

# Mistra Urban Futures

## Board Minutes Board Meeting No. 31

8 November, 2018

SunSquare Cape Town City Bowl, Cape Town, South Africa

### Participants:

Olivia Bina (ad hoc Chair in physical absence of Anna Johansson)  
Caroline Wanjiku Kihato  
Thomas Elmqvist  
Benjamin Bradlow

### Ex officio:

Nayoka Martinez-Bäckström, Sida  
David Simon, Director  
Stephen Agong, KLIP  
Margareta Forsberg, GOLIP  
Beth Perry, SMLIP  
Warren Smit, CTLIP  
Barry Ness, SKLIP

### Invited participants:

Viveka Blomgren, Secretariat  
Jan Riise, Secretariat  
Henrietta Palmer, Deputy Scientific Director

**Participating via Skype:** Anna Johansson, Lyla Metha, Carl Mossfeldt, John Robinson, Åsa Moberg (Mistra), Fredrik Nilsson (Chalmers), Liane Thuvander (for Mattias Goksör, Consortium Council).

Before the meeting Olivia Bina was asked to chair the board meeting since she was present. This was accepted unanimously.

## **1. Discussion of focus of Strategic Plan post-2019**

The Director and LIP Directors provided a verbal update on discussions to date as the basis for discussion. David Simon introduced the broad approach, the visioning, that will make it possible to include and engage members of the Board and lead to drafting work and a final version by February 2019. The term 'just cities' and well-being may be emphasised even more, through a clearer focus in local projects on equality, intersectionality, spatial justice, etc. This is all part of a conceptual sharpening. Governance is crucial to all urban transition/transformation processes and agendas, and will be mainstreamed as a cross-cutting theme rather than being a distinct area of work.

The timeline to completion of the draft Strategic Plan is as follows:

- October: preliminary discussions in LIP Directors' conference calls
- November: LIP Directors' SP workshop and discussions with Board
- November/December: development of content
- January: development of final plan, integrating additional elements (intersectionality, engagement, access, etc)
- February: draft to Board for email circulation and approval.

By definition it will not be a completely detailed Strategic Plan for Phase 3, partly because it is needed early in 2019 for Sida's funding decision process, and partly because new funders still to be secured

may want to participate in aspects of the strategic planning and development. There has been dialogue with Sida over its new priorities (gender relations/intersectionality, environment, etc), which are being fully factored into the Plan.

Formalities concerning new transdisciplinary collaborative relationships within participating cities may not necessarily be based on the complete 'Platform' process, a broader range of participatory methodologies than just co-design/production could be deployed.

In view of the necessity to finalise the Strategic Plan in February as a key input to the work of the Sida evaluation panel, the Board will need to comment on the full draft and then sign off on any revisions electronically. A specific conference call could be arranged if necessary, but such detailed discussions of a lengthy document have been shown to be very difficult in such a format – even general Board conference calls often prove challenging to hold together and to ensure full mutual audibility.

**Decision:**

The Secretariat will, within a 3-week period, i.e. before 30 November, produce a short document with an outline of a the strategic plan based on discussions to date.

**2. Opening of the Board meeting**

The Acting Chair opened the meeting on behalf of Board Chair, who participated through video link.

The Director reported briefly from the Annual Conference and the internal workshop earlier in the week. We are seeing the fruit of our labour over time, David concluded, and referred also to the well-attended conference and politically important keynote by the SA Deputy Minister of Co-operative Governance and Traditional Affairs, and excellent keynote by Olivia Bina.

**3. Approval of the agenda and potential conflicts of interest**

The Acting Chair invited the members to review the agenda and suggest any additional issues that might be discussed, and which are not already listed under Item 11 (Any Other Business), and to inform the meeting about any potential conflicts of interest.

The Acting Chair proposed prolonging item 4 by 30 minutes; to note the Director's report from the Annual Conference as replacing item 11 on the agenda; and – if possible – add a closed meeting for Board members only, to discuss the situation for up to 30 minutes, directly after the main meeting.

No conflicts of interest were reported.

**Decisions:** The Board approved the agenda; noted that no potential conflicts of interest were reported; approved the extended time for item 4 and the Conference report; and agreed, if possible, to continue the meeting for Board members only after the end of the formal Board meeting. The Chair flagged that she had other commitments in Stockholm and would not be able to stay on for the latter.

