



OXFAM

OXFAM GB COUNCIL OF TRUSTEES

**DRAFT/Minutes of the Council Meeting
held on 5 and 6 December 2018
at Oxfam House, Oxford OX4 2BY**

As part of Oxfam GB's commitment to accountability and transparency of decision making, we are making public the minutes of each Council meeting – excluding only those parts of the meeting which have to be kept confidential for one of the reasons outlined in Oxfam's Open Information Policy (for example, for legal, commercial or contractual reasons, or because its premature disclosure would jeopardise action that Oxfam is planning to take).

We have tried to keep the minutes as full and clear as possible but no doubt it will be possible to improve them and so we encourage feedback. If you have any comments or indeed questions, please initially address these to our Governance Team: jneville1@oxfam.org.uk

PRESENT

Nic Cheeseman	Angela Cluff	
Lois Jacobs	Katy Steward	Gavin Stewart (Vice Chair)
Caroline Thomson (Chair)	Steve Walton (Treasurer)	

APOLOGIES

Ken Caldwell	Wakkas Khan	Lidy Nacpil
Tunde Olanrewaju		

IN ATTENDANCE

Les Campbell (incoming Treasurer)	Judeth Neville (Head of Governance, Minutes)
Mark Goldring (Chief Executive)	Tina Proudlock (People Director)
Helen Harrison (minutes)	Joss Saunders (Company Secretary and General Counsel)
Alison Hopkinson (Finance & Information Services Director)	Matthew Spencer (Campaigns, Policy & Influencing Director)
Andrew Horton (Trading Director)	Danny Sriskandarajah (CEO designate) (Thursday only)
Jonathan Mitchell (Interim Programmes Director)	Nicola Tallett (Deputy Fundraising Director)
Steve Kingstone (Communications Director)	
Mary Malpas (Senior Internal Communications Advisor and co-Chair of the Oxfam Independent Union)	

GUEST

Rt Hon Andrew Mitchell MP (part of Thursday only)

BUSINESS MEETING

C92/18 WELCOME

The Chair welcomed Les Campbell as Treasurer Designate and thanked him for attending the meeting. She also welcomed Mary Malpas, who was attending as the nominal staff representative and explained the consultation process for the permanent staff representative had been launched and that we aimed to have them join from the March 2019 meeting. Helen Harrison was kindly taking doing the minutes, and Judeth Neville would join later.

The Chair gave apologies from Wakkas Khan and Tunde Olanrewaju. Lidy Nacpil is unwell but may join the meeting on 6 December, and that Ken Caldwell also sent his apologies due to a clash with a WaterAid board meeting.

C93/18 DECLARATION OF ANY CONFLICTS OF INTEREST

There were no conflicts of interest other than the ongoing potential conflicts with regard to OI (Mark Goldring, Caroline Thomson and Joss Saunders). Les Campbell declared that he was a trustee of the International Institute for Environment and Development which had given grants to Oxfam in the past.

C94/18 MINUTES OF THE PREVIOUS MEETING and ACTIONS ARISING

The minutes of 3 – 4 October 2018 did not capture the TAFG feedback and these were provided in a tabled paper which included proposed wording to add to the minutes and which the Chair read out. Steve Walton reported that there had been a further deterioration in the internal control relating to the delivery of the International Programmes as evidenced by a poor Internal Audit report relating to Sierra Leone and staff turnover. The weaknesses in internal control relating to programme delivery were recognised and Oxfam GB had a number of projects in place to address them. However, PwC had flagged in their management letter a number of additional OI related risks arising as a result of the change process to the new 2020 structure. The tabled change to the October minutes was **approved**.

The Chair asked for any further comments or corrections. Gavin Stewart commented that the wording of the last sentence of page 2 was strange. Mark Goldring commented that there had been 2 parallel conversations going on at the same time and that the wording should be amended. Gavin also asked if the tone could be changed slightly when we talk about the risks of internal controls as we do not say what we have done about it, there are no actions. He asked if this could be picked up at TAFG. Mark Goldring agreed to pick up with Judeth Neville about how we approach following up actions from the committees and reporting them to Council.

