

In confidence

BCB(16)1st meeting

Tuesday 9 February 2016

## **MINUTES**

### **Present**

Vernon Ellis                      Chair  
Janet Beer  
Deborah Bronnert  
James Cronin  
Howell James  
Oliver Laird  
Kirsty Lang  
Ros Marshall  
Usha Prashar  
Alan Shannon  
Tom Thomson  
David Verey

### **In attendance**

Ciarán Devane, Chief Executive  
Jo Beall, Director Education & Society  
Hilary Cross, Director Strategy & Engagement  
Adrian Greer, Chief Operating Officer  
Helen Murley, Director HR  
Mark Robson, Director English  
Caroline Stockmann, Chief Finance Officer  
Mary Cutbill, Corporate Finance Director (item 4)  
Christopher Wade, Regional Director Americas (item 9)  
Alison Coutts, Secretary

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

Gareth Bullock, Rohan Gunatillake and Martin Roth had sent apologies for their absence.

There were no declarations of interest.

The Chair welcomed Alan Shannon, new Chair of the Northern Ireland Country Committee, to his first Board meeting.

The Chair welcomed Hilary Cross, next Executive Board member, to the meeting.

The Chair also noted Deborah Bronnert's new job title which is Director-General Economic & Consular for the FCO and congratulated her.

### **2. Minutes of the Board meeting of 1<sup>st</sup> December 2015 and matters arising**

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

The Minutes were approved.

### **3. Chief Executive's Report**

Ciarán updated Trustees on the Comprehensive Spending Review settlement. We still haven't received the detailed letter from the FCO but we know the core elements. *Information in this section has been removed as it is exempt from disclosure on the grounds that it is "likely to prejudice the commercial interests" of either the British Council or another party as defined under Section 43 (Commercial interests) of the Freedom of Information Act 2000.*

Trustees stressed the need to have an achievable plan for growing our surplus sufficiently and to manage our reserves rigorously. They also observed the importance of constantly doing more to build a greater range of partnerships.

Ciarán reminded the Board that the 2016 Year of Language and Literature with Russia has now been launched and will be critical in building UK-Russia engagement in order to strengthen the bilateral relationship.

He explained that the Executive Board is defining the key projects they will be personally leading on over the next few years in the broad areas of: people, critical projects, stakeholders and performance. Once the outcomes for each have been agreed, they will be reviewed through the COO's quarterly business reviews and given a green, amber or red rating. Anything red will then be an agenda topic for the Executive Board.

Ciarán then asked Jo to update the Board on our new research strategy. The Trustees agreed that the approach was very encouraging.

### **4. Management Information briefing session**

The Chair welcomed Mary Cutbill, Corporate Finance Director, to the meeting.

Caroline reminded the Board that this is a project that started 9 months ago and is focussing on providing consistent and timely management information, in a more efficient way, in order to enable better informed decision making. Mary then ran through progress so far and what remains to be done. In particular, a new suite of reports has been introduced and training on using them has been well received so far. However non-financial information is still to be incorporated as are proper KPIs.

The Trustees noted that this project is really important for the organisation. They said that in terms of reporting to the Board, the organisation should identify what the Board needs to know, and highlight the problematic areas. They also need more and clearer commentary. As part of this they asked for a clear report which reflects different forms of income and shows where costs fall. In addition it would be useful to identify the key KPIs for the Board, e.g. the critical success factors, and report against these each time. They agreed that non-financial information is critical. The reserves position should also be flagged at each meeting. Finally, a short note on the risks trustees need to be aware of must be included.

Trustees also asked whether financial colleagues are seen as supportive by the rest of the organisation rather than too controlling. Caroline said there is a shift and that having strong regional finance managers in place is helping.

### **5. Annual Report Approach**

Ciarán introduced the approach for the 2015-16 report. As last year it will focus on ensuring it meets statutory and parliamentary reporting requirements and provides associated transparency rather than also serve as a communication tool. He proposed that it be slightly shorter than before to make it more focussed and relevant to its audience.

Trustees agreed the approach. They also stressed the need for it to be produced on time and laid in Parliament by the summer recess. Oliver Laird volunteered to review progress at appropriate points.

## **6. Corporate Plan 2016-20**

Adrian introduced the first draft of the Corporate Plan. He noted that some areas are still being worked through such as the details of the Comprehensive Spending Review. The consultation is also still underway. The plan will be updated during February with the final version coming back to the Board for approval in March.

