

In confidence**BCB(20)5th meeting**

Thursday 5th November 2020

MINUTES**Present**

Stevie Spring
Rachel Lomax
Mark Beddy
James Cronin
Stephen Deuchar
Yasmin Diamond
Debbie Forster
Rob Humphreys
Malcolm Press
Clare Reddington
Fiona Salzen
Sushil Saluja
David Verey

Chairman

In attendance

Ciaran Devane, Chief Executive (CEO)
Richard Thomas, Chief Finance Officer (CFO)
Andy Williams, Chief Operating Officer (COO)
Kate Ewart-Biggs, Director Global Network
Mark Robson, Director English and Exams
Mark Stephens, Director Cultural Engagement
Catherine Ward, Global People Director
Alison Coutts, Secretary

1. Chairman's introduction

1.1 Apologies for absence & declarations of interest

Tom Drew and Rageh Omaar had sent apologies for their absence. There were no declarations of interest.

1.2 Minutes of the Board fortnightly meeting of 13th October and matters arising

The minutes were approved. The Chairman noted that matters arising had been actioned or were being covered in today's agenda. She then congratulated Kate Ewart-Biggs on behalf of all trustees on her appointment as Interim CEO from 1st January.

2. Covid-19 risk management

2.1 Cashflow, Q2 forecast and September Management accounts

The CFO highlighted the following points which were covered in more detail in the board pack.

The October cashflow forecast shows an improved position compared to September's due to stronger trading and continued tight cash management. Therefore there hasn't been a requirement for a further drawdown of the loan which leaves £13m available in the existing facility.

The Q2 full year forecast has also improved since the last business case. The forecast for ODA spend is being monitored regularly and is on target for the full year. In other areas spend is being kept as low as possible to reduce the need to borrow.

The management accounts show that income is slightly behind the re-budget, however the bottom line is on target through tight management of costs.

The Chair of the Cashflow Committee confirmed that the Committee continues to meet weekly and had been assured that the cashflow is being managed well. He noted that the future trajectory of trading will be challenging and that the bottom up exercise currently in process will give more visibility on this and will be properly scrutinised.

2.2 Business planning

The COO referred to the business planning chart in the board pack which provided an update on the parallel streams of work in process. The plan will then be updated before going to the Board on 9th December for review and sign off, after which there will be detailed work on regional plans. The final stage will be producing an updated Corporate Plan for sign off in March.

2.3 Reviews

The Chairman gave an update. Conversations with the FCDO continue and the team have made excellent progress in terms of on-going negotiations on issues related to the Spending Review. She also continues to engage with the Foreign Secretary, with another meeting due shortly, to follow up on outstanding areas. These include the degree and form of future

oversight and controls by the FCDO against the finalised KPIs. There is also a suggestion for quarterly meetings between the Minister responsible for the British Council, the Chairman and the CEO, to review spending of the grant which would be welcomed. Discussions continue on a proposal to reduce the number of trustees and increase the number of FCDO appointed trustees amongst them. Trustees observed that this would impact on diversity, including reducing the ability to bring in voices from across the UK, as well as workload. They also agreed the importance of focussing on desired outcomes without unintended negative consequences.

3. Examinations strategy

Director English & Exams gave a short verbal update on the emerging examinations strategy.

4. Commercial governance

The Chairman reminded trustees that the purpose of the plan to replace the Commercial Committee with a Commercial Board was to give trustees more, and more timely, input and oversight of the business.

Sushil Saluja referred to the paper in the pack which set out a broad framework for discussion. This will then be developed to include a set of activities and building blocks designed to accelerate the remodelling of the business and ensure it's fit for a changed future. He noted that Director English & Exams had been heavily engaged in its development. They'd also reviewed and drawn on other organisation's models for overseeing their commercial activities such as the BBC.

The Board noted the following. An advantage of having a board to oversee the commercial plan is that it will free up time for the main Board to focus on the mission and purpose and on frontline projects, including those commercially funded, rather than the detail of the business. It will be important to retain the British Council brand as this is what attracts people to the organisation and is associated with its purpose. There will be a need to be very specific on the freedoms required to put the business on a positive footing and the rationale.

Overall the Board was supportive of the direction of travel.

5. Stratford move

The COO drew out the following highlights from the paper. There has been little delay to the project, in spite of the need to flex considerably during the last few months, and the building should be open for restricted access from the week of 16th November. Annual cashable savings will be £1.34m per annum and costs have been reduced from £27m at the outset to £16.2m. There are also on-going discussions with partners who could potentially take some of the space. The communications plan is being reviewed to take account of the new Covid context and its implications for a soft launch.

Trustees then had a virtual tour of the building. They agreed it looked incredibly impressive, modern and a creative space to work and gave their thanks to the team for a fantastic job. They also agreed that would be inappropriate to do a public launch in the current environment.

6. Country challenges

Director Global Network briefed the Board on the types of challenges the network has been facing over the last few months and how they are being addressed.

She noted that there have been a range of security incidents which have impacted on our people and operations. These are managed through a well-developed incident management process which includes addressing staff morale and well-being. She reminded trustees that such incidents can happen anywhere at any time.

There have also been specific challenges related to Covid. As examples, in some countries staff have not been allowed out of their accommodation for some time due to local lockdown rules, in others it has been difficult to keep delivery going as countries open and close. In addition people are increasingly worried about their jobs which adds to stress levels.

To help address the issues, the team has arranged virtual country visits with regular calls and communications to keep people engaged as much as possible. There are also initiatives for sharing tips on keeping safe, on mental health issues etc which has led to positive collaboration and support.

Trustees also noted that in spite of the challenges there is still a lot of activity going on, for example the UK-Italy season which is just starting and a UK university fair which took place across a number of regions with high participation.

The trustees appreciated hearing about the context and asked for their thanks to be sent to colleagues across the world for their work in extraordinary circumstances. They also confirmed that they would like to be included in virtual country visits.

7. Any other business

The Chairman noted that the next fortnightly meeting is on 26th November with the final board meeting for the calendar year on 9th December when trustees will be asked to sign off the Annual Report & Accounts and business plan. Meetings for formal board meetings are also in diaries for 2021 and there will also be a deep dive meeting arranged with the chairs of the country committees on issues facing the devolved administrations.

There was no other business and the meeting finished at 11.50 to be followed by an in camera session for trustees only.

Action points

Meeting date	Action	Owner	Due date	Status:
Jun 2020	New entities requiring Board approval to be scrutinised by the commercial committee first.	Director E&E	June 2020 onwards	Closed
Jul 2020	Draft formal Terms of Reference for the Cashflow Committee for Board approval	Secretary	23 rd July	Closed