<p>ACTION:</p> <ul style="list-style-type: none"> Following up actions from the committees and reporting them to Council 	<p>JNeville – from March 2019 Committee meetings onwards</p>
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The Chair noted that all the actions were either complete or RAG rated green with the exception of 3 which were amber - 8/16, 69/18 and the second 80/18. These are all with Joss or Judeth for early in the new year.

80/18 - Tina Proudlock reported that the Charity Commission safeguarding guidance had been reviewed but not yet in detail. Joss Saunders commented that the guidance was not mandatory and that we were not legally obliged to follow it if we were uncomfortable with the detail.

With the above addition, the minutes of the meeting on 3 – 4 October 2018 were **agreed** and would be signed by the Chair as a correct record.

C95/18 SAFEGUARDING AND CHARITY COMMISSION UPDATE #1: Oxfam’s safeguarding in practice

The update was noted.

C96/18 SAFEGUARDING AND CHARITY COMMISSION UPDATE #2: Statutory inquiry update

The update was noted.

C97/18 CEO AND CHAIR’S REPORT, INCLUDING AN UPDATE ON ALL CATEGORY 1 EMERGENCIES

The report included a Behind the Barcodes update from Matthew Spencer and a report from the OI Executive Board and Board of Supervisors meetings in October 2018.

C98/18 USAID: ETHICS AND COMPLIANCE POLICY

Council **approved** that the policy should take effect on 27 December 2019.

C99/18 FINANCIAL UPDATE

Total income was £380m, 12% down on last year, due mainly to institutional income, however unrestricted giving was down £5m as forecast. The split of restricted to unrestricted income was now at 48% which was decreasing reliance on institutional income. It was forecast to finish at close to £380m total income. Legacies were currently £2m ahead, excluding the Cousins legacy. Additional lottery draws totalling £1 – 2m were possible before the year end which would boost unrestricted for 2018/19.

Shops were 5% down on the high street this year and it was anticipated to slightly miss the forecast for this quarter. Costs were being cut where figures were down. Stronger KPI's on a weekly basis were being tracked.

Owing to poor financial management in countries including Ethiopia, Mali, Sierra Leone and South Sudan there was a high level of disallowances and overspends, currently significantly worse than in previous years. Disallowances were estimated at over £5m (compared to £2m last year). The plan was for OI to take 50% of liabilities but not in this financial year as they needed to build up their reserves before they could take on this commitment. More focus was being given now on embedded liabilities in new contracts. Additional resources to the African node had been agreed by LT.

A proposal had been put forward for special measures to be in place for certain countries, where risk levels were unacceptable. This was in place for Mali. OI were working on global HR issues that were hindering our performance with poor retention and recruitment gaps.

<p>ACTION:</p> <ul style="list-style-type: none"> • A specific plan for countries with high risks • Present reports when special measures are in place to TAFG 	<p>JMitchell [now J Plastow] Plan – for July Council Reports – immediate and ongoing</p>
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Re Brexit there were back up plans in place for next year with affiliates seeking European funds if Oxfam GB becomes ineligible. The impact of no deal, or indeed Brexit, was not significant for Oxfam GB as it related to Echo Development funds which were a small proportion of the portfolio. Under the medium term plan DFID funding is predicted to be restored in October 2019.

Oxfam GB was 7% financially affected by last year's crisis, this could be factored into next year's figures but there remains considerable uncertainty regarding this (the crisis required Oxfam GB to reduce its cost base by £26m over two years – using this number would force Oxfam GB into an immediate reorganisation again which was to be avoided if at all possible.)

An additional £150k had been allocated to the Communications team to help restore the brand. The significant investment in the Trading superstore was still planned to go ahead but there were delays in obtaining planning permission.

