

WSUP Board Meeting
WSUP
8-12 New Bridge Street, EC4V 6AL
23rd February 2017

Participants

Day, William (Chair)
Birch, David (Independent)
Lochery, Peter (CARE International)
Marmot, Rebecca (Unilever)
McCummiskey, Jim (Borealis & Borouge)
Mitchell, Ed (Independent)
Piotrowski, Jaroslav (Mott MacDonald)
Simons, Karl (Thames Water)
Tyrrel, Sean (Cranfield)
Westcott, Rachel (WaterAid)

Apologies

Scott, David (Independent)
Pankhurst, Helen (CARE International)

In Attendance

Abidid, Yaver (WSUP)
Bacon, Nathan (WSUP)
Jeffery, Neil (WSUP)
Lamb, Alastair (WSUP)
Rajesh, Madhu (WSUP)
Walsh, Anne (WSUP)
Wilde, Chris (WSUP)

Minutes & Action Points

1.1 Welcome & Apologies

Will Day (WD) welcomed the Board to the meeting, and introductions were made for the benefit of the new Directors.

There were apologies from David Scott & Helen Pankhurst.

1.2 Approval of Minutes of Last Meeting

The Board approved the minutes of the last meeting.

1.3 Approval of the agenda and matters arising

WD introduced the agenda and there were no additions or matters arising.

The Board approved Jaroslaw Piotrowski (JP) as Director for Mott McDonald. JP provided a quick explanation of his professional background and thanked the Board for the opportunity to join as the representative of Mott MacDonald.

1.4 Conflicts of Interest

There were no company or individual conflicts of interest.

1.5 Company Secretarial and Membership

The Board noted the change in credit card arrangements.

Chris Wilde (CW) notified the Board that Karl Simons (KS) has kindly offered to serve as a member of the Risk Committee. The Board agreed to this proposal and thanked Karl for the additional time that he would be dedicating to WSUP.

CW updated the Board with regards to the liabilities associated with the closure of Smart Life as a wholly owned subsidiary of WSUP in the Kenya jurisdiction. CW confirmed that we had successfully managed to reduce the respective liabilities, following engagement of the services of Deloitte in Kenya. WD thanked David Scott (DS) for facilitating the connection to Deloitte, and CW for his considerable work on this matter. Jim McCummiskey (JM) suggested a "lessons learnt" exercise from this, which CW agreed to compile once the question of liabilities had been finalized. NJ noted that the 'lessons learnt' exercise should be developed in alignment with other improvements in compliance.

[Action – CW & NJ to continue to manage the situation related to potential liability associated with the close down of the WSUP subsidiary, Smart Life in Kenya, and to lead a 'lessons learnt' exercise once all liabilities are resolved]

CW noted the forthcoming MOU with Cranfield. WD thanked Sean Tyrell (ST) and NJ & CW for the progress made in developing the MOU. WD suggested if the model proved to be successful that at some point in the future we consider MOUs with other members.

CW highlighted that the opening of the Bangladesh bank account with Standard Chartered Bank was making progress; all required information has been submitted.

No Directors were aware of any related party transactions.

The Board agreed to change the mandate for the Ghana bank accounts.

WD asked for an update on progress in transferring shares in WSUP Advisory India from Neil Jeffery's (NJ) to WSUP Advisory. WD emphasised it would be in the interests of all parties to enact the previously made decision as soon as possible. NJ concurred that we should ensure that the transfer take place as soon as possible. David Birch (DB) explained that according to advice from the new selected legal and compliance advisors in India a transfer between two foreign entities could be authorized and enacted outside of India at any time. The Board recommended that this transfer take place at the earliest convenience.

[Action – YA to proceed with the transfer of shares using the external entity approach from NJ to WSUP Advisory at the earliest convenience]

WD asked NJ to provide some additional information to the Board on the fatality of one of our staff that occurred in Zambia. NJ explained to the Board that David, the member of the WSUP team in Zambia who died in a car accident, had not been on WSUP business at the time of the incident. NJ explained that, due to the status of the WSUP team in Zambia being employee of Zulu Burrows (and contracted to WSUP) rather than employees of WSUP, our insurance would not cover them in same way as a normal WSUP employee. NJ had engaged with Levi Zulu, the owner of Zulu Burrows, to seek a solution to this situation. NJ and Levi Zulu had agreed that both companies would pay David's family the equivalent of six months' salary (i.e. a total of 12 months, equivalent to approximately £30K). Additionally Zulu Burrows would cover David's funeral costs. Additionally staff and Board members of WSUP provided personal donations for David's family. Rachel Westcott (RW) asked for clarification on David's understanding of his benefits prior to his death. NJ explained that a previous opportunity had been provided for WSUP staff in Zambia to move to WSUP contracts, but all had elected to remain on their Zulu Burrows contract. Ed Mitchell (EM) suggested working with Zulu Burrows to encourage them to bring their insurance cover up to the standard of WSUP. KS asked about driver training.

