

In confidence

BCB (08) 5th meeting

Tuesday 16 September 2008

DRAFT MINUTES

Present

Neil Kinnock (Chair)
Gerard Lemos (Deputy Chair)
Nihal Arthanayake
Zeinab Badawi (Items 5 – 7)
Alan Buckle (except items 8 & 9)
Pamela Gillies
Charles Grant (except items 8 & 9)
Tony Hall
Claire Ighodaro
Steve Jones
Tim O'Shea
Raoul Shah

In attendance

Martin Davidson (except items 8 & 9)
Mark Robson
Bidesh Sarkar
Cathy Stephens
John Worne
Graham Devlin (item 6)
Rebecca Walton (item 6)
Andy Hansen (items 7 & 8)
Chris Hickey (items 7 & 8)
Olga Stanojlovic (items 7 & 8)
Andy Mackay (Secretary)

1. Apologies for absence

Apologies had been received from Jude Kelly, Elan Closs Stephens and Sue Hoyle.

2. Chair's business

The Chair welcomed Pamela Gillies, Tony Hall and Raoul Shah, newly appointed Trustees who were attending their first meeting. The fourth new Trustee, Sue Hoyle, was unable to attend owing to a long-standing commitment and would join the Board at the November meeting.

The Chair recorded that this was the final meeting for two outgoing members of the Board, Charles Grant and Jude Kelly. Jude was unfortunately unable to attend the meeting; the Chair recorded his gratitude for her significant contribution as a Trustee and would seek the opportunity to thank her in person. He paid tribute to Charles Grant for his six years of service as a Trustee, particularly his commitment and contribution to the reinforced presence of the British Council in China the countries of the former Soviet Union. He presented Charles with a gift in recognition of his service.

The Chair also welcomed Andy Mackay, who had taken up the post of Secretary to the British Council and Head of Corporate Affairs.

The Chair reported that the Arts Review would not be published in September, in order to ensure that a comprehensive implementation plan could be compiled and key stakeholders could be consulted before the document comes before Trustees for endorsement. Item six of the agenda would therefore focus on inviting Trustees to comment on the emerging thinking.

3. Minutes of the Board meeting of May 2008 and matters arising

As requested by Trustees, an update of contacts with political parties had been included in the CEO's report. If Trustees agreed, this would in future be a standing item in the report.

'Scale of Ambition' would be discussed further under item 7 and 8 of the agenda.

The minutes were approved.

4. Chief Executive's report

*Information in this section has been redacted/removed as it is likely to be exempt from disclosure on the grounds that it is "likely to prejudice international relations" as defined in Section 27 of the Freedom of Information Act 2000.**

The CEO reported that feedback on the annual report had been largely positive but that the structure and style had not been universally popular. He explained that, having used a similar format for the last three reports, he was keen to involve some Trustees in a review of the report structure and content for 2008/9. The review would consider how the British Council wished to present itself in public and how best to meet the organisational obligations to public scrutiny. He invited Trustees to participate in the working group: Claire Ighodaro and Steve Jones volunteered to join the group. The Chair suggested that new Trustees might consider whether they wished to join the review team.

THE CEO reported on the British Council's event at the Liberal Democrat conference, one of a series at each of the party conferences. There had been a well-attended British Council and BBC World Service fringe event considering the transatlantic relationship. He explained that the purpose of the events was to clarify the work of the Council to MPs and party members and to outline its value to the UK.

To further these objectives, an exercise was underway to map British Council activity in the UK at parliamentary constituency level. Trustees agreed that this was an excellent initiative which would convey valuable information and that raising the profile of the organisation's work in the UK is very important.

Trustees welcomed the addition of a public affairs update to the CEO report and agreed with his suggestion that it should be a regular feature of the report.

5. Organisational performance report

A corrected version of slide 19 was circulated with updated figures for targets for large scale and local projects.

Mark Robson highlighted a number of areas of the report, which included data for the first quarter of the financial year:

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Trustees welcomed the concept of the performance report, a new product which was being refined and developed each quarter. They would additionally appreciate more detail on the quality of contact being achieved and a more developed narrative about organisational impact with key groups, particularly with influencers.

Discussion focussed on the complexity of changing the balance of work from 80% local (in 2005/6) to 80% global, and it was recognised that very good progress had been made in year one of the process. Some settling in problems in year two were to be expected; they were confident that the direction of travel was positive and that the risks were largely transitional.

Trustees endorsed the approach to management of the grant in aid, where planned activity and expenditure would be rigorously reviewed at the end of quarter two, with any adjustments which might be necessary made at that stage.

6. Arts Update

Graham Devlin, the consultant working to determine how work in the arts contributed to the British Council's impact in cultural relations, gave a verbal update to the Board on the process of his project and on his thinking to date.

He reported that he had completed a series of interviews with senior staff in the organisation and that he had additionally met a small number of senior stakeholders from key arts organisations, at their request.

He had drawn together a matrix of values and benefits which he had set alongside the corporate outcomes for the programme areas, as a mechanism to begin to identify priorities. He was additionally compiling a series of case studies of effective projects which would help to identify the common facets of success. These could then be used to establish preconditions for projects which would have impact and to determine criteria for project approval and funding priorities.

He was seeking to make proposals for content development and for the way in which arts could fit within the product development system. He outlined the need to maintain the integrity of the system while ensuring high quality and giving flexibility to key staff, at the same time as rebuilding arts activity and meeting the organisation's target spend. He suggested that alongside multi-cultural, multi-disciplinary projects, including the arts, there was an important role for single country arts projects within a continuum of work – for example a regional strategy which showed the contribution that particular art forms could make to its delivery over a period of years. He explained his belief that much arts work was more effective on a small scale and that it risked losing its impact when overexpanded.

