

WSUP Board Meeting
Fleet House, 8-12 New Bridge Street
London EC4V 6AL
18th May 2017

Participants

Birch, David (Independent)
Day, William (Chair)
Lochery, Peter (CARE International)
Marmot, Rebecca (Unilever)
McCummiskey, Jim (Borealis & Borouge)
Parker, Alison (Cranfield)
Piotrowski, Jaroslav (Mott McDonald)
Scott, David (Independent)
Westcott, Rachel (WaterAid)

Apologies:

Mitchell, Ed (Independent)
Simons, Karl (Thames Water)
Tyrell, Sean (Cranfield)

In attendance (WSUP):

Abidi, Yaver
Dobbie, Cameron
Jeffery, Neil
Norman, Guy
Rajesh, Madhu
Walters, Alicia
Wilde, Chris

Minutes and Action Points

1.1 Welcome and apologies

Will Day (WD) welcomed the meeting and gave apologies.

The Board accepted that Ed Mitchell would fulfil his term before stepping down from the Board.

[Action - Neil Jeffery (NJ) to clarify the dates of his current term]

1.2 Approval of last meeting's minutes

Minutes were approved and signed with no amendments

1.3 Approval of the meeting's agenda & matters arising.

The agenda was approved with no amendments.

1.4 Register conflicts of interests

There were no conflicts of interest to register.

1.5 Company Secretarial and membership

CW reported the estimate costs of the close down of Smartlife Kenya.

NJ is no longer on the Board of Clean Team and has been succeeded by Georges Mikhael

The Board formally noted and approved a credit card for a new member of staff.

The Board discussed the new legislation on the gender wage gap and recognised that reporting on the issues was not mandated, however they recommended that WSUP strive to be compliant with the new standards.

[Action - CW to check if those who provide service to the London office from the building management company are being paid London Living Wage]

2.1 CEO's Report

NJ spoke to the CEO's report and highlighted the positive resource generation activities from Year 1 of the Business Plan, with particular note that on the TCCAF \$3.2m contract in Madagascar which is near completion. Appreciation was noted to the persistent efforts of the P&D Team with respect to this.

NJ updated the Board on the continued conversations with the Skoll Foundation to scale up the SWEEP model, however explained that only 3-4% of Skoll applicants receive second round funding. Enthusiasm from Skoll was clear, in particular for the quality of thinking behind the business model. Their appreciation of WSUP's role in successfully developing the business model in Dhaka and Chittagong was evident.

NJ addressed the Global Planning Meeting and its role to support the Business Plan; thanking the WUSP team for their hard work in facilitating the discussions and sharing the highly encouraging progress on how to develop team skills and activities to respond to SA2, 3 & 4 priorities.

NJ noted the deep conversations currently taking place with DFID regarding the reporting of beneficiaries. Thanks given to Guy Norman (GN) and team for investment in this work. NJ explained WSUP's clear role to help DFID understand the need to include shared sanitation in figures in reporting.

NJ spoke to risk management and the successful navigation of the Ransomware attack, paying thanks to Alistair Lamb (AL) and team, and provided further detail to the Board on the new infrastructure system and support for cloud computing software.

WD opened the meeting to questions.

David Scott (DS) enquired as to the level of support which will be required for the increase in SWEEP activity, reminding the Board of the example of Clean Team that did not meet its originally stated objectives. NJ differentiated SWEEP from Clean Team drawing attention to the rapid time frame to reach profitability in SWEEP; additionally he highlighted that WSUP does not own the SWEEP business, rather it is owned by entrepreneurs, resulting in lower levels of liability to WSUP.

David Birch (DB) highlighted WSUP Bangladesh should assess employment opportunities for sweepers whose work may become redundant due to the expansion of SWEEP.

WD queried if the Skoll funding would be included in the business plan. NJ explained that yes finance from Skoll would be included in the business plan as it would be required to finance the WSUP support to develop, promote and expand SWEEP.

DS asked for clarification on the management structure of SWEEP. NJ responded that the assets are owned by the city corporations, the company is ran and owned by the entrepreneur; the right to run the services is designated through a contract signed by the city and entrepreneur, and created by WSUP. The contract states the entrepreneur must serve a percentage envelope of LICs, and must dump waste safely.

The Board recognised that WSUP technically only owns the brand of SWEEP and not the business.

[Action – NJ to follow up on discussion regarding registering the SWEEP business/brand]

DS asked if there is set framework to track the SWEEP trucks to ensure 30% of service to LIC. NJ clarified tracking service is on all trucks and all data can be monitored.

DS noted the potential inaccuracies of the Gross Margin figures on the Clean Team projections and expressed scepticism that the business model would reach the selected targets.

[Action – NJ to check these figures with CW and the impact on EBITDA]

DS mentioned potential interest from Global Innovation Fund in the WSUP sanitation business model given the considerable social impact value it is creating.

