

In confidence

BCB(19)3rd meeting

Tuesday 26 March 2019

MINUTES

Present

Christopher Rodrigues Chair
Mark Beddy
Janet Beer
Deborah Bronnert
James Cronin
Yasmin Diamond
Rohan Gunatillake
Kevin Havelock
Kirsty Lang
Rachel Lomax
Willy Roe
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
Mark Robson, Director English and Examinations

John Yates, Head Strategy, Performance and Insight (items 6 and 7)
Paul Fairclough, Head Corporate Planning (items 6 and 7)
Santiago Ruiz de Velasco, Director English (item 8)
Mark Logan, Director British Council Schools (item 9)
Simon Gillett, Head of Programme Management, British Council Schools (item 9)
Rebecca Walton, Regional Director European Union (item 10)
Alison Coutts, Secretary

1. Apologies for absence & declarations of interest

There were no apologies for her absence. There were no declarations of interest.

2. Minutes of the Board meetings of 12th February and 18th February and matters arising

All matters arising from the meetings had been actioned or were scheduled for future meetings. The Board asked for an amendment to the minutes of 18th February to include the need to closely track and manage consultancy fees. The minutes were approved.

3. CEO report

The CEO noted that the COO had been a witness at the IICSA Inquiry following a very detailed submission of evidence which seemed to have gone well.

He updated Trustees on the organisation's response to the Tailored Review which is now focussed on implementation of the recommendations.

He gave an update on Iran and also raised the intent to consider reopening in the Nordics in some form depending on funding feasibility.

4. Organisational performance report (impact and financial)

The COO shared the headlines on the quarterly impact report in terms of progress against impact, customer and stakeholder relations. He also ran through some examples of activities and outcomes in 2018/19 supporting the strategic priorities. It was agreed that the organisation's maturity in building on impact studies and analytics is growing though still work in progress.

Trustees noted that the staff survey results have come through, and it shows a slight drop in some of the engagement scores particularly in areas where there have been major restructurings. This will be analysed and come back to Trustees via the Remuneration Committee.

The CFO talked through the period 10 accounts noting that they are ahead of forecast. The results show a net surplus after tax of £51.2m before taking account of exchange rate movements or depreciation. There is £40m planned grant spend to go through in the final 2 months of the year.

He agreed that further overhead reductions need to be looked at holistically, with targets and a clear narrative from the centre on where they will come from and the resulting impact.

5. Amended delegated authorities

Following the approval of the annual update of the 'Matters reserved to the Board of Trustees and delegation of authority' at the Board meeting on 11 December Trustees were asked to approve 5 subsequent updates set out in the paper.

The Board gave their approval. It was also noted that anything 'novel or contentious' must come to the Board even if below the financial delegations.

6. Plan and budget for 2019/20

The Chair welcomed John Yates and Paul Fairclough to the meeting.

The COO updated Trustees on changes to the Plan since it last came to the Board, which includes a strengthened narrative on efficiencies and some other tweaks to the text.

The CFO talked through the budget for 2019/20, reminding Trustees that this is the last year of the current Spending Review so therefore we have not drafted a budget for the following 2 years. He noted that it's been put together on a business as usual basis, and doesn't anticipate a particular Brexit outcome nor a spending review outcome that is inconsistent with recent years. To mitigate risk, the organisation is holding on to the benefits of a better than planned performance and unused contingency in 2018/19 and will carry these forward in reserves.

Trustees discussed investment priorities and were concerned about some that were below the current affordability line such as cyber-security. It was noted that as plans for the first priority investments are clarified with timelines, other critical elements needing investment will be covered, though it remains very tight.

The Trustees approved the Budget.

7. Corporate Plan approval

The Trustees approved the Corporate Plan.

8. English strategy

The Chair welcomed Santiago (Santi)de Velasco to the meeting.

Mark Robson reminded Trustees of the context including the following:

- English language has been core to what the organisation does since it started
- We know from surveys that it's the activity most associated with the British Council
- Growth has now plateaued as competition rises
- In many countries it is our core offer and underpins our other work and our platform.

Santi then ran through the main themes described in the paper, focussing on the planned models for the 4 strands and the financial projections.

Trustees agreed with the direction of travel. They particularly noted the following:

- It would be useful to set out why it is important for people to speak English, why British English and why the British Council, so the narrative and our niche are clear.
- It would be helpful to capture the soft power benefits in the above
- It will be important to select partners with similar values and ambitions to us
- The online wrap-around is really important
- The strategy should be ambitious rather than defensive.

Trustees thanked Mark and Santi for an excellent and thought-provoking presentation.

9. British Council Schools Partnerships

The Chair welcomed Mark Logan and Simon Gillett to the meeting.

Mark Robson summarised the significant contribution the British Council school in Madrid makes to the organisation's cultural relations mission in Spain and the ambition to set up a network of similar bi-lingual schools to further increase impact whilst diversifying our offer and funding models. He noted that although the Board had endorsed the overall concept on previous occasions, two concrete opportunities had now been identified.

In order to develop these further, the Trustees gave their approval to start negotiating the proposed non-wholly owned Joint Ventures with the relevant partners and discussing with the FCO to obtain relevant government approvals. However they asked management to then come back to the Board for final approval with assurances in the following specific areas.

- A risk assessment with clear exit strategies against various scenarios particularly referencing how this would work with minority ownership
- A clear statement providing assurance of a strong approach to managing safeguarding
- Clarity on financing and affordability
- Clarity on government approvals required.

It was also agreed that the investment portfolio would come back to the Board to provide Trustees with oversight of the overall investment strategy.

Management noted that they would tightly manage initial investment into exploring the Joint ventures.

10. EU: building partnerships

The Chair welcomed Rebecca Walton to the meeting.

Rebecca gave a short presentation on the objectives, impact, size and shape of the EU region currently as well as challenges looking forward.

Trustees thanked her for a powerful presentation reflecting the excellent work that has been done in the region under her leadership making creative use of extremely limited resources.

They agreed that going forward, in the context of significant political change, it will be important to redefine the UK's relationship with the EU. They strongly supported the case for physical presence noting the evidence that even just one or two respected specialists can have enormous influence on building relationships. They noted the learning from having withdrawn from the Nordics and were very supportive of reopening with a small presence in Sweden, as a sign of commitment to reinforcing our engagement with the EU. They observed that this would require a reprioritisation of non-ODA funding and be dependent on a sustainable funding baseline.

Trustees agreed that it will be important to work together with the FCO to maximise the impact and contributions both organisations can make and also that the ways of working in Europe could be a model for certain other countries round the world.

11. Chair's business

The Trustees approved the following:

- The appointment of Seona Reid as Chair of the Scotland Advisory Committee
- The new Trustee Code of Conduct.

The Chair noted that it was both Deborah Bronnert's and Willy Roe's last meeting and thanked them on behalf of the Board for their much valued contributions as Trustee.

He noted that the Foreign Secretary would be nominating a successor to Deborah as the FCO-appointed Trustee for Board approval.

He noted that the Chair of the Wales Advisory Committee would be taking over from Willy as co-opted Trustee, but that as this post is currently under recruitment, the acting Chair of the committee, Rhiannon Wyn Hughes, will attend the May Board meeting as an observer.

12. Any other business

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	2019
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