<p>ACTION:</p> <ul style="list-style-type: none"> • Closely track and report against the total level headline and forecast for cost recovery and disallowances on a regular basis 	<p>J Mitchell [now J Plastow]</p>
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Investment of the Cousins legacy

Oxfam GB had recently engaged Standard Life following an extensive selection process to invest the endowment funds (£2m). It has not yet decided how to invest the legacy. £5m was expected in January 2019.

<p>ACTION:</p> <ul style="list-style-type: none"> • Ask Standard life to present possibilities to the next TAFG 	<p>A Hopkinson April TAFG</p>
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C100/18 CORPORATE OBJECTIVES AND KPIS

There was no rating for the safeguarding strategy as this was under review; therefore, existing objectives were not relevant. Trading was red (behind budget) and was now tracking close to the revised budget. Objectives and indicators for 2019/20 would be discussed at the LT February planning days and Council would review these in March.

On the income tracker it was noted that Trading might not meet the target. There was a request to further understand the Trading strategy in the current climate.

ACTION: <ul style="list-style-type: none">• Deep dive into Trading strategy	AHorton – Trading Committee and Council July 2019
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It was noted that there was a shortfall in restricted fundraising due to the level of appeals, with the budget for £5m restricted reduced in the forecast to £2m. All other fundraising lines were delivering well and legacies were over achieving.

It was reported that Oxfam GB had the highest level of income amongst all DEC agencies with the Indonesia appeal with DEC. This was a good story for brand resilience.

The importance of the Drive project was reiterated and the importance of staying focussed to improve programme delivery despite key staff changes. This must be owned by the new IPT director as well as other LT directors. One element of Drive – the streamlining of the EA and PA function – was approved by LT and it should be ensured this was now actioned.

ACTION: <ul style="list-style-type: none">• The Drive project to be closely monitored at every TAFG	A Hopkinson and J Plastow immediate and ongoing
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Changing culture in the organisation

There should be a focus on impact not inputs – currently 75 colleagues were attending culture seminars and there was a general agreement that this should not be the main headline.

ACTION: <ul style="list-style-type: none">• Review progress towards impact	TProudlock immediate and ongoing
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It was **agreed** that the Council committees needed to review the progress against objectives relevant to their respective remits, for example audience engagement around objectives 5 and 6.

ACTION: <ul style="list-style-type: none">• Ensure objectives are being reviewed by the right committees	JNeville to fwd planners from April 2019 onwards
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When agreeing KPIs for next year it they should be measured on a timely basis – annual KPIs were not generally a good operational measure.

ACTION:	
<ul style="list-style-type: none"> Consider more timely KPIs for 2019/20 objectives 	LT asap

There was some discussion re what objectives were needed to set for future years. What was distinctive to Oxfam, had we lost the cutting edge? What others were less well placed to do and was there a way of differentiating between aspirational and doing BAU well?

C101/18 RISK REVIEW

Managers had agreed to prepare risk assurance reports for their division and the team would be extracting and highlighting dependencies across the division.

The Strategic Risk Insight Group would be established in January 2019 to look at future risks and how to manage these.

The Strategic Risk Register had been discussed at the 4 October Council meeting and the actions from the meeting were discussed.

Stage 1 was agreeing risks and mitigating actions, stage 2 was to link them with Oxfam GB 2019/20 objectives. It was essential that all staff understood the consequences of actions and decisions taken and that the risk approach helped people understand where it was acceptable to take risk and where not.

The summary reports from the divisional assurance reports would be reported through to LT and Council.

Council **approved** the Strategic Risk Register and the direction of travel.

