

In confidence

BCB(15)3rd meeting

Tuesday 12 May 2015

## **MINUTES**

### **Present**

Vernon Ellis                      Chair  
Janet Beer  
Gareth Bullock  
Rosemary Kelly  
Kirsty Lang  
Ros Marshall  
Usha Prashar  
Martin Roth  
Tom Thomson  
David Verey

Deborah Bronnert, Chief Operating Officer, FCO (Observer)

### **In attendance**

Ciarán Devane, Chief Executive  
Adrian Greer, Chief Operating Officer  
Helen Murley, Director HR  
Mark Robson, Director English  
Graham Sheffield, Director Arts  
Caroline Stockmann, Chief Finance Officer  
Rebecca Walton, Director Partnerships & Business Development  
John Worne, Director Strategy and Communications  
Anna Searle, Director English (item 4)  
Alison Coutts, Secretary

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

Rohan Gunatillake and Howell James had sent apologies for their absence.

There were no declarations of interest.

The Chair welcomed Deborah Bronnert to her first meeting. He noted that until we receive the formal letter of appointment from the Foreign Secretary she will attend as an observer.

### **2. Minutes of the Board meeting of 24 March 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 preparations for the Comprehensive Spending Review (CSR). We are working closely with the FCO on our approach.

Ciarán also noted that now the new government is in place we need to resume discussions with the FCO on how we work most appropriately and systematically with government as we go forward. Trustees agreed that for this to work well, engagement will need to be at different levels and with different groupings depending on whether looking at soft power issues, operational detail or the governance of the FCO/British Council relationship. Overall they encouraged closer engagement based on a more mutual and collaborative approach, but stressed how essential it is to be clear on governance lines and the independence of the Board.

Ciarán then mentioned his recent visits to Korea and China, during which he had learned a huge amount about the range of our work as well as the partnerships and relationships which support us.

### **4. English**

The Chair welcomed Anna Searle, Director English to the meeting.

Mark Robson introduced the session as an overview on how we approach our work and the challenges and opportunities which will inform our strategy. As an example he referred to his visits to Algeria and Tunisia the previous week where he had also met the displaced Libya team. The reopening of a Teaching Centre in Algeria had received huge media interest and the centre is almost up to capacity already. In Libya, desire for English as a route to opportunities continues, and the team is finding new creative ways of delivering in circumstances where a physical presence is challenging. In particular is a model through which remote English teachers are beamed in to teach students in Libyan universities via Skype.

Anna elaborated on this with a short presentation including several examples on how we are developing our product portfolio.

Trustees asked what the constraints were on opening up further Teaching Centres. Anna explained that the main issues concerned our legal status, security issues and the availability of investment funds, particularly for premises. Trustees were supportive of pursuing an analysis into other ways of providing investment to enable us to do more, which the Executive will explore.

They also recognised the challenge of building a sustainable online portfolio. They noted that current digital figures are impressive, including for the British Council's MOOCs on the Future Learn platform. However, the challenge now is not only to grow reach but also to focus on building networks and communities underpinned with a viable business model. It will be important to maintain our core strengths to do this, i.e. quality and reputation.

The Board congratulated Mark and Anna on work done so far. Looking forward they asked for a more strategic analysis of what the market needs are; how we will respond, the difference we will make; how we will build capacity; and the overall sustainable business model. The Chair encouraged them to seek input from Janet, Ros, Gareth and David on the strategy.

### **5. COO report**

Adrian asked Caroline to talk through the financial results for last year and the operating plan for 2015/16. Caroline referred to the paper she'd tabled. This showed good results including that we will slightly exceed our ODA target. She'd also tabled a draft operating plan for sign off. It is predicting an increase in income but gross surplus is slightly down. Trustees queried our cost base and Caroline explained that we hadn't invested in our corporate services to keep up with the level of growth but were doing so now which is one of the causes of the increase. Also, we had moved some items, which had previously been categorised as investment, and therefore shown below the surplus line, into business-as-usual and therefore shown above the line. This is designed to both make our accounts more transparent and give a more correct statement. She also explained the new

accounting requirement on charities to show accumulated annual leave as a liability on the balance sheet. This will have an effect of reducing the amount of funding available. Adrian explained that the level of this accumulated leave is a historical issue arising from an old policy applying to staff serving overseas. It was noted that we have put in place a stronger policy to manage this better. Trustees approved the plan. In future the draft Operating Plan will come to the March meeting of the Board.

