Terms of reference of the Commercial Committee
Approved by the Board of Trustees of the British Council on 13 February 2018

Rationale and scope

The British Council has developed significant commercial activities that contribute both directly to the achievement of the organisation’s charitable mission as well as generating free-funds which are re-invested to support the organisation’s cultural relations activities more broadly.

The Board of Trustees has established the Commercial Committee to support the leadership of the British Council’s commercial activities and assure their effective and transparent management in line with corporate objectives.

The scope of the Committee will be the British Council’s English and Examinations commercial businesses worldwide as well as the British Council Schools’ initiative, across the network, whether or not delivered through subsidiary entities.

The Committee will be complemented by the English Language Advisory Group which is where external stakeholders from the sector have a voice, as well as the Board of BC Holdings Ltd which is a legal entity through which the British Council is able to establish subsidiaries.

It will complement, but not overlap with, the work of other committees which support the Board of Trustees, particularly those mentioned below:

- the Contracts Committee, which will review the business strategy and continue to scrutinise major client-funded contracts, in the areas of education, society and arts.
- the Audit and Finance Committee which will scrutinise financial controls and external financing options
- the Risk Committee which will look at commercial operating risks in specific countries or regions
- the Business change Committee which will review investments other than those in English and Exams
- Remuneration Committee which looks at remuneration policy and strategy.

As with all the committees, it will operate in the interests of the charity and under the direction of the Board of Trustees, consistent with our Royal Charter (see annex b).

Role and responsibilities

1. The Commercial Committee is a committee of the Board of Trustees (hereafter referred to as the Board) of the British Council established to provide scrutiny of the British Council’s commercial activities, review plans and monitor performance, and report and make recommendations to the Board of Trustees to address issues arising.
2. It will focus on strategic issues and the management of these. It will not become involved in operational management nor make management decisions itself.

3. It will:
   
   - Contribute to the development of the strategy for the commercial business
   - Review the business plan for the following year/three years and recommend to the Board of Trustees for approval
   - Assist the Chair of the Board of Trustees in holding management to account through the year
   - Assist in managing government relationships as they relate to the British Council’s commercial activities

4. ‘The British Council’ is used to refer to the British Council charity, incorporated by Royal Charter, and all entities under the British Council’s control and consolidated in the annual audited group accounts.

Annex A: Governance

Membership and selection

5. All members of the committee shall be appointed by the Board of Trustees. The Board will review membership of the committee every three years.

6. The members shall include:

   a. The Chair, who shall be an elected trustee
   b. Up to four other trustees
   c. Up to two other independent members as determined by the Board of Trustees

7. The Committee may co-opt additional members to provide specialist skills, knowledge and experience subject to those appointments being approved by the Board of the British Council. Co-opted members will be appointed for a term of three years. The term may be renewed once subject to approval by the Board of Trustees.

8. The British Council’s Chief Executive, Chief Financial Officer and Director English and Exams will routinely attend the committee’s meetings but will not be members.

9. Quorum will be three members, two of whom must be Trustees of the British Council.

10. All members must make decisions solely in the interests of furthering the charitable objectives of the British Council for public benefit. Any conflict of interests must be declared and managed in accordance with clauses 13 to 17 of the Royal Charter whose requirements should be interpreted as applying equally to all members of the committee.
Reporting

11. The Chair of the Commercial Committee or, in his/her absence, another trustee member of the Committee shall report to the Board at the next Board meeting.

12. The Board will commission periodic reviews of its effectiveness as it does for other committees to the Board.

13. Minutes of Commercial Committee meetings, once agreed with the members of the Committee, will be shared with other members of the Board.

Frequency of meetings

14. The Committee will meet four times a year unless otherwise agreed by the Board.

Review of these terms of reference

15. The Commercial Committee will review its terms of reference annually and will recommend any necessary changes to the board.

Annex B: Extract from the Royal Charter of the British Council

20. The Board may delegate any of its powers (other than its powers under clauses 18 and 19 of this Our Charter) to a sub-committee, or sub-committees, provided that the Chair of any such sub-committee shall be a member of the Board appointed by the Board. Any sub-committees so formed shall, in the exercise of the powers so delegated, conform to any regulations or directions that may from time to time be imposed upon it by the Board and shall report back as soon as practicable to the Board.

21. The Board may delegate the implementation of their decisions or day to day management of the affairs of the British Council to any person or committee.