the new WSUP Charity, and one of the first tasks would be to identify and recruit further Trustees.

[Action – NJ to communicate with Richard Aylard regarding next steps in the development of the WSUP Charity]

CW drew the Boards' attention to the Health & Safety (H&S) incidents and the extra insurance cover that had now been secured. WD questioned whether the lack of cover for consultants would affect WSUP Advisory. The Board discussed the issue and recommended that external consultants should always provide their own insurance.

Rachel Westcott (RW) requested clarification on progress made on the security plans for the various countries. Jim McCummiskey (JM) asked for additional information on the progress made to date on in country and in London HQ with respect to H&S. NJ confirmed that we are in the process of producing H&S and security reports for each WSUP country. RW offered to share WaterAid's expertise & plans for their various country programmes with WSUP.

[Action – NJ, BP & CM to support the preparation of H&S and security plans in each WSUP programme country]

CW thanked all of the Board members for the Standard Chartered Bank paper work that they had submitted. EM asked for clarification on whether we would keep the HSBC account as a 'spare' given the history of closing of accounts in Bangladesh. The Board recommended that WSUP maintain more than one account open in Bangladesh at any one time.

The Board noted the appointment of Professor Sean Tyrrel as a new Director for Cranfield University. The Board noted that Thames Water would be appointing a new Director, following the resignation of Rupert Kruger.

[Action – NJ to meet with the new Thames Water Director ahead of the next Board meeting to provide him with induction on membership of the Board]

2.1 CEO report

NJ presented on the completion of the WSUP Business Plan 2012-2016 and the associated impact numbers that had been achieved. WD thanked NJ and whole WSUP team for an extremely impressive performance across the Business Plan period and highlighted the organisation's success in reaching and surpassing the targets set. WD highlighted that this moment represented the end of the last three years' work and the beginning of a new Business Plan period.

NJ highlighted the ongoing negotiations with DFID, and reiterated the expected figure of £14 million to be provided under DFID's urban sanitation programme. The draft business case is expected to be sent up to the Parliamentary Undersecretary of State, Nick Hurd. NJ drew the Board's attention to the positive comments made by Nick Hurd, and recorded in Hansard, regarding the work of WSUP, during a parliamentary debate on WASH services in Africa for low-income consumers.

NJ highlighted the extremely positive comments made by the external evaluators, attached as an appendix to the Board papers, regarding WSUP's impact on the WASH sector and present portfolio of activities. NJ additionally informed the Board of recent analysis provided by Ernst & Young regarding the quality of the business model and business operations in Clean Team.

NJ highlighted the problems that IT had caused the organisation, and informed the Board that an individual had been identified to provide greater leadership and interim management support for this area of work. NJ paid tribute to CW's hard work in resolving the issues to date.

WD asked if any of WSUP's subsequent funding was dependent on the DFID grant, and NJ explained that this was not the case, although certain funders would require us to identify a co-funding contribution to their funds and DFID represented a very flexible 'pot' to cover this necessity.

WD asked for further clarification on the performance of the Payments by Results (PbR) programmes. NJ explained that in general WSUP had performed well in achieving the targets established in the PbR contracts and therefore had received or was expecting to receive almost 100% of the payments associated with each contract. NJ reassured the Board that in selecting future contracts, WSUP would continue to be rigorous in its assessment of new PbR opportunities. David Birch (DB) clarified the future of some of the existing PbR consortium e.g. SWIFT and SAWR, which may bid for the future opportunities; for example, the new DFID PbR pot. NJ suggested that WSUP consider partnering in future with private sector companies, who have assisted us in achieving extremely positive results in our present contracts.

WD asked about the close down process of SmartLife. NJ talked the Board through the steps taken, including regular communication with the affected staff, Nicola Carter (NC)'s visit to SmartLife staff in Kenya to talk them through the redundancy process and Gabriela Hernandez (GH)'s detailed assessment and review of the business to learn lessons regarding WSUP's establishment and ownership of SMEs.

Helen Pankhurst (HP) asked about the WSUP management response to the proposed new DFID funding, and there was much discussion between Board members about this. The Board asked about DFID suggestions that we should extend into other countries, particularly in Asia. NJ commented that if we were to make such a decision, significant and detailed analysis would need to be conducted ahead of the final decision. HP asked how invested our relationship with DFID was in Jane Crowder, and NJ assured her that we had a wider relationship with the whole DFID WASH team, including Simon Bibby and Guy Howard, the team leader.

[Action – NJ to provide further update and analysis on the new proposed DFID funding contract for WSUP]

The Board noted the excellent achievements made at the close out of the WSUP Business Plan 2012-2016 and noted the progress in preparing and resourcing the WSUP Business Plan 2016-2020.

The Board noted issues related to institutional development, commercial and enterprise development, risk management and communications.

2.2 Funding Report

NJ gave a brief overview of the funding report and informed the Board that Madhu Rajesh (MR) would be available for questions later in the meeting.

WD commented on the diversification of WSUP's funding streams, which was a positive trend, but noted that we need to retain a clear focus on maintaining the value that we add to funders. JM suggested that the Risk Committee consider further the present funding streams. NJ explained the investment into the new Partnership & Development team to enhance our ability to attract greater sources of unrestricted revenue. He additionally described the bridge funding that had been secured to smooth the transition from one DFID grant to the next.

The Board noted the update on funding.

2.3 WSUP Advisory CIC

Robert Martin (RM) commented on the advances made in the WSUP Advisory (WSUP-A) India contract, and the great success of the recent visit of NJ and RM to India to meet the team and federal and municipal authorities. An Memorandum of Understanding (MoU) will be signed between WSUP and ASCI, an Indian research institute based in Hyderabad. A stakeholder workshop is planned for the month of June to bring together state and city-level officials, together with representatives of the private sector, to plan for investment in sanitation services for low-income consumers at state level.

