

Chair's report on Council meeting of 11 October 2013

The following people were present at the meeting:-

Trustees

Karen Brown (Chair)
James Darcy
Vanessa Godfrey
Rajiv Joshi
David Pitt-Watson
Marjorie Scardino
Gavin Stewart
Steve Walton
Tricia Zipfel

Corporate Management and Staff

Mark Goldring (Chief Executive)
Bob Humphreys (Finance & Information Services Director)
Jane Cotton (Human Resources Director)
Ben Phillips (Campaigns & Policy Director)
Andrew Horton (Trading Director)
Penny Lawrence (International Director)
Andrew Barton (Acting Supporter Marketing Director)
Katy Steward (Trustee Designate)
Joss Saunders (Company Secretary)
Anne Gornall (Trustees Officer)

Apologies were received from Maja Daruwala, Matthew Martin and Nkoyo Toyo. The Chair welcomed Katy Steward, incoming trustee, who was attending the meeting as an observer. This was the fourth meeting of Council's annual cycle for 2012/13.

Chief Executives Report

Mark Goldring (Chief Executive) provided a written and verbal update, covering key organisational issues including the humanitarian situation in Syria and brief divisional overviews from each of the Directors.

Penny Lawrence (International Director) updated trustees on programme funding. In the Middle East and Commonwealth of Independent States (MECIS) further restricted funds had been secured for work in 2013/14, mainly on advocacy and women's rights.

Draft vision and direction of Oxfam GB in the context of Oxfam International

Mark Goldring and Oxfam GB's Corporate Management Team sought Council's input on proposed plans around future direction, culture change, spending plans and anticipated impact on staff. Trustees' approval was requested in order to proceed.

Mark Goldring outlined the strategic and financial imperatives facing Oxfam. The overall context for the proposals was the agreed Oxfam International (OI) strategy, the Oxfam GB strategy which fitted within it and the need to balance the books. The changes were proposed in order to enable a clearer focus which would help to identify some longer term strategic investments.

In recent months international and UK staff had been extensively consulted and invited to make suggestions. Their feedback had been analysed and had given a clear sense of areas where Oxfam should be strengthening and/or streamlining. This now fed into a two-stage process. Some immediate cuts would be made in the UK during the latter half of the financial year 2013/14. A second tranche of cuts would be identified internationally in 2014/15 when the relevant decisions had been made with regard to management support and programmes.

Mark Goldring emphasized that the proposals would need to be underwritten by a significant shift in Oxfam culture to a more entrepreneurial approach. Given the priorities together with financial constraints, it would also be necessary to make best use of a reduced workforce in the UK.

Council heard from a number of members on the Corporate Management Team, who gave some background to the changing picture of poverty, particularly from a geographical perspective. This included the growth of inequality in more prosperous countries and the impact of climate change.

Jane Cotton (Human Resources Director) outlined the anticipated process with regard to the implementation of changes in the UK. Trustees accepted with regret that these would be extremely painful for some committed and talented staff, many of whom had made a significant contribution to the organisation. Bob Humphreys (Finance and Information Services Director) provided some more specific information about the financial context of the proposal, the potential impact on reserves, and the risks that would need to be managed and addressed.

Trustees made a number of suggestions with regard to the overall vision and the specific proposals. They felt that the suggested changes represented a once in a generation opportunity to change Oxfam and to leverage support from others for the benefit of poor people. This involved being bold and making sacrifices, but they believed that the proposals were financially prudent.

Constitutional issues arising from the Oxfam International Board meeting

The Chair updated Council on revised constitutional arrangements that had been agreed at the Oxfam International Board meeting earlier in the month. A Board of Supervisors would concentrate on scrutiny, while the Meeting of Executive Directors (MEDs) would form the managing board of Oxfam International.

Governance Issues

The meeting then moved on to the business and governance items on the main agenda, as follows:

- Trustee Audit and Finance Group (TAFG) Annual report and issues that had been discussed at TAFG meeting on 27 September, including the Control Assurance Report.
- Council noted the Recruitment and Development Group (RADG) Annual Report, the Remuneration Committee Annual Report, the Security Annual Report and the Complaints Annual Report.
- The Data Protection Policy was approved.

Any Other Business

The Chair advised that Mark Goldring had completed his induction and been confirmed as Chief Executive.

Trustee farewell to Vanessa Godfrey

Jane Cotton (HR Director) paid tribute to Vanessa Godfrey, who was retiring from Council after 6 years as a trustee. Vanessa had brought great support and wisdom through her various contributions as Vice Chair, Co-Chair of RADG, and work on some major recruitments, amongst other things. The Chair echoed these thoughts, on behalf of all the trustees. Vanessa thanked Council, and shared her excitement about the direction in which the organisation was moving.

The Chair advised that further details of the planned seminar and meeting Thursday 30 / Friday 31 January 2014 would follow in due course.

Karen Brown
Chair