

In confidence

BCB(16)4th meeting

Tuesday 5 July 2016

MINUTES

Present

Christopher Rodrigues Chair
Janet Beer
Gareth Bullock
James Cronin
Rohan Gunatillake
Oliver Laird
Ros Marshall
Usha Prashar
Alan Shannon
Tom Thomson

In attendance

Ciarán Devane, Chief Executive
Jo Beall, Director Education & Society
Hilary Cross, Director Strategy & Engagement
Kate Ewart-Biggs, Director Global Network
Adrian Greer, Chief Operating Officer
Helen Murley, Director HR
Mark Robson, Director English
Graham Sheffield, Director Arts
Caroline Stockmann, Chief Financial Officer
Jane Beecroft, Regional Manager (item 5)
Rachel Ireland, Regional Manager (item 5)
Ben Lawton, Regional Manager (item 5)
Ian Williams, Head of Global HR operations (item 6)
Fiona Bartels-Ellis, Head of Diversity (item 6)
Andrew Zerzan, Head of Risk Management (items 11 and 12)
Siobhan King, Head Child Protection (items 11 and 12)
Alison Coutts, Secretary

1. Apologies for absence & declarations of interest

Deborah Bronnert, Kirsty Lang, Martin Roth and David Verey had sent apologies for their absence.

There were no declarations of interest.

2. Minutes of the Board meeting of 17th May 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 with the Chair led a discussion on the implications for the British Council of the referendum result. Ciarán updated the Board on our short-term communications plan and our planned work strands to help us understand the implications for the organisation and inform our approach. It was agreed that a summary of the plan would be sent to Trustees by email after the meeting.

Ciarán updated Trustees on the Comprehensive Spending Review settlement. Discussions continue and we are still awaiting our settlement letter.

He also informed the Board that we had run a crisis management scenario in the UK. It had broadly gone well but with some lessons learned, mainly on stakeholder management and how we can keep them better informed during an incident.

4. Chief Operating Officer's report

Adrian updated the Board on financial performance. He noted that at this early point in the financial year income is on track though spend is low against plan. He said that he will be reinforcing the message that all staff need to forecast more accurately and that in year targets will be set to drive behaviour and compliance.

Adrian then referred Trustees to the report in his paper on the Shared Service Centre move. Trustees agreed that this is working well.

Trustees asked for the CFO report to be shorter and clearer on what Trustees need to know.

It would also be useful to have consistent graphics which show progress as compared to the baseline and data presented at previous meetings, with a summary of issues the Trustees should engage with clearly indicated.

5. Overview of Network

The Chair welcomed Jane Beecroft, Rachel Ireland and Ben Lawton to the meeting.

Kate introduced the session outlining thinking on how we can ensure the network remains relevant and sustainable, the challenges, and the various operating models we are considering.

Jane and Rachel then described the data which is informing our strategy and the options we are considering to take us from where we are to where we need to be. Based on the data, they presented the criteria they are developing in consultation with stakeholders to inform models of operation for different types of country operations going forward.

Trustees noted that as the world is changing so fast flexibility must be built in. They discussed funding challenges and the implications of various countries falling off the ODA list.

Overall the Board confirmed that whatever the difficulties, we need to remain truly global in order to fulfil our mission and that the work the Global Network Team is doing is on the right track and essential to enabling this.

Trustees expressed their appreciation of the Network Team's work so far. They asked for their presentation and speaking notes to be shared with them by email and for a further developed paper to be sent to them to inform their Away Day meeting discussions.

6. People and Organisation Plan

The Chair welcomed Ian Williams, Head of Global HR operations, and Fiona Bartels-Ellis, Head of Diversity to the meeting.

Helen presented the overall People and Organisational Plan and gave an overview of the work strands in the context of a growing organisation.

Ian then talked through the Fit for Purpose HR strand which was the focus for the Board's discussion.

The Board noted that a 'People Group' tasked by trustees at last year's Away Day, including Ros Marshall and Oliver Laird, had met to review the plan.

The Board agreed that the plan looks sensible but asked for more information on what the organisation will look like in 5 years time, and for some key milestones. They also raised the critical link with the financial transparency project and asked the Executive to ensure HR works in tandem with it.

They also asked for clarity on the plan for shared services and how the HR element is being built in.

Trustees were pleased to see diversity being integral to the plan and asked for more exposure to diversity issues and targets in future.

The Board was pleased to see a commitment to following through on the HR strands to ensure we have a fit for purpose HR. They also questioned whether HR was clear enough on its focus and directing its time and resources accordingly. They suggested that more clarity on what as a department they do and don't do would be helpful.

