

In confidence

BCB(17)1st meeting

Tuesday 14 February 2017

## **MINUTES**

### **Present**

Christopher Rodrigues                      Chair  
Janet Beer  
Gareth Bullock  
James Cronin  
Rohan Gunatillake  
Oliver Laird  
Kirsty Lang  
Ros Marshall  
Usha Prashar  
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 & Innovation  
Helen Murley, Director HR  
Mark Robson, Director English  
Alison Coutts, Secretary

Kate Arthurs, Director Strategy, Arts (item 3)  
Laura Dawson, Chief Information Officer (item 3)  
John Yates, Head of Planning & Performance (items 3 & 7)

### **1. Apologies for absence & declarations of interest**

Deborah Bronnert, Martin Roth and Alan Shannon had sent apologies for their absence.

There were no declarations of interest.

### **2. Minutes of the Board meeting of 13<sup>th</sup> December 2016 and matters arising**

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

The Minutes were approved.

### 3. Review of organisational priorities and plans

The Chair welcomed Kate Arthurs, Laura Dawson and John Yates to the session.

The Chair introduced the session explaining that its aim, and the reason he'd extended the length of the meeting, was to give Trustees an in depth understanding and overview of the external and internal challenges the organisation is facing, the priorities, and how the regions, businesses and corporates are contributing to the overall plan. This should enable Trustees to better engage with the key issues, support management and hold them to account. It will also inform the agendas over the coming year.

Ciarán gave a brief summary of the points he had made in his presentation to Trustees the previous evening and which are summarised in the paper. He described the main change projects in place to ensure sustainability, a more efficient, effective and flexible organisation, and delivery of greater impact. He noted that we are setting up a small unit in the UK to drive delivery to deadlines and ensure integration.

Kate gave an overview on how the regions are contributing to the corporate challenges, the top priorities for each of them and the models and approaches in place in different types of countries. Kate Arthurs, Jo and Mark did the same for the businesses, Andrew for digital and partnerships, and Adrian, Hilary, Helen, Laura and Nigel for the corporates.

Trustees agreed the following as priorities.

1. Costs must be significantly reduced in order to balance the books next year and ensure no diminution of the reserves.
2. Diversification of products is important to ensure we are responding to changing market needs and developing a broader income base for the medium and longer term.
3. The new KPIs should enable evaluation of impact, including the 'bingo card' themes, as we increasingly plan and engage on a thematic basis.
4. Regions should be clear how they are aligning with which of the bingo card themes.
5. It is important to do fewer things better in order to increase impact and focus resource and capability. Regional, country and business strategies and plans coming to the Board should demonstrate how we are doing this.
6. Our relationships with multi-lateral organisations are important and should be tracked.
7. A partnership and sponsorship plan for our arts work should come to the Board.
8. Our plan for breaking even in education & society with clarity on our geographical focus for each strand of work should come back to the Board.
9. The Board should be regularly updated on our commercial plans for IELTSs, for other exams, for developing the English language teaching business and for British Council schools. It should be clear how each strand contributes to regional plans with clear targets for each over the next 3 years including on surplus and efficiencies.
10. English for Education Services: bring a plan to the Board on how we will break even as a minimum.
11. Bring a paper on our digital strategy to the Board. Clarify how Trustees can help, e.g. reviewing tests of new products and ways of doing things.
12. Share updated UK strategy with the Board so clear what we do in, with and for the UK to help deliver our mission globally.

It was agreed that the above should be included on agendas for the Board at various point throughout the year and that a dashboard to enable Trustees to monitor progress should be developed.

Nigel then took Trustees through the financial plan including the on-going initiatives to ensure an affordable operating plan.

The CEO stressed that the Executive Board is fully committed to the projects set up to reduce the funding gap. These will bring down costs significantly. However, he also alerted the Board to the risks, e.g. the dependence on funding from the empowerment fund in time, as agreed in the CSR but not yet tied down, and the restrictions on investment to fund initiatives for making us fit for purpose for the future. The Board agreed that at the next meeting they will review an updated financial plan and consider other tougher options for reducing cost if necessary.

#### **4. Chief Executive's report**

The CEO updated Trustees on our work to intensify UK engagement with EU institutions. This includes a series of events through which we are convening institutional and policy leaders from the education, science and arts sectors across Europe. The opening event will take place in Berlin on 15<sup>th</sup>/16<sup>th</sup> February, in partnership with DAAD and the Goethe-Institut, which the CEO will attend.

He also reported on the Education World Forum (EWF) event, which more than 80 ministers from around the world attended. The British Council's main role was to provide networking and information opportunities for various of the delegations.

He updated Trustees on an agreement between Pakistan and India which hadn't worked out and lessons learned from that.

He also reported on his latest visit to Russia during which he and Director Russia had launched the UK-Russia year of science and education 2017.

