

In confidence

BCB(15)6th meeting

Tuesday 1 December 2015

MINUTES

Present

Vernon Ellis Chair
Janet Beer
Gareth Bullock
James Cronin
Rohan Gunatillake
Howell James
Oliver Laird
Kirsty Lang
Ros Marshall
Tom Thomson
David Verey

In attendance

Ciarán Devane, Chief Executive
Jo Beall, Director Education & Society
Adrian Greer, Chief Operating Officer
Helen Murley, Director HR
Mark Robson, Director English
Caroline Stockmann, Chief Finance Officer
Laura Graham, Strategy and performance manager (item 4)
Rebecca Hughes, Head of Education (item 5)
Sara Pierson, Head of Examinations (item 6)
Alison Coutts, Secretary

1. Apologies for absence & declarations of interest

Usha Prashar and Martin Roth had sent apologies for their absence.

There were no declarations of interest.

The Chair welcomed Oliver Laird to his first Board meeting.

2. Minutes of the Board meeting of 27th October 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 (CSR), the outcome of which has been positive with our grant protected in real terms. Much of the detail is still to be worked through

including on how we access different funds. The issues discussed at the Board Away Day remain, e.g. the need to increase surplus and create efficiencies. We are working up plans for these and will keep Trustees informed. Trustees agreed that close cooperation and sharing of information with the FCO throughout our approach to the CSR had been extremely constructive and is a model for how to work going forward.

Ciarán updated the Board on 2 senior manager recruitments: Hilary Cross to the post of Director Strategy and Engagement, and Rob Lynes to UK Regional Director.

4. Corporate Plan

The Chair welcomed Laura Graham, Strategy and performance manager, to the meeting.

Adrian and Laura summarised our approach to the 2016-20 Corporate Plan.

Trustees made the following points:

- The shorter, more thematic approach is better, however this should be balanced with including some detail and stories to bring it to life;
- It would be useful to include a focus on Europe and our role going forward
- The consultation with stakeholders needs to be meaningful so it may be worth having a set of specific issues which stakeholders can feed into.
- It's important that when the draft comes to the Trustees in February there is still room for them to influence.

Trustees agreed the overall approach.

5. Education strategy

The Chair welcomed Rebecca Hughes, Head of Education, to the meeting.

Jo and Rebecca gave a short presentation on the new strategy which was tabled. They also outlined their proposal for EducationUK going forward and the challenges.

Trustees agreed that the strategy has improved and is now more coherent. They asked for it to include more numbers and more information on how we measure impact. It would also be helpful to make our role in skills clearer and how we prioritise as it's impossible to do everything.

On EducationUK, they agreed that the proposal to expand the remit of the brand to cover some of the services currently under SIEM is sensible and will bring clarity to a complex area. They commented that the website is excellent.

6. Examinations Strategy

The Chair welcomed Sara Pierson, Head of Examinations, to the meeting.

Mark and Sara introduced the paper which Trustees thought was excellent.

Trustees agreed that the strategy to grow our business is the right one and that expanding our product base and building a digitally enabled business are essential to enable this. They noted that maintaining reputation is critical for continued success and growth, and that issues around security will continue to be high risk and need tight management.

Trustees agreed that the exams agenda is very important and the Board needs to track progress closely. They asked for short updates to come to meetings more regularly, and next to the meeting in March. This should include a summary of the investment strategy and how we will achieve the surplus target.

Finally they observed that it now seems to be much better understood that the exams business is core to our mission and not just about bringing in surplus though this is important. They were pleased to hear that we are building a stronger evidence base to help articulate the benefits.

They thanked Mark and Sara for a useful session.

7. Chief Operating Officer's report

Adrian gave an update on our financial performance and forecast. He noted that our surplus projections are close to plan and he is confident that we can meet the target. *Information in this section has been redacted/removed as it is likely to be exempt from disclosure on the grounds that it is "likely to prejudice the commercial interests" of either the British Council or another party, as it is defined in Section 43 (Commercial interests) of the Freedom of Information Act 2000*.*

However, Mark noted that we have launched a new blended offer in India which is so far going well. We are also putting in place an improved business plan for Spain. This will include standardising our processes and offer across the 10 centres which will reduce duplication and bring in efficiencies.