[Action – NJ to work with the WSUP Zambia Programme Director to advance the issue of insurance cover and driver training]

2.1 CEO report

The Board noted the progress in implementing the WSUP Business Plan 2016-2020, and other issues related to business planning, enterprise development, risk management and communications.

NJ spoke to his report, highlighting the key points, including an explanation of the positive developments of SWEEP business model and the potential interest from Skoll Foundation to fund the scale up of this innovative sanitation business model in Bangladesh. If agreed, the funds would constitute second round funding to WSUP from the foundation, following our original \$1.25 million grant; only a small percentage of the Skoll portfolio are ever selected for second round funding, so if this were to occur it would be an extremely positive development.

NJ explained that in the third quarter of the year impact number had started to noticeably pick up again, with additional substantial progress on indirect beneficiaries in Q3, following the slowdown in activity in Q2, due to the previous delay in confirming the four year DFIS support grant.

NJ provided additional information on the successful reduction in liabilities connected to the closure of SmartLife and thanked CW for his excellent working in leading this process.

WD thanked NJ for his report and noted the very considerable level of activity and progress that was taking place across the organization on multiple issues.

JM asked if the three policies and one procedure to be signed off by the Board had been discussed at the Risk Committee previously. It was confirmed that this has not happened, but that would be good practice. The Board agreed to sign off the policies and procedure tabled, on the proviso that any additional recommendations from the Risk Committee would be reviewed and incorporated if agreed.

[Action – NJ to send the three policies and one procedure to the Risk Committee for review and feedback any comments or suggestions regarding rewording to the Board]

EM asked for clarification on the decision to move the Global Meeting in 2017 from India to Kenya. NJ provided further explanation to the Board, including advice that we had received from our in-country advisors, following the incidents described in NJ's report. The Board thanked NJ for the explanation and agreed that, given the circumstances, the decision was a sensible one.

EM noted the positivity in the additional analysis of the SWEEP business which showed customer segmentation and the relationship to profit motive in the CEO report and commented on the significant advances in the thinking connected to the business model.

EM requested more information on the proposal to use UV treatment in drinking water in Bangladesh. Anne Walsh (AW) clarified the situation, explaining that the UV disinfection was planned to occur at the point of use.

WD noted that the report contained the recommendation that WSUP procure an alternative provider to CARE International. Alastair Lamb (AL) noted that CARE was having its own challenges with IT, and spoke to the costs of moving IT support into the cloud. The Board were in agreement that WSUP should start a process to move IT services to the cloud and engage a new IT support provider.

[Action – AL to provide a recommendation re new IT cloud based services and IT support provider]

JM asked for clarification on the development of the PULA app, which NJ provided.

Rebecca Marmot (RM) asked what lasting ramifications WSUP Kenya may experience given the Smartlife situation. NJ explained that the close down of the company, despite being complex, had been handled well, and as a result any knock on impacts on WSUP Kenya would be minimal and could be successfully managed.

2.2 Funding Report

Madhu Rajesh (MR) provided an update to the board on the funding situation.

WD thanked MR for her report. MR highlighted that by the end of FY16/17 circa 60% of the Business Plan will be funded.

EM congratulated MR and the WSUP team on the successful diversification of funding sources, which he considered incredibly positive. EM noted that many new names had appeared on the securing funding list, many of whom he had never heard of before. WD highlighted that major funders were now seeking WSUP out to seek our advice on potential new funding opportunities.

This was further confirmed by the visit by the representatives of UN High Level Panel on Water to discuss their future funding plans.

WD noted the slow progress of contract negotiations with TCCAF, especially in Madagascar. Peter Lochery (PL) mentioned that CARE International had faced similar difficulties in the past. The Board noted that the transaction costs with these types of contract remained high, due to the length and complexity of the negotiation process.

MR tabled a proposal for the Board to discuss regarding due diligence of potential funders. EM mentioned the potential reputational risk in not getting this process right. The proposal was agreed by the Board and the board thanked MR and her team's work on establishing the due diligence process.

RW asked how changes to the Data Protection legislation were affecting the team in respect to High Net Worth Individuals (HNWI)s. MR noted that HNWI were still a very limited part of WSUP's funding portfolio.

The Board noted the proposal to develop the visual identity, which would be presented later in the meeting.

2.3 WSUP Advisory CIC

Yaver Abidi (YA) spoke to the slide presentation on WSUP Advisory included in the Board papers. WSUP Advisory management accounts were also provided to the Board.

