

In confidence

BCB(18)6th meeting

Tuesday 11 December 2018

## **MINUTES**

### **Present**

Christopher Rodrigues	Chair
Janet Beer	
Mark Beddy	
Deborah Bronnert	
James Cronin	
Kevin Havelock	
Kirsty Lang	
Tom Thomson	
David Verey	

### **In attendance**

Ciarán Devane, Chief Executive  
Adrian Greer, Chief Operating Officer  
Richard Thomas, Chief Financial Officer  
Kate Ewart-Biggs, Director Network  
Andrew Horton, Director Digital, Partnerships and Innovation (items 7 and 12)  
Caroline Marriott, Director Service Delivery (item 7)  
Jo Pearson, Director New Product Development (item 12)  
Mark Robson, Director English and Examinations (items 11 to 12)  
Rebecca Walton, Regional Director European Union (item 9)  
Catherine Ward, Global People Director (item 9)  
Christopher Wade, Senior Policy Adviser (item 10)  
John Yates, Head Strategy, Performance and Insight (item 8)  
Alison Coutts, Secretary

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

Yasmin Diamond, Rohan Gunatillake, Rachel Lomax and Willy Roe had sent apologies for their absence. There were no declarations of interest.

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

All matters arising from the meetings had been actioned or were scheduled for future meetings. The minutes were approved.

### **3. CEO report**

The CEO brought Trustees attention to the growth figures over the last 4 years as noted in his report. Trustees found these useful and asked for them to be refreshed in this form at various points and shared with them as a useful prompt.

Ciarán noted that the Management Board had recently met and focussed on the organisation's strategic options and planning. He also noted that the National Security Adviser had been a key note speaker and given a useful talk which set out some of the context.

He then updated Trustees on preparation for IICSA (the Independent Inquiry into Child Sexual Abuse) and confirmed that the organisation has submitted its witness evidence.

### **4. Charitable Trusts and Ancillary Charities Report**

The CEO reminded the Board that it has delegated authority to the CEO to make decisions relating to the charitable trusts for which the British Council remains a corporate trustee or to which it nominates trustees. However, the CEO is required to report annually to the Board on the exercise of this authority and he referred Trustees to the report in the Board papers. Trustees noted.

### **5. Benevolent Fund Report and Accounts**

Trustees approved the Report and Annual accounts subject to a clear Internal Audit Report. However, it was noted that the Trustees of the Benevolent Fund rather than of the Board of Trustees are responsible for these accounts and that in future they should go to the Benevolent Fund trustees for approval. It was agreed that the British Council would update the regulations governing the Benevolent Fund to take this into account.

### **6. Revised Delegated Authorities**

The CFO referred Trustees to proposed new and amended text. The Board approved the changes.

### **7. Echo Contract**

The Chair welcomed Andrew Horton and Caroline Marriott to the meeting by teleconference.

Andrew noted that the global telecommunications network is currently provided by Vodafone under the ECHO1 Framework in which the British Council partners with FCO and DfID. The current contract ends in April 2019 and the British Council is in the process of negotiating a new contract for services that will deliver better value. The Board approved an extension for the transition period as requested.

### **8. Organisational Performance Report (impact and financial)**

The Chair welcomed John Yates to the meeting.

The COO and John Yates updated Trustees on progress against impact, customer and stakeholder relations with an emphasis on outcomes against the 5 strategic priorities.

The Trustees noted that the organisation has made progress in defining KPIs for impact and building an evidence base, and also that the continued push towards working on a thematic basis is a much more helpful way of describing and communicating what we do and measuring it.

They agreed that the impact report, which will be presented quarterly, is an anchoring and important document, and asked management to pick out 3 or 4 top areas for the Trustees to explore each time.

The Trustees agreed it would be useful to invite an external speaker to talk to the Board on soft power and the British Council's contribution to hear directly how the organisation can add value.

The CFO gave an update on financial priorities and Trustees commented that the financial KPIs are very useful. They noted that the organisation is on track to deliver planned headcount reductions this year.

The CFO also talked through the period 7 results noting that the organisation is still on track though work needs to be done to renegotiate some of the big programme structures with partners in future to spread spend more evenly across the year.

He also noted that exchange rates continue to impact negatively and a contingency is being held to cover this.

## **9. Brexit Risks**

The Chair welcomed Rebecca Walton and Catherine Ward to the meeting.

The discussion focussed on the following 3 dimensions of risk, 1/ the reputation of the UK in Europe, 2/ the British Council's effectiveness across Europe, and 3/ people, funding and ability to operate.