7. Statement on Slavery and Human Trafficking

Caroline informed the Board that the Modern Slavery Act 2015 requires the boards of organisations whose turnover exceeds £36m to approve an annual statement on slavery and human trafficking.

The Board approved the 2015/16 statement.

8. Annual Report from Audit & Finance Committee

In David Verey's absence Tom Thomson reported back on the meeting of 30th June.

Tom referred Trustees to the Board paper which provides an overview of the work of the Committee over the previous year. He noted that the deadlines have been met and that coordination with the NAO has been very good this year.

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.

Tom reminded the Board that Oliver Laird has agreed to act as a critical friend and senior external advisor on the financial transparency project.

9. Annual Report and Accounts approval

Trustees approved the Annual Report and accounts and authorised their signing on behalf of the Board. They noted that a huge amount of work goes into producing the report and thanked the team for a good result.

10. Report from Risk Committee

Tom Thomson reported on the meeting of 30th June.

He noted particularly that the Committee had an in depth session on Child Protection and the Independent Inquiry. He noted that reporting on incidents is much better, as is the organisation's overall approach to this important area. He confirmed that the organisation's strategy and plan for addressing Child Protection and the Inquiry are sound and noted that there would be further discussion later in the meeting.

He updated the Board on a recent UK-based crisis management exercise and lessons learned.

He reported on a presentation and discussion on risk in Nigeria where staff have taken an impressive approach to managing risk and protecting colleagues and contacts whilst still continuing programmes in difficult areas.

He also updated the Board on a session on competition in English and Exams and said that the Committee had been assured that the organisation is appropriately reviewing its niche and market share, and planning is in place to address opportunities and challenges.

11. Risk Review

The Chair welcomed Andrew Zerzan, Head of Risk Management, and Siobhan King, Head of Child Protection to the meeting.

After a short discussion the Board approved the updated Statement of Risk Appetite.

Andrew then gave a short presentation on the top organisational risks and control measures. He noted that these had also been considered at the Risk Committee meeting on 30th June.

Trustees agreed that the sustainability risk should be red as we still don't know enough about our margins and impact on our reserves for it to be amber. Actions for both of these areas should be included in the plan.

They suggested that Board agendas incorporate in depth sessions on some of the top risks, taking advice and input from the Risk Committee. They also asked that Internal Audit review the top risks when doing country audits.

Trustees also asked for the Risk Team to track changes on the likelihood/impact grid so they can monitor progress. Otherwise they confirmed that they liked the format and thanked Andrew for the work that has been done.

12. Child Protection

Siobhan King gave an overview of the British Council's approach to child protection, the risks and how we manage them. She also ran through the organisation's plans for preparing for the Independent Inquiry into Child Sex Abuse. She noted that Ros Marshall has been involved in Steering Group discussions on the Inquiry and has offered some very useful advice.

Trustees thanked Siobhan for her paper and noted the points she made in her introduction. A summary of those related to the Inquiry is attached as **Annex 1**.

They were pleased with the progress made over the last few years, our approach and the resourcing and commitment put in by the organisation since 2010/11.

In terms of the independent inquiry, they agreed that the organisation is taking a sensible approach with detailed advance preparation including going through the archives for relevant information. They

stressed the need for a strong communications plan and to be very clear on all the measures, processes, compliance tools and training we've put in place.

They asked to be updated at key points on progress.

13. Report from Contracts Committee

The Chair reported back from the meeting of 28th June. He noted that it covered a review of progress on developing a more effective, transparent and competitive business model, and a review of the pipeline. He said that he had found it a useful meeting and worth continuing with. As the organisation is on a journey towards more standardised systems and compliance to support a more impactful and cost effective business, it is important that trustees have oversight of this.

The Committee had also reviewed the following for which the Chair now sought Board approval:

1/ the proposed submission of a bid to manage the DFID Secondary Education Improvement Programme in Sierra Leone

2/ the terms for our proposed agreement with DCMS for managing the Cultural Protection Fund.

The Board approved both of the above.

14. Status resolution: Morocco

The Board approved a resolution to establish a branch of the charity in Morocco. The resolution was proposed by Christopher Rodrigues and seconded by James Cronin

15. Chair's reflections

Introductory remarks

The Chair gave some reflections on his experience of the organisation during his first 2 months in the role. He noted that whilst overseas on VisitBritain and other business, he had called into British Council offices. He had been received warmly and on each visit had found staff to be passionate about the mission of the British Council and what they do.