C102/18 TAJIKISTAN WATER AND SANITATION PROGRAMME

Presentation by Jola Miziniak, Head of Sustainable Water Development, and Tom Wildman, Senior Adviser on Market-based Development for water and sanitation. Tajikistan had achieved 31% of the population using latrines, septic tanks and sewer connections, without being rated as 'safely managed'. 5.7 million were not using sewers. In Tajikistan, the gap was 5.5 million improved toilets. There was currently 220k funding over 4 years to develop a program that would develop a viable, scalable model. There was not enough Official Development Assistance available in Tajikistan to meet the needs alone, something was needed that could grow, replicate, scale and become bigger than itself and 'survive the grant'. The plan was not to build any toilets, but instead to build an entire system that catered to the entire market.

ACTION:	
<ul style="list-style-type: none"> Report back in 2 / 3 years 	JM TW

C103/18 RADG REPORT

The appointment of Les Campbell was **approved** as of December 2018.

The advert would be issued for the recruitment of a trustee to replace the former Chair of the Programme Committee.

The governance review would consider aligning the committees and the effectiveness of Council.

There was a recommendation for each Committee to review policies relevant to its remit, as well as its relationship with its OI counterpart committee.

There would be recruitment in 2019 to replace Gavin Stewart and Katy Stewart (Chair of RADG), who will both step down from Council in October 2019. Council agreed that the Deputy Chair post was valuable and should continue.

ACTION:	
<ul style="list-style-type: none"> Skills audit and recruitment of trustee to replace Kul and trustee with safeguarding expertise, plus succession planning for 2019 vacancies 	JN asap Chairs of committees –

<ul style="list-style-type: none"> Chair of each Council committee to schedule discussion re policies relevant to its remit and review of terms of reference taking into account those of any OI counterpart committee. 	by July 2019 Council
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C104/18 COUNCIL OVERSIGHT OF COMMITTEE BUSINESS: FEEDBACK AND UPDATES FROM THE COMMITTEES

Trustee Audit and Finance Group (TAFG)

There was £25m in reserves which Council agreed was insufficient due to the risks at the moment. The proposal was to build these to £35m over the next 10 years. The current budget increased reserves by £1m next year. However, this would be revisited in a year as it was uncertain whether whether £10m unrestricted into £10m reserves could be justified.

<p>ACTION:</p> <ul style="list-style-type: none"> Review the required reserves level in line with strategy review 	A Hopkinson October 2019
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The £1m increase for 2019/20 was **approved** by Council.

Serious incident reporting was noted as being a standing item at TAFG and TSG.

Fundraising Committee

There were good fundraising results, and congratulations were given to Nicola Tallett and team. There were no big new wins. There was an unsigned contract with the Co-op and it was **agreed** this was acceptable as there was a low level of risk associated.

Trading Committee

It was aimed to change the focus of the Trustee Trading Committee to enable it to be more forward looking and less day to day (other than on safeguarding) by bringing in external people, possibly an external board, to improve performance eg signing up to gift aid and during the Christmas period, possibly paying for extra staff when there were not enough volunteers.

The target date for the superstore planning permission was May 2019. Wastesaver revenue had been declining. There was a possible collaboration with Marks and Spencer.

There was a new Head of Volunteering, with lots of energy and enthusiasm.

The shop performance had held up remarkably well. Christmas card sales were down more than other sales, an indicator of brand damage.

Trustee Safeguarding Group

Update given as part of Charity Commission update.

STRATEGIC SESSIONS

C105/18 THE FUTURE OF DEVELOPMENT AND THE ROLE OF OXFAM

The Rt Hon Andrew Mitchell MP

**C106/18 STRATEGY UPDATE POST OCTOBER MEETING: STRATEGY DEVELOPMENT
PROPOSED SCOPE AND PROCESS**

Cousins legacy

MG updated on discussions with the Cousins Brothers. It was **agreed** that funds should not pay for core running costs of Oxfam and although they do not have any legal rights of influence over how legacy is used, their preference is for something major and permanent for the long term. There was no specific timeline to make investment choices. The four areas to be considered are:

1. Big strategic issues that emerge through 2020 strategy process (no allocation as yet)
2. Humanitarian work on current crises (nominally allocated £2.5m)
3. Improving sector approach to safeguarding (nominally allocated £1m)
4. Two big ideas previously discussed with Council (Digital, Business Advisory Service)

Council urged ambition and to be bold and transformational.