Trustees agreed that the strategy put in place in the EU immediately after the Referendum, which was to consult with the educational and cultural institutions to identify what mattered to them most in terms of continuing relationships with the UK, had been the right one, as it will help focus what we do going forward. They also noted the uncertainty on continued access to multi-lateral programmes managed through Brussels, which may have a considerable effect on our impact and ability to operate.

Trustees discussed potential financial implications and agreed that the reserves must continue to increase. They also noted the planning in place to help manage potential people implications.

Overall Trustees agreed that the organisation was focusing on the right risks for the moment and that mitigating actions in all 3 areas were reassuring.

## **10. Tailored Review**

The Chair welcomed Christopher Wade to the meeting.

Christopher Wade updated the Board on changes to the last version of the report on the review received by the Trustees. He noted that the final draft should arrive shortly before going to the Foreign Secretary the following week.

Trustees stressed that approval of strategy lies with them but were pleased to hear that there would likely be a focus on creating stronger links between both organisations to ensure they work closely together on strategic and high level operational issues.

Christopher Wade noted that the British Council will produce an implementation plan to address the recommendations in the final report which will be incorporated into corporate planning but with markers so that the Board and FCO can see progress against recommendations in the review. The Board congratulated the organisation on the excellent team effort that had led to a helpful report.

## **11. Examinations update**

The Chair welcomed Mark Robson to the meeting.

The Board was updated on options for managing the examinations business going forward following a review by EY Parthenon. The Chair noted that a group of Trustees and executive staff is meeting regularly to review implications and options going forward.

Trustees stressed that any decision on this is crucial so must be considered by the full board. They asked that a Trustee other than the Chair chairs the Trustee group to ensure proper governance. It was agreed that Fiona Salzen, the independent member of the Audit & Finance Committee could be an option to chair if she were willing. It was also agreed that any option agreed must be primarily based on furthering the British Council's mission. Trustees asked that a full in-depth review by the Board through an extra meeting take place as soon as possible.

## **12. English Score**

The Chair welcomed Andrew Horton and Jo Pearson to the meeting.

Mark Robson noted that English Score had come to Trustees not because of the size of the investment but to approve entry into a non-wholly owned joint entity which would also be subject to FCO approval. He also noted that the Commercial Committee has been reviewing and advising on progress.

Trustees agreed that it should be reviewed once more by the Commercial Committee and also by the Risk Committee as relevant to scrutinize including the following:

- Clarity on the shares recommendation
- Clarity on reserves matters
- Brand licensing and reputational risk
- Clarity on who manages it and how it's managed
- Implications of closing it down.

The board approved the proposal in principle subject to assurance from the Commercial Committee regarding the commercial arrangements and from the Risk Committee over the management of risk.

## **13. Chair's business**

The Chair noted that the Charity Commission had requested to meet with a group of Trustees to discuss safeguarding, and that he, Tom, James, Ros Marshall (previous Trustee with the remit of child protection lead), the CEO and executive support, shortly after the Board meeting, and that he would report back.

He mentioned that Rachel Lomax, the newly appointed Deputy Chair, had started officially on 3<sup>rd</sup> December, and that although unfortunately she couldn't make today's meeting, she would be in touch with all Trustees before the February meeting.

He updated Trustees on the Nominations Committee meeting of 3<sup>rd</sup> December at which 4 candidates with an arts background were shortlisted for interview.

He also referred to the latest grid on committee membership which had been tabled, noting that since the last meeting:

- Janet had agreed to join Remco and Noms
- Yasmin had agreed to join Commercial and stay on Remco
- David had agreed to join Commercial.

The Board approved these changes.

He also noted that Rohan had agreed to be the Trustee safeguarding lead from January until he leaves mid next year by which time the Board will have recruited a trustee with some experience in this area.

He reminded Trustees that there will be a dinner for trustees the evening before the February meeting.

#### 14. Any other business

There was no other business and the meeting ended at 12.45.

#### Summary of action points arising

##### Updated from previous meetings

17(07)7	Updated IELTS partnership to come to Board for approval	Mar 2019
18(05)	The Chair to ensure weekly meetings with the CEO, with the Secretary or another in attendance as an independent notetaker and share regular updates with the Board.	November 2018 and on going
18(05)	Consideration of the Chair's second term to come to the Board shortly so the Board can manage in conjunction with the recruitment of a new CEO	Feb 2019
18(06)03	Provide a narrative that explains our ambitions, themes and areas of work with clarity on the benefits for the UK and countries in which we work.	Mar 2019
18(06)04	Share a list of current investments with Trustees	Mar 2019

##### Current meeting

18(07)11	Exams options: an extra meeting to be set to enable an in-depth review including of governance before a recommendation comes to a Board meeting for approval.	Feb 2019
18(07)12	English Score proposal to be reviewed by Commercial and Risk Committees and their conclusions to be sent to Board	Jan 2019