WSUP-A will provide a pilot training for UNICEF to be held in Jordan.

RM highlighted the new prospect in Sierra Leone that could be a US \$5-10 million project for WSUP-A, as well as other prospects.

RM estimated a surplus of £80k for the FY16, which had just recently closed.

RM informed the Board that a candidate had been identified for Technical Manager, subject to a final face-to-face interview to be held with NJ in June.

EM brought up the risk of nearly 60% of the funding coming from a single contract, and discussion followed which recommended further diversification of contracts and revenue sources.

David Scott (DS) commented on the difficulties WSUP-A may face with sub-contractors fulfilling parts of WSUP-A's contracts. RM mentioned that the new Technical Manager will be building lessons learnt into the work of WSUP-A as a proactive effort to get the best knowledge from the WSUP experiences. Discussion moved onto the cadre of committed consultants and their ability to replicate and disseminate WSUP best practice.

[Action – RM to provide further information on the building of lessons learnt across the work of WSUP-A]

The Board noted progress against the WSUP Advisory CIC goals.

2.4 Finance & Audit Committee Report

DS talked the Board through the minutes of the Finance & Audit Committee, and once again paid tribute to CW's hard work in creating a stable finance team. The IT issues were discussed at length by the Finance & Audit Committee and they highlighted the need to identify solutions as quickly as possible to these. The Finance & Audit Committee has identified a number of areas for improvement related to financial reporting and financial management, and has requested an update over the next quarter.

[Action – CW to provide an update on the identified areas for improvement in financial reporting and management]

Discussion moved onto the contingency planning in the case that DFID funding is delayed or does not materialise. DS felt that our reliance on DFID was substantial, but the bridge funding meant that no additional detailed analysis was required at this stage. DS confirmed that in his opinion there were good prospects for getting the DFID funding, but if this is were not finalised and confirmed by the end of June then contingency plans would need to be further developed and examined ahead of the August Board meeting.

[Action – NJ and CW to prepare contingency plans for the August Board meeting; to be prepared in the event that DFID funding is not secured ahead of that meeting]

RW asked about the current headcount and whether this would be increasing. NJ confirmed that given the present circumstances it would not, except where we had contracted funds that required additional capacity to fulfil or complete a funded operational priority.

2.5 Risk Committee

The Board reviewed the minutes of the recently formed Risk Committee, chaired by Philip Naderer. JM recommended that further members of the Risk Committee be identified. WD suggested that the Board discuss risk at greater length in a future Board meeting.

[Action –NJ and CW to identify additional potential members who could serve on the Risk Committee]

2.6 Resources Report

CW discussed the management accounts to the end of FY16, including fund balances and cash flow analysis. CW was comfortable with the analysis produced and position of the fund balances. The audit is planned to start on the 9th September 2016.

The work of the Systems Steering Committee was briefly talked about. There is now a better understanding of the systems we would recommend to promote WSUP operational efficiency and better functioning.

EM asked about lessons learnt from the Japanese Social Development Fund (JSDF) exchange loss and there was a discussion with respect to how to avoid this in the future.

The Board noted the progress on Finance & Resources.

2.7 Budget & Operational Plan FY17

NJ talked the Board through the Budget & Operational Plan for FY17. NJ highlighted this was only the second year that WSUP had produced a budget and operational plan, and that this was the first time that the analysis had been built from the team and operational level up. NJ thanked CW for his work on assisting to construct the budget. DS confirmed the Finance & Audit Committee had discussed the budget and the analysis contained within in detail.

The Board approved the Budget & Operational Plan for FY17 as a fair representation of proposed organisational activity and expenditure in FY17.

3. Role of Influencing & Leveraging Finance in the WSUP Business Plan 2016-2020

Baghi Baghirathan (BB) presented to the Board in his new role as Director WASH Finance.

WD thanked BB for a very good presentation.

HP asked what research there was regarding public-private partnerships (PPPs) in different countries. DB asked BB about the inclusion of service delivery to poor communities as part of concessionary or international financial institution (IFI) finance in cities where WSUP is operating. BB highlighted the extremely positive contribution that that WSUP can provide in this type of investment. NJ explained the qualitative contribution that WSUP can provide to this type of major investments, ensuring that they contained a well-designed pro-poor component.

BB commented on his recent conversations with World Bank officials and DFID.

WD mentioned the fact that we need to link this portfolio of activity to thinking regarding the Sustainable Development Goals (SDGs). He also mentioned the growing community of impact investors who are increasingly interested in pro-poor investments.

BB explained how he would be developing his portfolio of work related to Strategic Area 4 in the new WSUP Business Plan 2016-2020, Mobilising Finance. His initial activity will focus on Madagascar and Mozambique, as well as Zambia.

4. Partnerships & Development to support the WSUP Business Plan 2016-2020

Madhu Rajesh (MR) presented to the Board via Skype from Bangladesh, with support from Steve Metcalfe (SM).

SM then presented to the Board on the role of communications within the organisation, focusing on the strengths and weaknesses of our present communications.

WD thanked MR and SM for their presentations, and commented that they represent our increasing professionalisation in responding to funding needs.

EM spoke about the importance of segmenting the audiences we aim to reach with specific and separate messages. AP offered the expertise of Cranfield University to help WSUP explore further funding opportunities related to research.

5. AOB

There was no other business.

Acknowledged as a true and accurate record of the meeting:

Signed	
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