**4. Minutes from previous meeting and matters arising**

Minutes from the meeting on 12 September 2018 had been pre-circulated and approved by the Board electronically, with rewording of two items for clarity.

**Matters arising**

Update of hosting arrangement of the Secretariat and GOLIP. Fredrik Nilsson and Liane Thuvander (Chalmers) represented the cross-university group that, with Ylva Norén Bretzer and Merritt Polk (GU), has been commissioned to prepare a decision regarding the hosting, location and organization of the

Centre (i.e. the 'Secretariat') The Gothenburg platform re-location and re-organisation process is handled by the Gothenburg Consortium Council, which is expected to finalise its decision on 22 November in favour of GOLIP being based in the Gothenburg Centre for Sustainable Development (GMV). The working group is expected to present 1-4 scenarios to the rectors of the universities no later than 15 January 2019, for final decision of hosting arrangements. The Area of Advance is one of the options being considered.

The Terms of Reference for what is now formally called the Future Commission for MUF were circulated to Board members, ex officio and staff members during the meeting, through an e-mail from Chalmers' Rector, Stefan Bengtsson.

The Director pointed out that it was originally envisaged that the decision about the Centre would precede that about GOLIP but delays to the former mean that it will now follow the GOLIP decision, which could have an influence on the eventual outcome. Several Board members questioned the formal grounds for the Terms of Reference, as they were perceived as considerably more far-reaching than expected, and thus possibly overlapping the responsibilities of the Board. The Board asked about the scenarios and content and underlined that the purpose and aims are the most important. Is it appropriate that the working group should set the aims and purposes? These need to be set collaboratively with all concerned, not least in the Centre (Secretariat and LIPs). Time is of the essence, and the Board expressed concern at the reporting deadline of mid-January 2019, with a decision process to follow, especially as it had previously been advised that the process would be completed in time for a formal decision before the 2018 Christmas holidays.

Åsa Moberg at Mistra informed the meeting that the responsibility of the Board continues till the end of 2019 and not beyond that.

It was agreed to deliver a formal note to the host of the Centre, Chalmers, about the concerns of the Board and the Director, regarding the remit of the group and the timeline for decisions.

#### **Update of the ISK report to Sida**

The follow-up is well advanced, and the Head of Admin will send the final report to Sida within three weeks.

**Decision:** To note the previously approved minutes from the Board meeting on 12 September 2018; and to approve the proposal for a formal note to Chalmers, expressing the concerns of Board and Director regarding the remit of the working group's terms of reference as being too far-reaching as stated, and the delayed timeline as adding to the challenges faced by the Centre. The focus of research needs to be discussed and agreed by all parts of the Centre.

#### **5. Update on sustainability plans and funding post-2019**

In the interests of brevity, the Director's and LIP Directors' updates as per the annotated agenda were not discussed. The Director added that plans are now advanced to hire a former employee of Sida and UN-Habitat, now retiring, to work with fundraising for the Centre from early next year. The distinction between programme and project funding is necessarily blurred, with some large project calls having some features of a programme. A mixture is likely to be essential but loss of time as already discussed, is increasing the challenge of raising a full funding package by the end of 2019.

Nayoka Martinez- Bäckström explained Sida's requirements for the assessment of a potential new funding period. The process takes not less than six months, and the following four criteria must all be achieved.

- Ownership, i.e. in Mistra Urban Futures' case, the new hosts
- A strategic and operational plans
- At least one more funder
- Completion/closure of all existing agreements, for new ones to be approved

The ownership/hosting is the key to get the process started. The size of other funders' commitments also forms part of the evaluation. The Future Commission understands that the likely hosting agreement for the Centre will not include substantial cash commitments.

There was discussion about the steps and timeline required for a closure scenario in the event that hosting arrangements and adequate funding were not secured in time. The Director explained that budget provision has been made, with Mistra's approval, to carry over funds covering PhD students and one or two other specific activities to completion beyond 31 December 2019. Discussions had already been held with Chalmers' HR Dept about staffing formalities for the Secretariat/GOLIP. The 4 staff on permanent contracts could be redeployed within Chalmers but all the others are on fixed-term contracts or secondments (the Director and GOLIP Director) ending before or on 31 December. Legally, redundancy processes take up to 6 months so would have to start by the beginning of July – which provides the ultimate deadline for the Centre and Board to decide on the appropriate steps. Knowing this is helpful, since it gives more time than previously anticipated.