#### **5. Chief Financial Officer's report**

Nigel took the Board through the latest Management Information pack focussing on Q3 results and the forecast. He noted that there is a pattern of expenditure in the last quarter and that overall, we are on track to deliver against the quarter 2 forecast.

#### **6. Chief Operating Officer's report**

Adrian suggested that as the CFO report now is working well it is a good time to revamp the COO report to focus on non-financial impact measures bring it to the Board quarterly to tie into the business review cycle. It would also continue to include statutory requirements such as fraud reporting. Trustees agreed to this.

He also brought Trustees' attention to the staff survey results.

#### **7. Review Corporate Plan draft**

The Chair welcomed John Yates back to the meeting.

Adrian reminded Trustees that the Corporate Plan is a refresh not a new plan and that the next version will come to the Board in March for approval. John took the Board through the main changes

Trustees asked for the final draft with financials to be circulated to the Board for review and comments before the March meeting.

#### **8. Annual report and accounts approach**

Adrian confirmed that we are on track for meeting the deadlines and Nigel confirmed that the final timetable for the accounts will go to the next Audit & Finance Committee meeting.

After some discussion, it was agreed that few of our stakeholders or audiences will read the annual report for information so it should remain as primarily a governance document and we should tell our story through other means.

#### **9. Chair's notes**

The Chair asked for updates on visits. Kirsty reported on her visit to Colombia to contribute to the Hay Festival, during which she met some of the British Council team. Tom had visited Tanzania. Janet had visited Mumbai on other business but had met British Council colleagues.

The Chair informed the Board that he had had a useful dinner meeting with the chairs of the devolved Country Committees. He suggested that the Board meeting in June should take place in

Wales with a dinner the evening before and should focus on our UK strategy. The chairs of all the devolved Country Committees would be invited to attend. The Board agreed.

He then referred to previous discussions on location for the September Board Strategy Away Day and suggested Warsaw as an affordable option which would provide Trustees with valuable insights on the issues relevant to an important country operation for the UK post EU referendum, as well as an on the ground understanding of one of the larger EU British Council operations. Individual Trustees will also have opportunities to network and give lectures or speeches at specific events. The Chairs of the devolved country committees won't attend this, nor will EB other than the core members described below, to save costs. Trustees agreed that this would be valuable and cost effective.

The Chair noted that he had been thinking about an evolution of EB attendance at Board meetings. He proposed that the CEO, COO and CFO attend all meetings but that other members attend as required by the agendas. When they do come to the Board they will be given quality time through deep dives into their specialist areas.

He confirmed that the next Board Effectiveness review would be initiated shortly and Trustees should expect to receive a questionnaire and interviews in their diaries. A report will come to the Board meeting in June.

He reminded Trustees that he is looking at the sub-committees and will bring a proposal to the March meeting with some changes and as there are some gaps, ask for Trustee interest in joining.

#### **10. Report from Contracts Committee**

The Chair updated the Board on the meeting which was constructive in terms of seeing a more rigorous approach towards contracting and delivering an efficient and cost effective business.

He asked for approval for the submission of the following proposals subject to further reassurance from Head of Legal on the IPR, indemnity and liability clauses in the Uganda bid - and to delegate authority to the Chief Executive to sign the subsequent contracts:

1. Support to Rule of Law & Anti-Corruption (EC PAGODA) – Nigeria
2. Strengthening Education for Improved Learning (DFID) – Uganda.

The Board approved.

#### **11. Report from Nominations Committee**

The Chair updated the Board on the longlisting meeting of 8<sup>th</sup> February. He noted that there are good lists of candidates for both posts and that there is diversity within each including geographical. The Committee will shortlist on 10<sup>th</sup> March and then interview.

The Chair of the Audit & Finance Committee noted that it would be useful to have another Trustee on this committee.

#### **12. Board Resolution: Azerbaijan**

Tom Thomson proposed and Usha Prashar seconded a motion to approve a resolution to register a branch in Azerbaijan. It was noted that this is always our preferred option. The Board approved.

#### **13. Any other business**

There was no other business and the meeting ended at 15.30.

## Summary of action points arising

### Updated from previous meetings

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
16(05)3	Risk-based assessment and mitigation plan following data breach to go to Risk Committee for review	2017
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	March 2017
16(06)7	Lease agreement to come for Board approval	March 2017

### Current meeting

17(01)3	Bring a forward look of agendas for 2017 to Board for agreement plus a draft dashboard for monitoring priorities	March 2017
17(01)6	Revamp COO report to focus on non-financial KPIs plus governance issues	Quarterly from June 2017
17(01)7	Circulate final draft Corporate plan including financials for comment before March meeting.	March 2017
17(01)9	Proposal on refresh of subcommittees	June 2017