

Restless Development Report on Trustee Meeting, 15 September 2016

Attendance

Attendance is reflected in the following table. Members of the [International Board of Trustees](#) are listed in the left; [Senior Management Team](#) members are listed on the right. The meeting was chaired by Martin Hayman, chair of the Board of Trustees. The meeting was held at the Restless Development offices in London, UK. Apologies were received from Hannah Brownin, Tom Kabuga, Carol Monoyios, Myles Wickstead, Ed Francis and Kate Muhwezi. Carron Carron Basu-Ray and Christina Lewis represented for Ed Francis and Kate Muhwezi, respectively.

Meeting Dates	28 Jul	15 Sep	07 Dec	26 Jan	26 Apr	27 Jul	15 Sep		28 Apr	28 Jul	15 Sept	07 Dec	26 Jan	26 Apr	27 Jul	15 Sep
Hannah Bronwin	●	●	●	●	●	●	○	Ed Francis	●	●	●	●	●	○	○	○
Jenny Duvalier	○	●	●	●*	○	○	●	Nik Hartley	●	●	●	●	●	●	●	●
Affan Cheema	●	●*	●	●	○	●	●	Gemma Graham	○	●	○	○	●	●	○	●
Jon Gorrie	●	●	●	●	○	●	●	Perry Maddox	●	●	●	●	●	○	●	●
Saffi Jones	●	●*	●	●*	●	●	☒	Ben Sheahan	●	●	●	●	●	●	○	●
Tom Kabuga	●	●	●*	●	●*	●	○	Alex Kent	☒	☒	☒	☒	☒	●	●	●
Carol Monoyios	●	●	●	●	●*	●	○	Kate Muhwezi	●	○	●	●	●	●	●	○
Mathew Otubu	●	○	●	●*	●	○	●									
Aamirah Patel	☒	☒	☒	☒	●	●	●									
Jim Sewell	●	●	○	●	○	●	●									
Myles Wickstead	●	●	●	●	●	●	○									
Charlotte Eaton	☒	☒	☒	☒	☒	☒	●									

● In attendance ○ Absent/apologies ☒ Not a Trustee/Resigned *Via Phone/Skype

Welcome & New Member

Apologies were received from Hannah, Carol, Tom, and Myles.

The Chair welcomed everybody to the meeting and presented Charlotte Eaton, with significant human resources and strategic leadership experience, for consideration to join the Board of Trustees. The Chair proposed that the Board approve the new member of the Board. This was passed unanimously and Charlotte Eaton was welcomed to the Board. She introduced herself and explained her career background, noting she is a current colleague of another Trustee, Jenny Duvalier. The Chair initiated a round table introduction of all members of the Board in attendance.

Budgeting & Planning Presentation

The Chair noted that the Agency was in negotiation for two major awards in Sierra Leone which, if successful, would have a material impact on the Budget proposals. It was agreed to review the Budget as presented and, if approved, and if the new awards were successful, to reissue an amended Budget at the next Board meeting.

The Interim CEO and Finance Director gave a detailed overview of budgeting and planning, briefing the Board on the context, principles and choices of the 1617 Budget process, presenting financial details and analysis, informing of the reserves and risks, and provided a forecast for Budget 1718.

The Finance Director noted the pre-Pipeline shortfall of £750k and after-Pipeline shortfall of £502k, as the proposed opening position of next financial year, with an income of £12.58 million and an expenditure of £13.36 million. The Interim CEO explained the budget assumed the full Global Salary Scale year 1 increases, as well as integration of key functions between the International unit and the UK hub, increases in Waterworks targets, and the decision to place more shortfall into country programmes rather than International, as that is where the majority of the income would be generated. It was highlighted the budget no longer was underwritten by the PPA funding (expiring in December) and that the budget does not assume new central sources of unrestricted income from DFID. The Finance Director explained the opening position would have a smaller percentage shortfall than in the previous year and that the Charity's appetite for budget risks remains similar to previous years.

The Interim CEO reminded the Board of the process and principles behind the 5-year Global Salary Scales and highlighted the budget implications for 1617. A question was asked whether the new Global Salary Scales would be applied to new roles. It was confirmed the head count for next year had already been forecast and included in the budget. Another question was raised about the difference in salary increases across our country programmes. It was explained some countries were already closer to achieving the target of the fiftieth percentile and therefore required a smaller increase.

The Interim COO gave an overview of the top eleven prospects (not included in the budget), highlighting that these prospects were of greater maturity than in years past and that additional human resources had been put in place to support this area. Across these prospects, the agency will aim to make asks worth £13 million in the next year, of which the potential impact on the 1617 budget could be £2.3 million. A question was asked whether those opportunities could be fully cost recovered; it was noted the majority of grants were non-restricted and semi-restricted. It was requested to update the Board on prospects on a regular basis, starting with the quarterly reforecast.

The Finance Director presented the Waterworks, highlighting a forecast 50% increase in the next year, equating to £210k. Waterworks was noted to become the key part of the financial model in a post-PPA era.

The Finance Director gave an overview of the reserves, reminding the Board of the new reserves policy, calculating a risk based benchmark to guide the Board. The Chair explained the Charity should still aim for the target even if there was no immediate obligation to meet it. It was noted that the Board previously approved the use of part of the reserves to cover two local issues and that these amounts would need to be recovered. Repayment plan for those countries and Waterworks investment into reserves were two suggested options for recovery of losses.