If the Sida evaluation can start quickly, it should be completed by mid-2019 and its outcome will be a crucial element in final decision-making. The June Board meeting thus takes on added significance. The Chair emphasised the importance of the Future Commission staying in close touch with the Director and Board through its process. It was also proposed that, if it turns out that the 2 universities are not engaged, other options would be better than closing down – we can put a number of options on the table quite fast. Differing degrees of broad continuity versus radical change were aired, along with disappointment that the host of such a large investment over 10 years seems so reluctant to take on the continuation as expressly desired by the funders.

## 6. COP 2019

The COP structure is basically the same as for the past two years, with a few exceptions:

- Comparative and local projects presentations include plans for finalization during 2019, not least regarding expected output towards the end of the projects, although some will continue independently with external grant funding and some comparative projects will continue if new programme funding is obtained.
- Section F has been renamed QME Quality Management and Evaluation to better represent what it is about.
- The Research School, reported last year within the Methodology section, is placed under GOLIP, as an ongoing concern.
- A brief section on publications are placed under G – Communication, Events and Engagement.

The principal foci during 2019 will be finalisation of Phase 2 and the 10-year programme to date, output (publications – including at least 3 more flagship legacy books and manuals – and interventions) and evaluation of a range of comparative and local projects, and securing partners, funding and strategic planning for a continued operation. This will be designed primarily along the lines of the previous two Phases, i.e. a Centre made up of a group of Local Platforms and a proactive Secretariat, with some flexibility to accommodate potential initiatives from potential funders. The Centre will prioritise visibility at strategic conferences – academic as well as more practice-oriented and publications.

The Director explained the situation of the Secretariat; that in present configuration, the annual costs are about 5 MSEK. The 'shoestring' model that was presented with the scenarios discussed in 2016 would imply minimal contact between a secretariat and the platforms in an information sharing role, which would decrease Secretariat costs but undo the integrated nature of the Centre as it has been carefully developed.

One Board member suggested that the financial situation for the Centre post-2019 seems to be less well known among decision-makers in Gothenburg, and that the Centre had failed to position itself in local and national agendas – a notion that was contested – but asked how he could help communicate some of the good activities to decision-makers in the city. The GOLIP Director explained what is being

done in this regard. For the Centre and LIPs, the importance of identifying key messages and legacy outputs was reaffirmed.

**Decision:** The COP 2019 was commended for its strength and diversity, and approved for submission to Mistra and Sida by 30 November deadline.

## **7. Financial update, Report on T1 and T2 expenditure 2018 and budget**

The Director introduced the financial report for the first eight months of 2018, pointing out that the total financial envelope is based on a finite budget that was set and approved in 2015, for the four years remaining of Mistra funding.

### **T1 and T2 report**

The total actual expenditure for the period of January–August 2018 was 38,4 MSEK, compared to the pro rata budget of 45,4 MSEK, a difference of 6,9 MSEK. (Document MUF 31: 4). However, a number of invoices from LIPs and the other partners were not received in time before the books for the second tertial were closed. The result, adjusted for these missing costs, is basically following budget. In addition, some lumpy expenditures arise in T3. No accruals are done during August and reporting from Gothenburg University (GU) is only partly included in the outcome; the actual data will be supplied during November. This makes GOLIP's expenditure appear considerably lower than it actually was. SMLIP's actual expenditure was lower than expected due to the agreed starting dates for new staff but they have been working during the 2<sup>nd</sup> half of the year and incurring research costs; the PhD studentships also started in September, so SMLIP should expend their full 2018 budget by year-end. Not all invoices from SNODE, Nagrika (India) and New School–Buenos Aires had been received by the end of T2. It is expected that all three will have incurred expenditures as budgeted by the end of the year.

Accordingly, after careful analysis and discussion, at this time (October 2018), we expect total annual expenditure to meet the respective budgets for the Centre as a whole and for the individual LIPs, node and project-specific collaborations.

Nayoka Martinez-Bäckström asked that deviations from budgets be explained in footnotes; likewise the considerable in-kind contributions to the partnerships in Shimla and Buenos Aires could be presented in a note to give a more complete picture.