He has already met with a number of external senior stakeholders including the Foreign Secretary, other government stakeholders, ambassadors and sector leaders.

He noted how pleased he was to be part of such a constructive Board and thanked trustees for their welcome.

He acknowledged that the organisation has made significant changes for the better over the last few years. He is committed to taking us further on this journey to make us fit for purpose for the long-term, and make sure we fully take control of our long-term strategy.

Devolved country committee meetings

The Chair asked Alan Shannon to report on any issues arising from the above. Alan noted that recent country committee discussions had focussed on the referendum result and asked that the committees are included in consultations on post-referendum plans.

Trustee visits

James Cronin had visited the architectural Biennale in Venice and reported that he was impressed with the UK's contribution.

Board dates for 2017

The Chair presented a proposed calendar for 2017 and his rationale for the timing, which is to meet at key points in a cycle starting with an annual strategy review, followed by critical points in the planning and performance review process. Several trustees had commitments on some of the dates proposed, so the Chair asked the Secretary to review and send an updated version to trustees by email whilst keeping the logic.

Board Effectiveness Review

The Chair noted that he'd asked the Secretariat to postpone the review planned for September to the end of the calendar year to give him time experience a couple more meetings and therefore have more to reflect on.

Board Sub-Committees

The Chair said that he was not at the moment proposing any major changes to the current set-up of committees. However he may set up a temporary committee to give more in-depth oversight to the transformation programmes.

Trustee elections

Rohan Gunatillake and Tom Thomson left the room.

The Chair proposed the election for a 2nd three year term for Rohan Gunatillake, Martin Roth and Tom Thomson, each of whose first term ends on 18th August 2016. The motion was seconded by Ros Marshall.

Trustees elected all three for a second term.

16. Any other business

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

Summary of action points arising

Updated from previous meetings

14(03)3	Include a session on headcount and what good looks like	2016
15(01)5	GIS – come back to the Board with a timeline/milestones	By email
15(05)4	Include an annual update from the Contracts Committee in the Board's agenda	December 2016

Current meeting

16(04)4	Revamp the CFO report so concise and relevant to trustees	November 2016
16(04)5	Network team to share their presentation and speaking notes with trustees by email and a further developed paper to be sent to trustees to inform their Away Day meeting discussions.	August 2016
16(04)6	Include a review of diversity targets and progress on the annual agenda	December 2016
16(04)12	Include a review of child protection on the annual agenda	December 2016

Annex 1

Child Protection (CP) & Independent Inquiry into Child Abuse

Key issues presented to and discussed by Trustees.

1. We have come a long way since 2010/11 when we first set out on this journey

- We should take comfort from the fact that we began to address child protection risk and resource the work before the BBC scandal and the Goddard Inquiry
- We should feel reassured that our CP approach and work has been externally endorsed and that we attained level 1 certification with KCS last summer. We were the 2nd organisation to achieve this after Plan International (new scheme).
- We should take heart from the fact that child abuse allegations and expressions of concerns are being reported as this is a healthy indicator that the CP Policy is active, awareness is in place and it also provides us with critical information on gaps and promotes service improvement.

2. However, now is not the time to be complacent (as greater attention and scrutiny is being paid to how organisations ensure that children are kept safe)

- It is likely that the British Council will end up in a public hearing and face scrutiny on our historic CP policy and procedures and known failures. As yet we have had no request for information.
- It is critical that we address or at least demonstrate that we are actively working towards addressing known gaps, such as safer recruitment and working with and through others (what arrangements we have to communicate and/or discharge our duty of care) as we will have to account for this as part of the Goddard Inquiry.
- This work is complex. It involves fully embedding child protection into new and existing business processes and systems across the three SBUs and to continue embedding in regions/countries mindful of complex local context. It also requires us to broaden and deepen our engagement in positive influencing and systems monitoring work.

3. We are actively managing our child protection work and preparations for the Goddard Inquiry

- New CP Strategy (2016-18) just about to be launched
- Country self-audit season is just concluding
- New regional training has been developed and delivered to focal points in SSA, East and South Asia
- Work to embed CP into new and existing business processes and systems is happening in all 3 SBUs with corporate and regional input but at various stages of awareness and engagement. The recent engagement of the E&E leadership team has been really positive as they have engaged with systems change at a leadership level in the SBU.
- A pre-employment/Safer recruitment Working Group is being established to increase pace on this important piece of work
- A Goddard Steering Group has been up and running since October and we have a senior legal advisor coordinating the preparation work. Adrian Greer is chairing this group and Ros Marshall is providing advice, challenge and ensuring due rigour.