

In confidence

BCB(18)3rd meeting

Tuesday 5 June 2018

MINUTES

Present

Christopher Rodrigues	Chair
Deborah Bronnert	
Gareth Bullock	
James Cronin	
Yasmin Diamond	
Rohan Gunatillake	
Kevin Havelock	
Kirsty Lang	
Ros Marshall	
Usha Prashar	
Willy Roe	
Tom Thomson	
David Verey	

In attendance

Ciarán Devane, Chief Executive
Adrian Greer, Chief Operating Officer
Nigel Arthur, Interim Chief Financial Officer
Richard Thomas, Chief Financial Officer
Kate Ewart-Biggs, Director Network
John Yates, Head Planning (items 4 and 5)
Andy Williams, Regional Director Wider Europe (item 6)
Clare Sears, Director Western Balkans (item 6)
Zeljko Jovanovic, Director Marketing Wider Europe (item 6)
Andrew Horton, Director Digital, Partnerships and Innovation (item 7)
Sally Thompson, Director Digital (item 7)
Christopher Wade, Director Tailored Review (item 9)
Alison Coutts, Secretary

1. Apologies for absence & declarations of interest

Janet Beer and Oliver Laird had sent apologies for their absence.

There were no declarations of interest.

The Chair welcomed Richard Thomas, the new Chief Financial Officer, to the meeting. He also thanked Nigel Arthur, Interim Chief Financial Officer, on behalf of all Trustees, for the excellent work he had done including a major transformation in the finance function.

2. Minutes of the Board meeting of 27th March and matters arising

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

3. CEO report

The CEO updated the Board on the situation in Russia and Iran. He also noted that colleagues would be attending a preliminary hearing as part of the Independent Inquiry on Child Sexual Abuse (IICSA) on 6th June and that part of its purpose will be to define the scope of the Inquiry.

He informed Trustees that the Corporate Plan has been agreed by the FCO but there are still some questions from the Treasury. He noted that these should be resolved over the coming weeks.

4. Organisational report

4.1 Finance

Nigel gave an update on the management accounts and noted that they will show a neutral position on the reserves at the end of the year. He reminded Trustees that it had been a strong year for exams in particular and that the increased ODA funding had been absorbed and spent well.

He noted that although it has been slightly better this year, there is still a challenge on forecasting.

The Chair on behalf of the Board thanked the Executive and colleagues for a great result.

4.2 Impact

The Chair welcomed John Yates to the meeting.

Adrian Greer introduced the updated report which now includes key result areas, detailed dashboards and deep dives into various areas of research and impact. He noted that there is strong impact in exams and on programmes funded by ODA grant in particular.

Trustees welcomed the independent impact reviews which give good insights into where the organisation adds value. They agreed that this is mainly through the insights and intelligence gained in countries and shared with partners.

They noted that customer satisfaction is high overall though with dips in some countries which need exploring, and also that qualitative impact from overseas government stakeholders is generally strong.

They also stressed the need for a strong narrative describing our mission, focus and how we can support and provide opportunities to stakeholders and contacts, which all staff observe consistently.

5. Annual Report

The COO reminded Trustees of the format and timescale. The CFO commented that the NAO is reporting on a weekly basis and there are no significant issues at this point in time.

It was agreed that the Chair and Yasmin would review the next draft in detail but that it would also be shared with all trustees in case others had comments. It was noted that the final version would come to the Board for approval at the July meeting.

6. Russia and neighbourhood

The Chair welcomed Andy, Clare and Zeljco to the meeting.

Kate introduced the session reminding Trustees of some of the geo-political shifts in the region and the changes the region has and continues to make to address them. Andy, Clare and Zeljco talked about the thematic approach the region has taken to its areas of work, insights that come from this, and different ways they have organised themselves to build in agility and effectiveness as the external environment and internal demands change.

Trustees thanked Andy and colleagues for the live insight into the work and effectiveness of the region. They also agreed the importance of learning from the region's experience elsewhere and rolling out the models where appropriate.

7. Digital deep dive

The Chair welcomed Andrew Horton and Sally Thompson to the meeting.

Andrew and Sally ran through progress made in digital over the last couple of years, which included a simplified and more managed platform and the innovation and piloting of new products. The challenges which remain are still significant including the need to speed up on the innovation and scaling of products to market, developing flexible partnerships and building technology into the heart of the thinking and creativity of the organisation.

Trustees were encouraged by progress and noted the challenges. They also asked that the Board be kept engaged as this is one of the priorities for the organisation.

8. Reports from Committees

8.1 Commercial

Kevin Havelock reported back on the meeting of 10th April which had covered in particular teaching, for which EY Parthenon have been contracted to do a review on future options, and schools, with the opening of a new school in China on track for September. He noted that Oliver had stepped down as would Ros and Gareth in the autumn, so other Trustees will need to join. In addition he noted that an external recruitment exercise for two external members was in place and that following interviews the Committee will bring back recommendations to the Board for their approval.