Budget Discussion & Approval

The Chairman opened the floor for discussion. A comment was made that the budget was conservative, considering potential funding opportunities not included and a positive change in shifting the overall responsibility to the hubs.

The Board fully supported the first planned Global Salary Scales increase whilst noting that was important to shift a focus on savings to efficient staffing structures, regularly reviewing the headcount. It was requested that the staffing structure would become a regular agenda item in the People Committee meetings.

A question was made about funding expectations from DFID. The Interim CEO noted that expectations were optimistic due to the agency's established position as the youth go-to agency and the strong ties across multiple units, but the new Secretary of State had yet to clearly set out her priorities.

It was suggested to model the global top ten costs, associated with growth, to ensure efficiency as the agency expands. In addition it was suggested analysing the costs of programmes from the perspective of value for money, focusing on the design, staff structure and efficiency.

It was asked whether the budget faced any implications from currency exchange due to Brexit. The Finance Director commented that forecasting changes in currency exchange was difficult but the budget would be adjusted to any currency alterations throughout the year. A large amount of our current funding was in US dollars.

It was noted that the length of grant contracts indicated in the budget would allow the Board to see which sources of funding were long-term and which were short-term.

The Board agreed that plans to rebuild the reserves need to be developed and brought to the next Trustee meeting along with the new reserves targets for 1617.

After further discussion, the Board approved the budget and thanked global and national Finance and Administration teams for their hard work.

Global Strategy Presentation

The Interim COO and Director of Strategy presented the new global strategy, which was launched externally on August 12th 2016. The presentation showed the importance of unleashing the potential of 1.8 billion young people and introduced the agency's vision for 2030 where young people are demanding and delivering a just and sustainable world. The four main changes - new strategic Goals; Restless Model; Youth Collective and new Agency and Hubs model – were all presented in depth.

The Interim COO informed the Board that the strategy launch at Danida in Denmark was well received. It was noted that the post-launch goals focused on continuing the external journey of the strategy, ensuring the staff live and speak the new strategy, and overseeing the success of the business planning.

Update on Sierra Leone

The Interim CEO gave an update on several large pipeline opportunities in Sierra Leone which were recently announced to be successful subject to contract. It was highlighted the two multi-year grants would total to grow around £8.5 million, principally in FY 1617, offering new strategic opportunities, increased reach and impact, and financial benefits; of this, £3.75m would be subcontracted to existing Restless Development partners.

The Interim CEO noted this opportunity would consolidate the agency's post-Ebola position, hopefully for 4-5 years, whilst focusing on key strategic areas of maternal health, community-led change and social accountability. It was stated that the grants would deepen work across the country, immediately putting new elements of Global Strategy into practice

The Interim CEO presented the key risks, associated with this opportunity, including financial mismanagement, inadequate cash flow, leadership failure, reputational damage, staff welfare and poor partner performance. He explained that each identified risk already had a mitigation plan which would be shared with the Board via an extraordinary committee. It was noted that contracts were still in negotiation, with lead donors pushing for implementation to begin shortly after the signoff.

A point was raised about the risk of delayed payments from donors. The Interim CEO agreed but explained Restless Development and its donor partners have plenty of experience in managing such grants in Sierra Leone. Liability concerns for staffing were noted both in terms of sufficient staffing in Sierra Leone and the risk of burnout in the senior management team. Another risk was raised about reputational damage associated with communities if disbursement and activities were delayed.

The risk of declining the grant was also brought up to the Board's attention. It was asked whether recruitment would be difficult in terms of hiring specific technical roles. It was noted that senior roles attract international candidates which provide a wide range of choice. It was also mentioned that the

country programme has a strong pool of volunteers and officers who had previously worked on related Ebola projects. However it was noted that the volume and time scales would make recruitment more challenging and would require support from International.

The CEO noted that the opportunity presents a big leap and in the past the agency had materially increased in size because of similar opportunities. The CEO noted that the most crucial factor was whether the opportunity would give us more capacity, not less, to achieve our global strategy beyond Sierra Leone.

It was noted that, in view of the size of this potential scale up, the projects needed to be reviewed and approved by the Board. It was suggested an Extraordinary Committee be formed and convened this month to approve this addition to the budget position in September. It was also suggested the Chairman chairs the Committee. The Interim CEO proposed that the Interim COO takes full oversight at executive level, with flexible Director capacity below to ensure success. It was further proposed that the Board be regularly updated via Programmes and Policy Committee on a quarterly basis. After a full discussion the Board approved entering into the programmes subject to final review by an Extraordinary Committee chaired by Board Chair, with Programmes Policy and Practice Committee Chair, Finance and Audit Committee Chair and People and Performance Committee Chair as members. Other interested Board members would be welcome.

Leadership Structure

The Board agreed not to review the leadership structure as at this meeting, given the potential growth opportunity in Sierra Leone which could have implications on the staffing structure. It was requested that the leadership structure be reviewed and presented in the next People Committee Meeting.

AOB

The Finance Director asked that permission was given by the Board of Trustees to authorise new signatures for the India bank account. The Chair confirmed the signatories and the Board agreed. A copy of the authority to be placed with these minutes.

It was suggested that the Board meeting in November should start one hour earlier.

The Chair drew the meeting to a close by thanking the Board for their participation.