He assured Trustees that he had not been constrained by any preconceived definition of the arts and that his review was ranging widely, including, for example, heritage, creative economy, cultural leadership and regeneration.

Trustees discussed the importance of the role which the arts could play in the achievement of the British Council's objectives. They were concerned to ensure that work in the arts reached key target audiences in particular and included new approaches, art forms and artists. The arts offered huge potential to build new kinds of relationships in different and challenging environments; this would require different ways of working, including examining the potential of new media and technology. Graham Devlin explained his perception of the strong imperative to prioritise new and emerging artists by forging relationships with umbrella organisations representing those groups.

The complexity of tailoring local projects in parallel with large scale, multidisciplinary projects was raised. Graham Devlin suggested that large scale projects could be developed on a framework basis, leaving scope to develop content which would be appropriate to, and owned by, the particular environments in which the project would be delivered. This would be an important component, as he

believed that projects needed a strong common strand rather than common content to be deployed on a global basis. A strong and recalibrated relationship between the centre and the overseas regions would be necessary for this to be successful.

Trustees agreed the need to develop a stronger narrative about the British Council's work in the arts. The narrative needed to lay out the organisation's strategic priorities clearly and simply, to give examples which would illustrate the potential and the creativity of new product and explain what the organisation's work in the arts brought back to the United Kingdom. This would be extremely helpful in articulating how the arts fitted with the organisation's goals and in explaining the direction of the arts strategy. They also suggested that there were good examples in the commercial sector which could inform the strategy.

The Chair concluded that Graham Devlin should prepare a paper for the Trustees for their next meeting in November, with a more complete analysis and recommendations on options for the arts strategy. Trustees were clear that the report should not range across the work of the whole organisation and that it could not seek to resolve all the dilemmas which had been discussed. Its aim was not to produce the final strategy but rather to provide a coherent, honest and vigorous analysis which would inform the discussion and decision-making process.

7. Scale of Ambition

The Chair gave a brief overview of the key elements of the presentation which had been made at the meeting in July, Trustees were invited to offer comments in particular on

- the potential to sustain the British Council's identity and mission while undertaking a change in business model.
- the scale of ambition involved.
- the timescale for the strategic shift.
- advice from their own change management experience.

There was a wide-ranging discussion concerning the scale of ambition proposed. Trustees concluded that significant ambition was totally appropriate to the organisation and that the aim should be for transformational change. It was crucially important to remain focused on the ambition itself and to concentrate on the tangible outcomes and impact. The need to grow the business should derive from that goal, and targets and growth rates must be subsidiary to the ambition, which could not be described in abstract terms. While the British Council had become clearer and more confident in explaining its mission and purpose, it would be important to achieve total clarity around the ambition and its results. The time-scale outlined was felt to be broadly appropriate, although there were suggestions that, with the current uncertainty in the global economy, it might be prudent to adapt a slightly longer time frame.

Having articulated the level of ambition and the target impact, there would be significant implications in terms of organisational culture, capability and competitive advantage. The current business model and structure would make it difficult to achieve the commercial goals which might require, for example, leveraging capital. The Trustees were in no doubt that there were substantial opportunities for growing the commercial side of the organisation and that there were significant market opportunities in a range of countries. To capitalise on those opportunities, it would be necessary to resolve outstanding issues around organisational status.

The British Council would need to be able to demonstrate that it could adapt its current model to achieve the goals outlined. The organisation had great potential for growth but was not performing to its full ability in some areas, for example partnership working. To grow commercial activity at the same time as reengineering the impact achieved through grant in aid work would be a major challenge and would require the application of learning from previous step-change projects. Risk would need to be carefully assessed and managed, particularly in areas such as organisational culture and the difficulties which could be caused by rapid growth. However, it was felt that it would be wrong to separate the organisation's commercial objectives from its wider objectives, since the former were

a major contributor to the achievement of the British Council's purpose and charitable objects.

The importance of leadership in achieving ambition was underlined and strong emphasis was given to the need for effective and continuing communication and full involvement of staff. The organisation should draw on previous experience of what had and had not worked in its explanation, communication and involvement and exceed previous best practice.

The discussion concluded that the capacity for ambition was evident and that the British Council must be ambitious to survive and thrive. Care should be taken to retain the identity of the organisation and its public value. The Trustees had identified a gap between the scale of ambition and the action plan to deliver it. The leadership of the organisation should consider further the implications in areas such as governance and business model which would be required, as well as the capacity and capability issues. The Executive would research these questions further and put their proposals to the Board for their consideration at a future meeting.

8. Large Scale Innovation

Presentations were made covering English and Doubling, Connecting Classrooms and International Inspirations, to inform Trustees about the stage reached in the new product development process. The projects built on the British Council's experience and expertise and demonstrated the organisational capacity to deliver benefits on the individual, cultural and policy dimensions.

Trustees were grateful for the practical update and recommended that they should in future be given greater detail about the impact of projects – for example, the targets for reach, the quality of that reach, the level of exposure achieved through the project and the content of the engagement. This would better enable them to fulfil their role of scrutiny of the organisation's activity.

9. Any other business

The Chair briefed Trustees on the forthcoming meeting of the British Council's Global Leadership team and invited them to join the team for drinks and dinner on 7 October. Further information would be sent out in the coming days.

The dates for meetings of the Board of Trustees in 2009 were noted.

The Chair reported that a new Trustee had suggested it would be useful to have contact details for their fellow Trustees. Trustees agreed that their contact e-mail addresses and telephone numbers could be circulated to other members of the Board.

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* Enquiries regarding the redacted information contained within this document should be directed to the Freedom of Information Officer, British Council, 10 Spring Gardens, London SW1A 2BN (FOI@britishcouncil.org).