Adrian drew Trustees' attention to the brief update on progress against our strategy for MENA which they had requested at the meeting in March 2015.

He also referred to the Global Estate overview. Our estate is a large part of our assets and it is important that Trustees have visibility of it. The move from Spring Gardens in 2020 will also have to be managed carefully. We are developing a medium term Estates strategy which will include selling some of the assets we own as part of our CSR plans. It was agreed that the draft strategy will be taken to a meeting of the Audit & Finance Committee for review.

8. Chair's Business

The Chair asked for approval of the ACCA contract which had already been reviewed by the Contracts Committee. Trustees approved.

Trustees also asked for a list of the Examinations Boards we work with and those we could consider working with in future.

The Chair updated Trustees on the recruitment of chairs for the Northern Ireland and Wales Country Committees. The process for the former is almost complete with interviews planned before Christmas. The process for the latter will be launched in January.

He proposed to the Board that Oliver Laird becomes a member of the Audit & Finance Committee. The Board approved.

He also proposed that Oliver Laird becomes a member of British Council Holdings. The Board approved. The Chair thanked Gareth Bullock for his term of service on British Council Holdings from which he will now step down.

The Chair mentioned the Global Leadership Meeting which had taken place in early November in which he had observed and given a presentation. He'd found it extremely positive and forward-looking and noted that seemed to be a welcome increase in confidence amongst participants.

He reminded Trustees that the executive is putting together groups on people and stakeholders as agreed at the Board Away Day. The Secretary will ask for further Trustee volunteers and share terms of reference including for the financial issues raised which will be considered through the Audit & Finance Committee or Risk Committee as appropriate. These will be light touch for Trustees but will enable them to sense check progress against the critical success factors identified that will need to be addressed as a priority following the CSR settlement.

9. Report from REMCO

On behalf of the Deputy Chair, the Chair gave a brief report on the REMCO meeting of 23rd November which had covered a brief on senior recruitment and considered mid-year performance of the Executive Board.

10. British Council Benevolent Fund – annual report and accounts

Helen presented the Annual Report and Accounts for 14/15 for approval. These have been agreed and signed off by Internal Audit. She confirmed that there are no outstanding issues. Trustees approved.

11. Report from Risk Committee

Tom reported on the first meeting of the Risk Board on 27 October. He noted that the agenda covered cyber risk, a regional focus on risk in Wider Europe, and the area of health and safety.

He told the Board that the Committee had been impressed with the professionalism that the risk team is bringing to the organisation's approach to risk and that the discussions had been focussed and useful. As an example, the health & safety discussion had reassured the Committee that we're taking a pragmatic rather than reductive approach, but that it brings an appropriate level of compliance.

12. Updated delegated authorities from the Board to CEO

Caroline presented the annual update of the delegated authorities from the Board to the CEO. She proposed one change, in section 4 'Reporting to the Board'. The proposal was to raise the level for reporting to the Board on thefts and frauds from £1K to £20K, unless otherwise material, and to provide an annual summary of all frauds and losses.

The Board decided that they would prefer to continue to see a summary of frauds as they do now though would consider them going through the Audit & Finance Committee instead if the numbers increase significantly and the Chair of the Audit & Committee so agrees and recommends.

The Board also asked that losses are separated out from frauds and thefts (apart from those associated with the latter) within the authorities.

13. Any other business

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
(05)8	Include briefing on Management Information project in a Board meeting	Feb 2016

Current meeting

(06)6	Quarterly high level updates on exams strategy	From March 2016
(06)7	Draft estates strategy to be reviewed by A&FC	2016
(06)8	Send a list of exams boards to Trustees	Jan 2016

(06)12	Update delegated authorities and resend to trustees for approval	Jan 2016
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