

In confidence

BCB(16)5th meeting

Tuesday 1 November 2016

MINUTES

Present

Christopher Rodrigues Chair
Janet Beer
Deborah Bronnert
Gareth Bullock
James Cronin
Rohan Gunatillake
Oliver Laird
Kirsty Lang
Ros Marshall
Usha Prashar
Martin Roth
Alan Shannon
Tom Thomson
David Verey

In attendance

Ciarán Devane, Chief Executive
Nigel Arthur, Interim Chief Financial Officer
Jo Beall, Director Education & Society
Hilary Cross, Director Strategy & Engagement
Kate Ewart-Biggs, Director Global Network
Adrian Greer, Chief Operating Officer
Andrew Horton, Director Digital, Partnerships and Innovation
Helen Murley, Director HR
Mark Robson, Director English
Alison Coutts, Secretary

Andrew Fotheringham, Director Corporate Services (item 4)
John Dubber, Head of Policy and External Relations (item 7)
Carma Elliott, Director China (item 8)
Chen Bing, Area Director South West China (item 8) -observer

1. Apologies for absence & declarations of interest

There were no apologies from Trustees for their absence.

There were no declarations of interest.

The Chair welcomed Nigel Arthur, Interim CFO, to his first meeting.

2. Minutes of the Board meeting of 5th July 2015 and matters arising

All matters arising from the meeting had been actioned or were scheduled for a future meeting.

It was noted that a more detailed Global Information Services timeline and milestones, as requested by the Board in a previous action point, had been tabled and will also be emailed for information.

The Minutes were approved.

3. Chief Executive's Report

Ciarán talked through management's response to the Board Away Day discussions including an update on the financial transparency project. He noted that this will focus largely on behavioural change rather than on changing infrastructure. He confirmed that this will deliver the outcomes we need whilst making it manageable cost-wise. He asked Trustees to send any comments on the response to him and the Chair.

Ciarán also gave an update on a data breach to which he had alerted Trustees by email and which has also been reported to the Charity Commission. He explained that it related to an app and occurred when data was shifted from one server to another. He also confirmed that it didn't involve financial data and that all registered users of the relevant app had been notified and asked to change their passwords. He made the point that the organisation is taking this very seriously and is doing a risk-based assessment on all other apps and websites. An update will go to the Risk Committee.

4. HQ 2020 premises move

The Chair welcomed Andrew Fotheringham, Director Corporate Services, to the meeting.

Ciarán and Andrew gave an update on the specification for the move and background on the options. They noted that the new premises will need to provide better working space, make a statement about what sort of organisation we are and reflect our brand. Good transport links will be important as will public access.

Ciarán informed Trustees that discussions are on-going with government and that a staff engagement and consultation plan is being developed and will start soon.

Trustees agreed that this is a very exciting opportunity and every effort should be made to ensure the space we secure is flexible so it can adapt to future needs, projects modern UK and is a clear asset for the UK.

Trustees asked for a more detailed update at the December Board before they are asked to approve a formal agreement early next year. This will also be considered in the Audit & Finance Committee meeting on 17th November.

5. Chief Operating Officer's report

Adrian reminded Trustees that as they had been forewarned, we haven't provided a written financial report this month as it is the mid-point in the financial year and the full business review process is still to finish. He also noted that the CFO is reviewing our processes for handling and reporting on management information in order to provide a much clearer format and sharper commentary going forward. An initial version of this will come to the December meeting and will include a full report on the mid-year position.

He explained that the executive has revamped and simplified the process for reviewing and approving investments and a new Investment Board is in place, chaired by the CEO, which will make top down decisions. The Chair informed Trustees that he and the CEO would like to set up a temporary Board Sub-Committee to provide more oversight on the transformation programme and support management in its execution. The Board agreed that this would be helpful and that it should be set up in early 2017.

Adrian noted that the Home Office has extended our concession to deliver Secure English Language Testing (SELT) for UK Visas and Immigration (UKVI) purposes which is significant.

He also referred Trustees to the Global Network Report and particularly the challenges in Yemen where our staff work under extremely difficult circumstances. The Global Network Team is working closely with the staff and contacts on the ground and in the UK to support them.

Trustees asked what has happened since the previous staff survey. They were updated on the new speaking up policy, the well-being initiative and specific work being done on management capability in certain regions and sector areas as examples. They agreed that more communication would be helpful to remind colleagues what has taken place since the last survey. Trustees asked for further detail on this and other people issues to come back to the Board next year.

6. Chair's Business

The Chair reported on his visit to Sri Lanka with Rohan Gunatillake, which included marking the opening of the new Colombo building. The Chair had also gone to Kandi and was impressed by the work being done there. They had found it useful to go together and encouraged other Trustees to pair up with each other or with executive colleagues when travelling where possible. The Chair had also visited our offices in Australia, New Zealand and Hong Kong.

The Chair stressed the importance of bringing in more commonality to how senior staff present and describe their financials and other data such as KPIs, so it's easier to understand and compare. Clarity on a way forward on this should be given to the Board early next year.

Alan Shannon reported on his visit to Uzbekistan and meetings of the Scotland, Wales and Northern Ireland Committees.

The Chair then led a discussion on higher education, the importance of this internationally and what the British Council together with the sector can do to influence the UK's position.

7. Stakeholder Overview

The Chair welcomed John Dubber, Head of Policy and External Relations, to the meeting.