8.2 Audit & Finance Committee

David Verey reported back on the meeting of 22nd May. The Committee had noted that the NAO is on schedule for delivering the annual accounts for sign off on 3rd July. It had also noted that the cash position has improved as the organisation gets better at repatriating trapped cash. They'd observed an increase in fraud reporting which is partly as there is better identification. This is stretching Internal Audit who are therefore recruiting further resource and reviewing their contractors to ensure they get the right service.

8.3 Risk Committee

Tom Thomson reported back on the meeting of 22nd May. He noted that Fiona Salzen, who had been approved by the Board at their last meeting as an independent member, had joined the meeting. It had also been Gareth's last meeting and the Committee had thanked him for his valuable contributions. He noted the need for a further Trustee to join the Committee going forward. The Committee had reviewed the Statement of Risk appetite but asked for it to come back to the Committee in November after further work, and then to the Board early next year. It had also looked at risk in wider Europe, partnerships and safeguarding.

8.4 Business Change Committee

The Chair reported back on the meeting of 4th June. The Committee had reviewed the top level change programmes and noted that the direction of travel is good though benefits are still to be mainstreamed and it will be important to track their delivery. It had also looked at HR Shared Services for which plans are being developed further.

The Committee had encouraged further prioritisation going forward with a focus on examinations. It had agreed the recruitment process for an independent member which will follow the formal process agreed at the last Board meeting and with the recommended candidate to come to the Board for approval.

8.5 Nominations Committee

The Chair reported on the exercise for selecting two new trustees following a longlisting meeting on 26th April and shortlisting on 24th May. The Committee will shortly be interviewing for a candidate with a financial background who will also chair the Audit & Finance Committee following David Verey's request to stand down and focus on other areas. However, it had decided to delay recruitment to the other vacancy to take into account recruitment to the new Arts Director and related leadership posts to ensure complementarity between the roles.

He also updated Trustees on the recruitment process for a new Deputy Chair. He noted that approval had been given by the Cabinet Office and the FCO to follow the same process as used previously for recruiting to the Chair role. This allows for appropriate consultation with the Foreign Secretary whilst following the principles of transparency and fairness and observance of the Board's independence as is required. The exercise will now go ahead. The Board approved that the selection panel should consist of the Chair, Rohan Gunatillake, Deborah Bronnert, Yasmin Diamond, Cindy Butts who is an independent assessor nominated by the Cabinet Office, and Howell James.

8.6 Contracts Committee

The Chair asked the Board to approve the updated Terms of Reference following their annual review. The Board approved.

9. Draft Terms of Reference for the Tailored Review

The Chair welcomed Christopher Wade to the meeting.

Christopher updated the Board on continuing discussions with the FCO on the terms of reference and noted that the FCO was aiming to sign them off and begin the review later in June.

Trustees made a range of proposals to improve them to be helpful to all involved. These included being clearer on our contributions to our charitable mission and the wider UK in addition to government objectives. Christopher confirmed that he would include these in the next discussion and share the final draft with Trustees at the next meeting.

10. Chair's business

The Chair reminded Trustees of the Away Day in September which will take place in Farnham International Conference Centre. He suggested a discussion on the British Council's contribution to soft power as the main agenda topic which trustees agreed to. Rohan, Tom and Willy offered to work on a proposal with the Executive and bring it to the Board in July for sign off.

The Chair informed Trustees that an updated version of BoardPad would be introduced in September following a takeover of the company by Diligent. He confirmed that it looked more flexible and user-friendly and the secretariat would be sharing more information and briefings as required.

He noted that it is time for the next Board Effectiveness Review and that the secretariat would commission this to begin in September or October.

Finally he noted that a progress report on the UK move to Stratford would shortly be shared with Trustees.

11. Any other business

The CEO referred Trustees to a paper tabled on a proposal being submitted for the DfID Pakistan programme: *Aawaz II: Inclusion, Accountability and Reducing Modern Slavery*. The offer is within the CEO's delegations but as it is for a large project he noted that it was important the Trustees were aware of it.

Dates for 2018 Board meetings were shared.

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

Summary of action points arising

Updated from previous meetings

17(07)7	Updated IELTS partnership to come to Board for approval	2018
17(07)7	Recommendations on opportunities, funding and contract options for further British Council schools to come to the Board for review and approval	2018
17(07)8	Partnerships due diligence policy and process to go to Risk Committee for review	2018
17(07)8	Novel partnership arrangements to be taken to Risk Committee for review before committing	2018

Current meeting

18(03)8	Nominations Committee to agree proposal for updating Trustee membership to the Commercial and Risk committees.	2018
18(03)10	Proposal for Away Day outcomes and agenda to be agreed by the Board	July 2018
18(03)10	Update on Stratford move to be sent to trustees	July 2018
18(03)10	Boardpad upgrade: information and briefings to be provided for Trustees	September 2018