Presentation 1: Digital

Council were joined by Amy O'Donnell

Council agreed in principle the direction of travel and asked LT to work through the following issues and report back as an information paper at the next meeting

1. Council welcomed the wider ambition of being a digital NGO, but requested further clarify how the 2 'beacon projects' would connect and contribute over time to building that wider ambition
2. Ensure that the full costs of the project are included (particularly in-country capacity), as Council wanted to ensure that further pressure was not created on already stretched country teams
3. Provide further confidence that the capacity exists to process and analyse the inputs gathered from beneficiaries as the scale up of projects intensifies, in context of recent events, we would need to be able to identify and process any whistleblowing or complaints quickly.

ACTION:

- Information paper for March Council as outlined above

Amy O'Donnell
March Council

Presentation 2: Business Advisory Service

Council were joined by Penny Fowler and Alex Lancaster

Council endorsed the proposal and provided the following guidance:

1. Review the pricing model and seek to price at same rate as competitors
2. Develop more explicit measures of success
3. Develop a 'base' plan and a 'stretch' plan and ensure regular reviews to adjust ambition
4. Focus the business advisory function into fewer sharper focus areas (not just responding to all requests for support)

Joss Saunders outlined further work to review and recommend if a new business entity is created or it is located within existing trading company with issues around location, legal jurisdiction, compliance with Charity Commission guidance on funding subsidiaries, taxation, insurance, public brand association, name of entity / use of Oxfam name and further confederation agreement to be considered.

Council **delegated** to Honorary Officers the power to approve the establishment of a separate company should that be recommended,

BUSINESS MEETING contd

C107/18 OI GOVERNANCE REVIEW

C108/18 CONSENT AND INFORMATION PAPERS

1. Consent Items

Appointment of Les Campbell as Treasurer Designate and Association Member with effect from 7 December 2018

The Trustee Code of Conduct, including Oxfam staff Code of Conduct November 2017 paper was postponed to March 2019 Council

Ethical & Environmental Policy and update re Corporate Responsibility Strategy and Policy

Anti-Slavery Policy Implementation Plan

Staff representation at Council

Schedule of Delegated Duties: resolutions to update

As Association Members: consent to late notice of Extraordinary General Meeting to receive Annual Report & Accounts 2017/18 (due to a technicality re PwC's signature in October – no changes to the October version)

2. Information papers

Key projects overview

Annual Friends Meeting 6 December: outline

Council Committee Minutes:

Programme Committee: October

TAFG: Sept, notes tabled at October Council, November

Fundraising: September, November

Trading: November

Trustee Safeguarding Group: July, September, November

Article: The Humanitarian #Me Too Crisis: the really hard work is just beginning: Yves Daccord, November 2018

Oxfam International: joint Board of Supervisors and Executive Board communique October 2018 (as emailed 9 November)

C109/18 ANY OTHER BUSINESS

This was the last Council meeting for Mark Goldring and Jon Mitchell.

Mark Goldring was presented with a card and framed picture and Council thanked him for his invaluable service to Oxfam since 2013.

Jon joined Oxfam in March 2018 initially as Response Coordinator then becoming interim International Programme Director in June. He was thanked for the huge value he had brought to each of those crucial roles

at such a critical time for Oxfam – particularly for moving the DRIVE programme forward – and received very best wishes for his role with the Overseas Development Institute.

C110/18 **DATE OF NEXT MEETING:** Wednesday 13 and Thursday 14 March 2019.

Further 2019 dates: 3 – 4 July; 2 – 3 October; 4 – 5 December.

Submitted and approved at a meeting held on 14 March 2019.

.....Caroline Thomson, Chair
Minutes: various