Ciarán and Hilary noted that the aim of this session was to describe the machine in place behind our approach to stakeholder management. A future session will talk more specifically about individuals, categories of government and other major stakeholders.

John thanked Janet, Kirsty and Tom who had joined a recent stakeholder group meeting for their contributions. He then described the process and check points in place for identifying, managing, engaging with and reviewing our relationships with our most critical stakeholders.

Trustees thanked John for the presentation and agreed that the process is good.

They asked for more detail on our commercial partners, and how we work with them. They also suggested the inclusion of multi-nationals on the list. They requested more detail on how we prioritise our approach, our narrative and strategy for each group, and how we measure success. They noted the importance of being clear how the network both feeds in intelligence and is kept in the loop.

They also asked for more clarity on what our strategy is for the UK and for internationalising young people in the UK.

It was agreed that discussions on strategy for the UK, partnerships strategy and follow up on stakeholders and communications will each come to the Board in 2017.

8. China Overview

The Chair welcomed Carma Elliott, Director China, and Chen Bing, Area Director South West China to the meeting.

Carma gave an overview of our work in China, the challenges, opportunities and risks.

Trustees thanked Carma for her interesting and informed presentation.

Trustees discussed the challenges in some depth. They agreed the importance of developing products with Chinese partners for their market, building on institutional relationships and alumni networks, working more closely with partners – Chinese and international, and making sure our market research leads to us connecting with and working with the next generation in areas relevant to them and us.

They asked for a strategy for the next 3 years – including the commercial strategy – to be sent to them online, and noted that they would welcome suggestions for how they can support.

9. Report from Nominations Committee

The Chair reported on the Nominations Committee meeting of 10th October. He noted that the Committee had discussed the skills and experience already held on the Board, and considered gaps it will be important to fill.

The Committee agreed that marketing and communications is the biggest gap at the moment but that it would also be useful to have more experience of leading large transformation programmes.

They also agreed that it is essential that the board is diverse in terms of, though not only, in gender, ethnicity, disability and age and the Committee were unanimous in stressing the need for a diverse shortlist. Geographical breadth is also important to ensure representation from the whole of the UK.

The Secretary will brief the search firm on the above.

10. Annual Report on Complaints

Ciarán reminded Trustees that a year ago we decided to appoint an independent complaints review service to give us and external stakeholders more confidence that we were hearing, understanding and responding to escalated complaints. After a procurement process, in which a member of Shex participated, we appointed Verita as the provider of the service.

Trustees noted the complaints that had been reviewed by the service and agreed the organisation's response to the recommendations.

11. Charles Wallace Trust

Ciarán reminded Trustees that the four Charles Wallace Trusts were set up in 1981 with a bequest from Charles Wallace and the British Council agreed at the time to be a Corporate Trustee. However this is bit of an anomaly now, and although they are small we carry legal and financial risk and they take up staff time and cost. He asked the Trustees for approval to resign from each as a Corporate Trustee. The Board approved. They also agreed that we should aim to form partnership agreements with each Trust locally where this provides mutual benefit.

12. Board Resolution: UAE

Nigel informed the Board that in October 2015 the Trustees had passed a resolution to set up branches in Abu Dhabi, Dubai and Sharjah and legally appointed Marc Jessel, the then Director UAE to complete the registrations. Sharjah is complete but the other two aren't and there is a new country director, Gavin Anderson.

The Board approved a second resolution to give Gavin Anderson the powers to register the remaining branches and manage them. This was proposed by the Chair and seconded by Usha Prashar.

13. Any other business

The Board was asked to approve an agreement to provide IELTS testing to Transport for London (TfL) as an offshoot of the UKVI agreement. Approval was sought for 2 specific indemnities – i/ against any liability which is levied against TfL should the British Council fail to pay any due VAT relating to this concession, and ii/ that the British Council will indemnify TfL for any liability TfL incurs as a result of the British Council (or a British Council sub-contracted test centre) negligently causing any death, personal injury or loss of property. British Council's liability under this indemnity is unlimited. The Board approved.

The Board was asked to approve an additional £252,000 on top of the £2.438m budget for the Colombo premises move project which originally went to the Board in October 2011. The Board approved.

The Board agreed the dates for Board meetings for 2017. They also asked for more clarity on papers coming to the Board, for example whether they are for information or are about strategy.

There was no other business and the meeting ended at 13.00.

Summary of action points arising

Updated from previous meetings

14(03)3	Include a session on headcount and what good looks like	Feb 2017 (part of the London 2020 premises move)
15(05)4	Include an annual update from the Contracts Committee to the Board	December 2016
16(04)4	Revamp the CFO report so concise and relevant to trustees	December 2016
16(04)6	Include a review of diversity targets and progress on the Board's agenda	July 2017
16(04)12	Include a review of child protection on the Board's annual agenda	2017

Current meeting

16(05)3	Risk-based assessment and mitigation plan following data breach to go to Risk Committee for review	November 2016 and again in 2017
16(05)4	Bring more detail to the Board on London 2020 move before requesting approval	December 2016
16(05)5	Set up a transformation sub-committee	Feb 2017
16(05)5	Include in-depth sessions on people issues on the Board's 2017 annual agenda	2017
16(05)6	Provide clarity on how financials and KPIs will be presented and described more consistently from next year	March 2017
16(05)7	Strategy for the UK, partnerships strategy and follow up on stakeholders and communications to each come to the Board in 2017	2017
16(05)8	Send China strategy to Trustees by email	Feb 2017
16(05)13	Clarify the intent of each paper	December and ongoing