[Action – NJ to follow up with DS on Global Innovation Fund contact]

The Board acknowledged the Communications highlights from the CEO's report

2.2 Partnerships and Development Report

MR spoke to the report and underlined that 53% of the Business Plan has been secured at the end of Year 1. MR shared the positive news of the forthcoming resolution of TCCAF contract in Madagascar and noted that a research component for Madagascar had also been included in the Dubai Cares proposal.

MR updated the Board on the funding pipelines of the programmes countries and forthcoming priorities based on funding needs.

WD highlighted the challenge and delays of the Rotaract funds for Zambia being routed via Zimbabwe and requested support from the Board to assist in any way to accelerate the process.

[Action – MR to follow up on Board assistance to unlock delay in Rotaract funding]

MR noted the potential lag in funding that may result towards the end of 2017 given the extremely fast pace of funding over the last six months and the staffing changes within the team.

The Board thanked Souraya Chenguelly for significant contributions to the P&D Team.

No questions were taken. WD thanked the team for the active pipeline and the funding opportunities on the horizon.

2.3 WSUP Advisory

Yaver Abidi (YA) shared specific comments on the WSUP Advisory report.

Given the Ransomware attack, YA noted the slower rate of financial reporting for the year end.

YA updated the meeting on the work with ABInBev in Zambia and the hope to develop a sustainable model for the water trust to develop water services for the George community in Lusaka. WD and Peter Lochery (PL) highlighted the likelihood of a water trust already exists or may have existed in George previously.

[Action – PL to review this and check on history of water trust in George]

YA conveyed the positive news that WSUP Advisory has been invited to bid for several contracts to the Lusaka Sanitation Project, funded in part by the World Bank.

YA asked the Board to note the budgeted revenue for FY17/18 of £1.6m and explained that the increase is due to the increase of work opportunities in the year ahead.

NJ clarified that the WSUP Advisory budget is a subset of the WSUP Operational Budget for FY17/18, tabled in the papers for this meeting.

2.4 Finance and Audit Committee Meeting Minutes

DS spoke to the minutes of the previous Finance & Audit (F&A) Committee meeting on 3rd May and noted the revised ToR as discussed and accepted at last F&A Committee meeting.

DS reported on the discussions regarding the appointment of new auditors. He highlighted this as an example of good practice and recommended this process begin after the FY16/17 audit.

The Board accepted the recommendation.

CW stated that a decision on this would be required at the August Board meeting.

[Action – NJ to include this item on the agenda for the next Board meeting]

DS noted that the F&A committee would need to appoint another member to replace Ed Mitchell after his departure.

[Action – DS to make recommendation re new F&A Committee member]

DS highlighted the constructive conversation held by the F&A Committee on WSUP's reserves and the desire of the Committee to establish a policy of increasing reserves to strengthen the organisation going forward. NJ added to the point explaining the growth in WSUP's reserves has considerably lagged behind the rate of growth in revenue, and there is a need to prioritise this issue.

DB suggested the selection of the same auditor for WSUP Advisory and WSUP and the meeting agreed on this.

2.5 Risk Committee Minutes

Rachel Westcott (RW) spoke on behalf of the Risk Committee (RC) and the contents of the minutes of 3rd May Meeting, noting particularly the agreed rolling agenda, containing deep-dive sessions on different risk areas, and the discussions around risk appetite.

The Board accepted the need to create an opportunity – probably on an annual basis – to consider risk appetite for WSUP at future Board meetings.

CW said that the Risk Committee would be preparing a questionnaire to assist to gauge the Board's risk appetite; the questionnaire to be finalised and circulated ahead of the meeting in August.

WD thanked the members of the RC and the time they dedicated to exploring and managing the risks related to WSUP's operations.

NJ emphasised the need to discuss the risk appetite in the context of the present state of reserves – the latter will clearly influence the former.

Jaroslav Piotrowski (JP) noted the difference between corporate, operational and reputational risks.

NJ updated the board that Philipp Naderer, chair of RC, would be willing to report back to the Board once a year on behalf of the RC to help provide greater continuity between the two entities.

Rebecca Marmot (RM) enquired about the new IT systems and the risk of infection through the cloud. NJ spoke to this and highlighted the increased security that the cloud systems provide, as a result of the more powerful firewall that it provided.

DB highlighted that the reserves are in general raised by the membership fees. NJ accepted the point and explained the difficulty in raising reserves for the organisation and recommended that the organisation look to other alternative ways to augment the reserves.

WD highlighted that in the future there maybe opportunities to use surplus from WSUP Advisory to contribute to reserves.

2.6 Resources Report

CW spoke to the report and highlighted specific issues. He emphasised that in FY16/17 expenditure was lower than forecast. He noted however that income was in line with budgeted forecast as a result of the delay in DFID confirmation of support in mid-2016.