### **COP2019 budget**

The proposed budget of 52 259 695 SEK for COP 2019 (Document MUF 31:5 Budget 2019) has been calculated on the basis of the final year of Phase 2 income from the three main funders, within the four-year budget frames set in 2016, as subsequently amended. For this purpose, activities are presented as *if* they all conclude on 31 December 2019. (Document 31:6). However, some will continue with funding earmarked for carry-over with agreement from the funders (e.g. completion of PhD studentships), or with project-specific external funding. One part of the strategic planning process for 2020+ also involves identification of local and comparative projects which it would be desirable to continue provided that new funding can be obtained. Some of this relates to Sida-funded activities and some to work currently funded by Mistra/Gothenburg Consortium. There are also specific externally funded projects that carry over into 2020 and beyond. The COP2019 itself was presented and approved under item 5 above.

### **Reserve for potential Phase 3 preparations**

At its March 2018 meeting, the Board requested that any unallocated funds be kept in reserve for potential upcoming opportunities for collaborative work with new funders or partners.

Several Board members, including the Chair, expressed concern about the request, since the March meeting, to create a reserve of up to 5 MSEK for potential collaborative projects with new partners and funders, to facilitate the transition to a possible new funding model.

However, as explained previously, this would be challenging because of the 4-year budget frame planning and allocation process being used for Phase 2, and commitments already made in terms of this. Such a reserve would have to be created from approved and allocated but not but not finally committed budget items at each Platform and the Secretariat, and/or likely underspends. The potential to do this has been examined extensively at intervals through the year and discussed at successive Board meetings. In spring/ early summer, it was estimated that the sum of such amounts might be up to 3-5 MSEK on the basis of potential underspends in several LIPs as a result of delays with institution building and hence commencement of some projects. As promised by the Director at the September meeting, another round of extensive discussions has been held with the Swedish LIPs concerned to examine the remaining areas of substantial uncertainty and potential underspend, and also with Sida to resolve how it wished to finalise a longstanding concern. This relates to a historical Phase 1 capital expenditure legitimately approved by the Board and not flagged as problematic at the time by Sida, but which was now felt to be inconsistent with the terms of the Sida Agreement for our research programme. The materials cost now needs to be recovered from the 2019 allocation, which would reduce the sum available to the Centre by approximately SEK 650,000. Accordingly, the Director reported that the current situation is that the potential underspends and uncommitted resources during 2018 and 2019 identified earlier in the year are not expected to materialize as a result of the Sida repayment and increased spend rates in the later part of this year and next year so as to make up for the earlier delays and maximise the return to investment in Phase 2. Achieving this objective is a fundamental duty of the Centre and Board.

Further extensive discussion followed, with diverse views expressed on this and broader issues about the Board's role and duties and the extent of action required to meet the challenge of securing the Centre's future. Some Board members came to the view that requiring arbitrary budget cuts to make an unspecified reserve sum available for the purpose indicated above but for which, after several requests over recent months, no proposal had been received, would be damaging to the current programme. Since unanimity could not be achieved, a majority of Board members voted to abandon the pursuit of a reserve. Instead, the Board requested the Director and Secretariat to explore an alternative proposal to stretch the 2019 budget over 18 months in the hope that this might provide bridging resources until new funders could be found and brought on stream. Such funds as could thus be identified would form the basis of a no-cost extension request to Mistra. This should be done as soon as possible to provide the desired certainty, even though Mistra's deadline for such a request is 30 June 2019. Sida funds would have to be fully utilized since carrying over any underspends from one year to another was not permissible. Delaying the start of Sida's evaluation period regarding possible Phase 3 funding should also be considered since the requirements of having a hosting agreement for the Centre in place, and of having at least one co-funder confirmed, have not yet been met. The Secretariat agreed to examine these issues urgently, so that the Board could consider the results in time to approve the budget by the funders' deadline of 30 November to receive the 2019 budget.

**Decisions:** To note the financial outcome for T1 + T2 2018.

To defer approval of the revised budget for 2018 and budget for 2019, pending clarification of the question raised about GOLIP rental payments and pending investigation by the Secretariat of. the Board's suggestion to stretch the 2019 budget over 18 months as basis for requesting a no-cost extension for the appropriate amount until 30 June 2020.

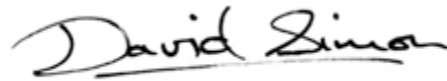
Since the meeting had exceeded the allotted time, the remaining items, particularly QME Updates and Bibliometrics (Item 8) dates for 2020 meetings not yet confirmed (Item 10) would be dealt with by correspondence. No items of AOB (Item 11) were tabled.

The proposed closed meeting of the Board did not take place for lack of time and a failure of the audio-visual system.



Signed

Olivia Bina, acting Chair



Signed

David Simon, Director