

In confidence

BCB(12)6th meeting

Tuesday 4th December 2012

MINUTES

Present

Vernon Ellis Chair
Usha Prashar Deputy Chair
Martin Bean (items 1 – 8)
James Boyle
Gareth Bullock
Simon Fraser (items 1 – 9)
Pamela Gillies
Richard Gillingwater
Sue Hoyle (items 1 – 9)
Howell James
Steve Jones
Ros Marshall
Raoul Shah (items 1 – 6)

In attendance

Jo Beall, Director Education & Society
Martin Davidson, Chief Executive
Pippa Greenslade, Director Global HR
Adrian Greer, Chief Operating Officer
Mark Robson, Director English
Bidesh Sarkar, Chief Financial Officer
Graham Sheffield, Director Arts (items 1 – 8)
Rebecca Walton, Director Partnerships & Business Development
John Worne, Director Corporate HQ
Chris Hickey, Director France (item 6)
Anna Searle, Director English Language (item 9)
Andy Mackay, Secretary

1. Apologies for absence & declarations of interest

Tony Hall, Claire Ighodaro and Steve Jones had sent apologies for their absence.

The Chair recorded that, following his appointment as Director General of the BBC, Tony Hall had submitted his resignation as a Trustee of the British Council, as the demands of his new role would make it impossible for him to dedicate adequate time to his responsibilities as a Trustee. The Chair had accepted the resignation with regret and recorded the thanks of the Trustees for his contribution to the Board.

The Chair noted that the tenures of James Boyle and Steve Jones as Trustees would come to an end before the next meeting. On behalf of the Board, he expressed his gratitude to both for their commitment and support as Trustees, including as Directors of British Council Holdings.

He informed the Board that this would be the final meeting attended by Pippa Greenslade, Director Global HR and Andy Mackay, Secretary to the British Council. *Information in this section has been redacted/removed as it is likely to be exempt from disclosure on the grounds that it contains "personal data" as defined in Section 40(2) (Personal Information) of the Freedom of Information Act 2000*.*

Andy was taking up the new role of Director Operations within the British Council. He thanked both for their work with the Board and wished them well in their new roles.

Alison Coutts, currently British Council Director Kenya, had been appointed to the post of Secretary to the British Council and would be taking up the role in early February.

There were no declarations of interest.

2. Minutes of the Board meeting of 9th October 2012 and matters arising

All matters arising from the meeting were being actioned, were included in the agenda for this meeting, or were scheduled for a future meeting.

The minutes were approved with one amendment to the item **Trustee Appointments** where "Richard Gillingwater and Martin Bean were appointed to be Directors of British Council Holdings" was amended to read "Richard Gillingwater and Martin Bean were invited to consider acting as Directors of British Council Holdings".

3. COO Report

Adrian Greer updated Trustees on the mid-year review of performance and forecast for the remainder of the year. The organisation was on track to achieve its growth targets for impact and the majority of its income target growth. *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*.* The Board would be updated as appropriate at their next meeting.

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Trustees noted the apparently slow rate of spend against project activity in Education and Society. There were a number of reasons for this related to the timing and phasing of activity through the year. This had been a focus in the early part of the year and had resulted in a significant improvement on the previous year's performance. For 2013/14, additional steps would be taken to reschedule events where possible to an earlier stage of the year and to develop better projections and planning of phasing of spend.

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He briefed Trustees on the ongoing review of security which would be reported to them at their February meeting. He additionally drew the attention of Trustees to the new strategic risk around the organisational capacity to absorb change in the light of the major change projects which would be implemented over the next period. He would act as Risk Owner and Mandy Johnson, Director of Business Solutions, would manage the risk.

4. Chief Executive's Report

Martin Davidson informed Trustees that following the reduction of more than 30% in the number of British Council employees in the UK and the refurbishment of the Spring Gardens premises, two floors of the building had been sublet to the National Institute for Clinical Health and Excellence (NICE) and this was their first day of full occupancy. This would result in significant cost savings and efficiencies for the British Council over the remaining eight years of the lease for the Spring Gardens building.

He and the Deputy Chair had attended the British Council's Hammamet Conference with a range of participants from the countries of North Africa and the UK and from different faiths, sectors of society and age groups. The conference had been successful for the participants. The main areas for focus for the British Council following the conference should be in developing English language skills across the region, for which there was huge demand, and education and skills to assist young people to move from activism to delivery in building the institutions of civil society. An important role for the organisation was also to help UK and N African institutions and individuals to make connections so that they could forge their own networks and relationships for the future.

Martin Davidson had also visited the US, where he attended a very productive meeting with the Board of the Friends of the British Council. He had additionally met the Undersecretary for Public Diplomacy at State Department and had some useful discussion about sharing expertise. He had also had an introductory meeting, with Mark Robson, with ETS, the other major global provider of assessment of academic English. They had invested significantly in the development of computer based test delivery through an arms-length, subsidiary entity. Further discussions would be held to explore the feasibility of the British Council working with ETS to use that expertise.

He had also visited Munich, with Graham Sheffield and John Worne, where had had discussions with the new Director General of the Goethe Institut concerning possible collaboration.