The development of the Finance Team will ensure coverage of two functions; firstly financial systems and processing and secondly budget and fund management, the latter will assist the P&D team in an increased capacity.

CW explained that the cloud accounting would provide the team with greater flexibility in finance processing work, and also in cascading down to country teams.

DS enquired as to the safety of the cloud software and the steps that may be needed to support. NJ replied and focused on the firewall and backup, which also protects the city of London, provided by the Citrix network.

WD noted the current recruitment needs of the organisation and the desk space requirements.

Members of the Board highlighted the possibility of hot-desking in WSUP.

WD noted thanks Care International for hosting WSUP's IT for 10 years ahead of WSUP completing migration to the cloud.

2.7 Operation Plan & Budget FY17/18

CW spoke to the financials and NJ spoke to the narrative.

The Board accepted the projected expenditure for FY17/18.

NJ thanked the Finance Team for the quality of the Operational Plan and Budget and the resulting accountability and strengthened financial management that this provides to WSUP.

A discussion took place around WSUP's current cost per beneficiary (CPB) and the current metrics used by both DFID and WSUP. It was clear from the discussion that WSUP currently falls within DIFD's envelope for CPB. The need for further monitoring of the direction of WSUP's CPB was noted.

The Operational Plan and Budget was approved and adopted for FY17/18.

3. WSUP Research Strategy, WSUP Business Plan 2016-2020.

GN introduced the presentation and updated on the Board on the aim of the WSUP Urban Sanitation Research Initiative: to influence market development and government policy, drawing on strong partnerships with local actors.

GN communicated the diverse range of research topics currently identified and updated the Board on the timeline of commissioning and completing the research. The update focused mainly on the consultation workshops held in-country and the subsequent information gleaned from these. The timeline for research commissioning was conveyed and noted by the Board.

GN conducted a consultation exercise with the Board asking them to prioritise a series of suggested research activities.

Alison Parker (AP) and RM noted interest in the project.

Feedback on the exercise was taken and a discussion followed.

AP recommended speaking to the Toilet Board regarding the circular economy of waste to resource. GN noted this and will look into it.

Given that the Bill & Melinda Gates Foundation have increased their funding towards gender based projects, AP also suggested WSUP approach them on any project relating to gender.

WD recommended considerable focus be given on the dissemination process. GN welcomed the comment and explained that approximately 10% of budget has been allocated to dissemination and clarified that the projects are also required to be academic pieces which will be published in journals.

PL enquired around the advocacy targets of the research and the extent to which the outcomes will influence policy. GN acknowledged this point and affirmed that this issue was included from the initial thinking stages of the projects.

JP noted the plans for the research project and asked how WSUP can approach other IFIs to build greater linkages to their research portfolios. GN addressed this and highlighted that the World Bank are represented on the WSUP Research Advisory Board.

[Action – GN to look into further connections with the European Investment Bank and the African Development Bank]

4. WSUP Advisory: Business Strategy for FY17/18 and beyond.

YA introduced the presentation and spoke to the developments of WSUP Advisory since the last Board meeting.

YA highlighted the timeline to date of the strategy development and drew the Board's attention to the increased pro-poor components on large projects.

YA outlined the process of mapping potential clients for WSUP Advisory, with corresponding priority levels, and the sector trend of organisations moving from rural to urban water and sanitation.

Jim McCummiskey (JM) noted the opportunity for WSUP Advisory to work with both direct and indirect competitors in order to help fulfil the organisation's mandate.

YA impressed upon the Board the unique service WSUP Advisory provides in helping organisations navigate the transition from rural WASH to urban WASH. YA paid thanks to the support and infrastructure of WSUP in this process.

In order to differentiate WSUP Advisory from its competitors, JM asked if WSUP Advisory can designate intellectual property to protect the learning. YA responded to the point and expressed doubt as to the ability to protect intellectual findings as the mission is to extract the learning from the core countries and disseminate this information through contracts.

WD thanked YA for the clear and thorough presentation and inquired as to how WSUP Advisory can speak into municipalities who are retrofitting city planning to address mismatching of infrastructure. YA welcomed the point and expressed the belief that WSUP Advisory has unique role in thought leadership to help urban planners to realise that slums will always appear, despite rigorous planning to mitigate such circumstances.

JP spoke to the point of sustainability of WSUP Advisory and the ability to reach into those smaller more focused projects. YA addressed this and explained that due to substantial pro-poor elements of projects there will be increasing opportunities to secure revenue.

The WSUP Board approved the WSUP Advisory strategy for FY2017-2018.

5. AOB

JP noted the desire to increase understanding on WSUP initiatives and look at how Mott McDonald can collaborate more with WSUP on FSM work and NWR projects.

[Action – NJ to link JP with relevant colleagues from WSUP]

[Action – Cameron Dobbie to circulate presentations from GN and YA to the Board]