YA provided additional information on the ABinBev contract, which is one of WSUP Advisory's largest corporate engagement contracts to date.

EM noted that the forecast full year profit was an increase on previous estimates.

2.4 Finance & Audit Committee Report

The Board noted the Finance & Audit Committee minutes.

EM spoke to the progress that was being made by CW and the finance team.

EM asked for further information regarding the level of reserves. NJ concurred that this was a priority issue, and recommended continued close monitoring of the interaction between restricted and unrestricted funding. Additionally he highlighted the need to continue to grow the levels of unrestricted reserves to provide stability for the organization, as it continues to grow at a significant pace.

WD thanked all of the Finance & Audit committee for their additional work.

2.5 Risk Committee Report

The Board noted the Risk Committee minutes.

JM & RW spoke to the content of the previous meeting of the Risk Committee, which they saw as continuing to make positive process. The Board noted that at the next committee meeting the committee should make their first 'deep dive' into one specific area of risk, which would be the area of compliance. JM highlighted the requirement of further board level discussion regarding the level of WSUP's risk appetite.

2.6 Resources Report

The Board examined Appendices VII & VIII, the Terms of Reference for the Risk Committee and the Finance & Audit Committee. Both drafts had been discussed and approved by the respective committees. The Board formally approved and adopted these. These will be reviewed periodically.

The Board noted the progress on Finance & Resources.

CW spoke to the papers, highlighting the progress the team has made.

CW informed the Board that the work establishing a global grading system for all staff and all positioned was being prioritised.

RW asked who WSUP would use for benchmarking exercise and AL provided this information. RW thanked AL. The Board recognized the importance of benchmarking against other commercial operators, water utilities and NGOs.

2.7 Approval of Policies & Procedure

The Board agreed to formally approve the following policies: Risk Management; Diversity & Inclusion; and Information Security & Data Protection Policy. Additionally the Board approved the Business Ethics Procedures. As noted earlier the Risk Committee would be asked to review all four and provide any additional recommendations regarding content.

PL asked for additional information on the process to approve the new set of policies and procedures. NJ explained that all the policies were signed off by signed off by the Board, and additionally two of the procedures, namely the Health, Safety & Security procedure and the Business Ethics procedure. Other procedures would be signed off at SMT level, as the practical enactment of the policy established by the Board.

NJ thanked YA & Bill Peacock (BP) for their work on preparing the policies.

3. Communications as a critical element for success in WSUP Business Plan 2016-2020

Steve Metcalfe (SM), Head of Communications, gave a presentation to the Board on the development in the communications team and the proposals for a new visual identity. Madeleine Stottor (MS), Communications Officer, was also present.

The Board provided feedback on the visual identity proposal. YA highlighted the benefit in the visual concept being enigmatic as this allows an explanation of our narrative. Sean Tyrrel (ST) complimented the strong imagery used throughout the presentation.

KS asked where the new visual identity would be used and SM reported on the suite of resources currently being created. NJ spoke to how the visual identity would be repeated across all of communications vehicles.

EM requested that more technical imagery to be captured alongside community based projects in the WSUP picture library, to highlight the development of larger scale technical equipment and infrastructure that WSUP supports.

WD spoke encouragingly of the chosen new visual identity. There was discussion about staff views on the visual identity.

WD asked about the timetable for the roll out of the new visual identity. SM explained the aim is to have the first materials, i.e. the new paper brochure, ready for the Skoll World Forum in April. The website and other online materials would be developed after that date.

The Board approved the use of the new visual identity.

4. WSUP – Advisory: Progress to date, and opportunities and challenges of growth trajectory in the future

NJ gave an introduction to YA and the work that WSUP Advisory.

YA, Managing Director, gave a presentation to the Board. The points raised will feed into the strategic paper. WD thanked YA for his presentation.

YA posed a series of questions to the Board and an extensive discussion took place based on these issues raised.

DB spoke of how the size of WSUP-A would dictate many of the other points raised by the presentation. WD highlighted how WSUP's principle has been to catalyse action in other markets and by other actors. WD spoke of the fact that there should be no constraints on WSUP-A, particularly in relation to the size of WSUP and its programmes. NJ spoke of the potential for WSUP-A to be in multiple locations.

WD highlighted the principle that WSUP-A would evangelise the work of WSUP without having to develop further programmes and therefore would not deliberately choose to select certain areas, although clustering of activity may occur due to the types of contracts WSUP-A is successful in winning.

YA confirmed that he would present a strategy for WSUP-Advisory for FY 17/18 and beyond at the next WSUP Board meeting.

5. AOB

The Board dates for the rest of the year were agreed as:

- 18th May
- 17th August
- 23rd November

Acknowledged as a true and accurate record of the meeting:

Signed	
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