5. Chair's Business

The Chair reported on the acceptance by *Information in this section has been redacted/removed as it is likely to be exempt from disclosure on the grounds that it contains "personal data" as defined in Section 40(2) (Personal Information) of the Freedom of Information Act 2000**. from Accenture of an invitation to join the Finance and Contracts Committee, which would have its first meeting in January. He would bring an expertise in the management and control of large scale contracts which would be a significant addition to the Committee.

He had recently met with Jeremy Heywood, Cabinet Secretary, to discuss the British Council and its evolving model of entrepreneurial public service. He had had the opportunity to describe the nature of the existing relationship with government and the possible impact of any further reductions in government funding on that relationship. They had discussed some of the constraints on the activity of the British Council caused by government regulations, as well as the nature of the British Council's earned income. He advised Trustees that government was supportive of the organisation's approach to income generation and that they would be provided with some information which they could draw on when describing that approach to their contacts: this would be based on the text of a communication from UKTI concerning the British Council.

James Boyle reported on his tenure as a Director of British Council Holdings, the UK, wholly owned entity into which the overseas subsidiary entities reported. He informed the Board that they could be reassured that the Board was engaged, cohesive and purposeful and that the organisation was taking the necessary measures, and applying the learning required, to effectively operate the more complex, group structure which was evolving. He quoted from a National Audit Office report on one of the subsidiary entities which had found a strong and efficient control environment. All those who were working in this area deserved the recognition of the Board for their efforts and the progress made.

Mark Robson, Chair of British Council Holdings, offered his thanks to James Boyle for his significant contribution to the development of the Board of Directors and its effectiveness.

Pamela Gillies reported on a successful visit to Prague as a part of the Microsoft Global Forum where she had made two speeches as a part of the British Council partnership with Microsoft. She had had very positive discussions with their Vice President, to discuss other areas of potential collaboration. This would be followed by the Chair and Chief Executive on a forthcoming visit to Seattle.

Richard Gillingwater had visited the British Council in Kolkata while in India, and Gareth Bullock had met the British Council Director for Australia during a visit there. Both had found the visits very useful as a part of their induction; the Chair encouraged Trustees to make visits to overseas operations whenever possible. Simon Fraser reported that he always visited the British Council while on trips overseas and had, since the last meeting, been to a range of operating environments including Malaysia, Bahrain, Singapore, Indonesia, Qatar, Niger and Lebanon.

6. British Council Schools

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7. Corporate Plan 2014 Targets

The Board noted and approved the proposed approach to the Corporate Plan for the period 2013 – 2015, including the impact and income targets. They would review and approve the full text at their next meeting, at which point there would also be further information about planned investment for the next two years.

8. Erasmus for All update

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9. English: Blended Offer

The Chair introduced Anna Searle, Director English language. They welcomed her analysis of market changes for English language learning and the opportunities which that presented. They enthusiastically endorsed the work already undertaken to build a more integrated delivery model. This model was based on courseware as the core element which would span different English language learning channels, from fully face-to-face, to blended face to face/on-line and fully on-line. They looked forward to further information as the programme progressed.

10. British Council Benevolent Fund – annual report and accounts

The Board received and noted the annual report for the British Council Benevolent Fund, a linked charity which offers financial support to British Council employees, past and present, who are suffering financial hardship. They offered their thanks to all those members of staff who act as Trustees for the fund.

11. OAS: Teacher medical insurance contract

The Board approved the delegation of authority to the Chief Executive to sign this contract on successful conclusion of the ongoing procurement exercise.

12. Board self evaluation

The Board endorsed the approach to self-evaluation for 2012-13, to be led by the Deputy Chair as Senior Independent Director.

13. Any other business

Trustees noted the forward agenda for 2013. They indicated that they would welcome an additional item on the arts in February, possibly to introduce the annual programme for the year.

There was no other business and the meeting ended at 1330.

Summary of action points arising

Meeting of 21 February 2012

(01)3	Finance & Contracts Committee to review corporate plan investment schedule
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Meeting of 10 July 2012

(04)3	Vernon Ellis to seek nominations for a new independent member of Audit Committee
(04)6	Bidesh Sarkar to develop reporting on investment portfolio in line with Trustee requirements.

Meeting of 09 October

(05)1	Board to be briefed on Global Finance change programme in 2013
(05)6	Building our future in Europe to be included on agenda for early 2013
(05)7	Vernon Ellis, Claire Ighodaro & Richard Gillingwater to review draft articles of association for Poland Foundation for approval
(05)8	More detail to be provided on Nigeria Justice for All Project and work in social justice at December meeting

Current meeting

(06)1	FCR plans and pipeline to be reviewed by Finance and Contracts Committee in January 2013
(06)2	COO to report on security review at February meeting
(06)3	CFO to investigate benchmarks for investment in analogue charities and foundations
(06)4	Trustees to be provided with source text on British Council approach to income generation and fair trading
(06)5	Trustees to visit British Council operations overseas whenever possible
(06)6	British Council schools to be included on future agenda for summer 2013
(06)7	Full corporate plan draft for review at February 2013 meeting
(06)8	Director Arts to present 2013 programme to Trustees in February

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