Adrian asked Mark to update Trustees on UKVI. Mark informed the Board that we are now up and running against an extremely tight start up schedule. There are various challenges including having capacity in the right places, but we are working closely with UKVI and are confident we will manage costs. It was noted that we must manage our relationship with UKVI clearly to ensure we work strictly within the terms of the contract unless changes are formalised. This requires a slight shift in attitude to working with government departments on a contractual basis, but is a necessary maturing of the relationships.

Adrian led a short discussion on themes coming up in the regional priorities summary and the participation data. Trustees suggested a session on our communications strategy at an appropriate point with a focus on how we tell our story.

## **6. Chair's business**

The Chair reported back on the last Nominations Committee meeting during which they reviewed a long list of candidates. He noted that the search agency Audeliss had responded well to the brief to bring in more diverse candidates. The next stage in the process is an initial meeting with each of the candidates followed by formal interviews with those who remain on the shortlist. Final recommendations will be brought to the Board.

He updated Trustees on a meeting that he had held the evening before with David Verey, Gareth Bullock, and some of the Executive to review the subcommittee structure and governance of British Council Holdings (BCH), Finance & Contracts (FCC) and Audit Committee (AC) and whether there are any gaps.

He proposed the following adjustments

- FCC continues but morphs into the Contracts Committee only.
- Audit Committee morphs into the Audit and Finance Committee.
- A Risk Committee is set up to take a broader look at the risk landscape and review specific risks in detail.
- BCH continues as a legal device.

He stressed that neither adding finance to the Audit Committee, nor the terms of reference for the Risk Committee would reduce the Board's responsibilities and accountabilities in these areas. Rather the changes should enable added scrutiny and oversight.

Trustees endorsed the changes. The Chair said he would be requesting volunteers from the Trustees for membership of the Risk Committee.

The Chair then asked Rosemary Kelly for reports from the Northern Ireland, Scotland and Wales Country Committees, all of which had met recently. She gave an overview of the main points from the meetings which the Trustees found helpful. In future she will submit a formal written report which the Chair will include as an Annex to his Notes to the Board.

He asked Trustees to report back on visits they'd made to British Council operations overseas in the last period which included David to Istanbul, and Kirsty and Rosemary to the Venice Biennale. Kirsty had also gone to Berlin at the British Council's request to chair an education conference run by the Bosch Foundation. She said the contribution to education from the Bosch Foundation is very strong and our office there is exploring ways of building a stronger partnership.

It was noted that Heads of Missions do not always have much understanding about our overall mission, governance nor wider portfolio. It was agreed that the executive will talk to the FCO to

ensure we are systematically included in briefing programmes before Heads of Mission take up new posts.

## 7. Arts

Graham updated Trustees on progress we've made in the arts in the last year and our evolving strategy for the future. He stressed that almost everything is now done in partnership, e.g. the Artists International Development Fund with the BFI, a pilot training programme with the Royal Welsh College of Music and Drama (which will be tendered after the pilot), and a range of others. Reach and engagement are growing, e.g. the high number of hits on the Twitter tour of the Syria: Third Space and The Spirit of Nowruz exhibitions. Our showcasing is high profile and much more reciprocal than it used to be, e.g. Mexico/UK this year. We are investing in our collection and aim to bring in works from artists with more diverse backgrounds.

Trustees congratulated him and colleagues on a huge amount of progress and a strong portfolio. They also encouraged engagement with other interested parties in countries where their cultural heritage is under threat and were pleased that initial conversations had started with DCMS.

They asked that the development of the longer term strategy include a strong analysis of needs, clarity on the impact we want to make, growing collaboration and clarity on how we support the breadth of the UK sector, with a business model to support. As part of the financial model they'd like greater clarity on the full costs for running the collection and as it is a major asset, a clear rationale for its use over the next few years.

It was agreed that the strategy should come back to the Board at a meeting later in the year or to the September Away day. In the meantime Graham will involve David, Martin and others in its development.

## 8. Status Resolution: Albania

The Board approved a resolution to establish a branch of the charity in Albania. The resolution was proposed by Usha Prashar and seconded by David Verey.

## 9. Any other business

Rebecca asked the Board to approve delegation to the CEO to sign a 2-year extension worth £8.6m to an existing contract with Vodafone. It is for the provision of the organisation's inter-office IT network across all countries. Trustees approved.

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 FCC	2015
(03)3	Include a session on headcount and what good looks like	2015
(03)4	Include a session on EO&D targets, particularly on race	2015
(01)5	GIS – come back to the Board with a timeline/milestones	By email

### Current meeting

(03)4	Develop the English strategy including Janet, Ros, David and Gareth before bringing back to the Board next year	2016
(03)7	Bring arts strategy back to the Board at the Away Day or later meeting	2015