The Trustees main comments included:

- The need for more on the scale of impact we are aiming for.
- Make sure it's clear how all parts of our work are driven by our long-term mission and organisational values.
- It needs a bit more on our ambitions and model for Europe.
- Include some tighter KPIs
- Tighten up the language in places so that it's absolutely clear.

Overall they agreed that it is going in the right direction.

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

Adrian asked Caroline to give an update on our financial performance. Caroline explained that although the income and costs are lower than plan, a large part of this is a result of timing difference and on enterprise surplus we shall catch up by the end of the year. The 2016/17 plan has raised some tough challenges but is coming together and will be included in the pack for the next Board meeting.

Mark gave an update on digital English tests. *Information in this section has been removed as it is exempt from disclosure on the grounds that it is "likely to prejudice the commercial interests" of either the British Council or another party as defined under Section 43 (Commercial interests) of the Freedom of Information Act 2000.* To maintain this position the computer based test which we will bring in next financial year is essential. We are also bringing in computer based testing for other exams.

Graham gave an update on the Cultural Protection Fund which DCMS has asked us to manage. The purpose of the Fund fits well with our arts vision and will allow us to work with a wider set up partners and scale up impact substantially. The Board agreed that this is an exciting opportunity and demonstrates a much more positive relationship with government.

The Chair noted that 3 of our contracts have won external awards or other recognition and gave his congratulations. Trustees were also pleased to hear that there will be an extension to the Newton Fund.

## **8. Chair's Business**

The Chair noted and Trustees confirmed that the following decisions had been made by Trustees since the last meeting:

1/ Approval to sign the DFID Partnerships for Higher Education contract. This had come to the Board and been approved previously. However during negotiations the financials changed beyond the 10% which the Board delegates.

2/ Approval of the updated Delegations from the Board to the Chief Executive including revisions to the delegations relating to fraud and losses as requested at the December 2015 meeting.

The Chair brought Trustees' attention to the work that has been done since the Triennial Review on making the country and sector advisory groups and committees more transparent, consistent and accountable. He also noted the governance arrangements.

He noted that Kirsty had travelled to Cuba and attended the regional arts meeting

## **9. Regional overview: Americas**

The Chair welcomed Christopher Wade, Regional Director Americas, to the meeting.

They discussed the innovation and new models that the Americas have been trialling on the commercial and English side. Mark Robson noted that it has been one of the most innovative regions and the English Business Unit wants to scale up some of the work they have developed, such as the Uruguay teaching model, both in the Americas and elsewhere.

Trustees encouraged the organisation to ensure the learning in the region is properly shared and benefitted from.

The Trustees thanked him for an excellent presentation.

## **10. Report from the Risk Committee**

Tom reported on the Risk Committee meeting of 4 February. He noted that the Committee had reviewed the statement of risk and asked for it to be higher level and based on principles to make it more relevant. They had also received a brief on the Goddard Inquiry which will be a significant exercise on which the Committee will keep the Board informed. They had also looked at risk through the lens of our operations in Egypt and the Americas which had led to a helpful discussion.

## **11. Report from the Audit & Finance Committee**

David reported on the Audit & Finance Committee meeting of 4 February. He noted that they had had an update on the Goddard Inquiry and received satisfactory assurance on our tax position and on our work on fraud. The Committee had a discussion on foreign exchange and whether there is a more intelligent way of managing it. They have asked for a review of the relevant policy. He noted that the new Head of Internal Audit will take up post from 1 April.

The Committee had made a point of stressing stressed the criticality of producing the annual accounts on time.

## **12. Status Resolution: Ukraine**

Caroline noted that the option proposed is part of our ongoing status regularisation in that country.

The board approved the resolution on establishing and registering a branch of the British Council in Ukraine. The resolution was proposed by Janet Beer and seconded by Tom Thomson.

## **13. Any other business**

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

## Summary of action points arising

Updated from previous meetings

(01)4	Bring economic modelling for review via A&FC	2016
(03)3	Include a session on headcount and what good looks like	2016
(03)4	Include a session on EO&D targets, particularly on race	2016
(01)5	GIS – come back to the Board with a timeline/milestones	By email
(03)4	Develop the English strategy with contributions from Janet, Ros, David and Gareth before bringing back to the Board next year	2016
(04)7	Update the risk format to provide a 3 year projection	2016
(05)4	Include an update from the Contracts Committee in the annual agenda	2016
(05)5	Updated SSA strategy to come back to the Board	Mid 2016