
1. Chairman's introduction

1.1 Apologies for absence & declarations of interest

There were no apologies for absence nor declarations of interest.

1.2 Minutes

The minutes of the meeting of 1st June and of the additional meeting of 29th June were approved.

Matters arising: the Chairman referred to the launch of the transformation programme and completion of the sale of the IELTS operation in India after a huge amount of preparation and noted that it marked a significant moment. She thanked Trustees for completing the diversity monitoring forms and noted that the data would be useful to inform the Board changes. She welcomed James Hampson to the meeting to cover for Charlie Walker's leave.

2. News from the network

Director UK Region and External Relations briefed trustees as follows.

The Global Network Team continues to keep a close watch on the situation in Israel and the Occupied Palestinian Territories and also on Ethiopia following elections.

Our office in Afghanistan has now been closed and our Country Director withdrawn to the UK. Most national staff have applied for the HMG relocation scheme and most are expected to be granted relocation for them and their immediate families. We are finalising options for how we can continue to engage remotely through digital programmes and the new ways of working will be implemented over the rest of this year.

As part of the FCDO vaccine roll-out, which we're part of, the distribution of first jabs is completed with second jabs underway. This is bar one or two places where bringing in vaccines is difficult.

The Trustees were also updated on Iran.

In addition the Board commented on the significant level of engagement with the UK Parliament over last month and the role the British Council had played in programmes for the Foreign Secretary's visit to Iraq and the German Chancellor's visit to the UK. It was agreed that a sample country brief and a short paper on what other countries are doing in the soft power arena would be circulated to Trustees for information.

Trustees noted that negotiations on the Comprehensive Spending Review had already begun and the deadline for submissions to the FCDO is this month.

3. Transformation update

Director Transformation updated trustees as follows.

Following the initial announcement to staff and external contacts two weeks ago, and the announcement of the IELTS sale in India shortly after, we have now started to formally engage with the unions. In addition, the teaching and marketing elements of the plan went live the

previous week. Overall there has been considerable engagement from colleagues with lots of questions on process and timelines. The regional town halls have proved a constructive forum to provide more clarity and further communications continue through a variety of channels.

Trustees commented on the importance of staff feeling that they are being treated fairly across the organisation and noted that the Remuneration Committee is also keeping an eye on equality and diversity issues.

4. Management accounts and draft forecast

The CFO referred to the board pack and highlighted the following.

The pack provides a first view of the Q1 forecast and the complete picture will be brought to the Board's next meeting. It is a business as usual forecast and the impact of the sale of IELTS in India and the investment loan still need to be overlaid. It shows a bottom-line deficit of c£14m more than in the budget with the main cause being the drop in income in South Asia due to the impact of the pandemic. This will be covered by the contingency. Assumptions have also been built in on salary increases, which the executive is reviewing to see what is affordable and what is possible with regard to government approvals. All salary proposals are also being reviewed by the Remuneration Committee.

5. Examinations strategy

Director English and Exams gave the following update.

The announcement of the sale of the IELTS operations in India had gone out the previous Thursday following the Foreign Secretary's approval the day before. The reaction from staff had been mixed, with many expressing concerns about job losses, the future of IELTS elsewhere and the future of other exams. Other colleagues had been impressed that the organisation had made such a bold move and expressed interested in whether it set precedent for more creative thinking and commercial opportunities in the future. Communications had been prepared to address these and other questions.

There is still considerable work to do over the next month in order to transition the business to IDP and move relevant colleagues to the new company set up to run the other exams and businesses. A lot of financial and legal is still to happen to reach completion but overall it is going to plan.

Trustees congratulated Director English and Exams and the team on leading this project to such an outcome during a global pandemic.

6. Corporate Plan

The COO noted that a draft of the Corporate Plan had already been shared with FCDO and other stakeholders so it was unlikely there would be significant further comments. However he asked Trustees to approve on the basis that any material amends suggested by the FCDO are approved by the interim CEO and Chairman on behalf of the Board and then shared with Trustees. He also thanked the subset of Trustees and the Cash Committee who had reviewed a recent draft of the Corporate Plan for their helpful input.

The Board approved.

Trustees also commented on the ambitious digital reach and engagement targets and had a brief discussion on how we measure both breadth and depth of engagement. They noted that there is ongoing work on this area, including with the FCDO, and agreed it would be a good topic to discuss at the away day.

7. Annual report approach

The COO noted that this would be the second year in which the approach to the annual report would be different and the timeline drawn out over a longer period. He commented that the CFO will govern the financial part of the process with the Audit & Finance Committee, with the aim of producing an outline timeline by the end of September. He noted that in the meantime work would continue on the front end of the report and the intention is to slim it down and simplify it which is the approach other NDPBs are taking.

Trustees supported the approach but commented that it would be useful to know what won't be included this time round and that this should be kept under review.

8. India libraries book donation

Director Cultural Engagement briefed Trustees on the library strategy to give background to the request. In this context he noted that although in India we have kept some libraries open, data showed that people weren't joining them to borrow books but were using them as a hub e.g. to prepare for exams and other reasons. Therefore those libraries were transferred to English and Exams and used as IELTS centres whilst the library stock was sold off.

Trustees gave their retrospective approval for the book donations and asked the executive to ensure the team follow process in future.

9. Statement of risk appetite

The COO referred to the draft in the board pack noting that it included feedback from the Risk Committee and would be updated further after this meeting before coming back to the Board for approval. The Chair of the Risk Committee noted that the Board owns the risk appetite statement and that it's important for Trustees to shape it.

Trustees agreed that overall it's a good document and made the following comments.

- The overarching statement should be more clearly articulated and reflective of our response to and learning from the pandemic. It should also be a living and practical document that can be used as the basis for action and planning.
- It would be useful to highlight the embracing of innovation and creativity within one or more of the risks, to show that we have an appetite for our teams taking risks when it comes to innovation and creativity in order to realise our stretch ambitions.
- The commercial and transformation risks need to be forward-looking, with higher risk appetites to enable trial and learn of new product.
- Information, security, compliance and finance on the other hand should all be on the low risk appetite scale.

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- The UK government relations risk should be reworded to clarify that it's about a two-way understanding and communication.

10. Reports from Committee meetings

10.1 Commercial Committee

The Chair of the Commercial Committee reported that the Committee had focussed on a deep dive into China which had covered, amongst many areas, the wider impact of the IELTS transaction in India, areas of work in China that could be shared elsewhere, and digital and technological innovations in China. The Committee is also reviewing risks related to the English portfolio which will be a future focus.

10.2 Risk Committee

The Chair of the Risk Committee reported that the Committee had discussed the new Speak Up framework which is in consultation and had noted that the new executive Speak Up Committee has met twice to oversee the management of new and ongoing incidents. The Committee had also reviewed progress on the development of the principle risks, had taken note of the insurance strategy and contract renewal, and had had useful deep dives into the cultural engagement portfolio and exams integrity. The Committee had also agreed it would be useful to do a deep dive on equality, diversity and inclusion risks related to transformation in order to apply a risk lens as well as the people lens provided by the Remuneration Committee. The Chair commented that considerable progress has been made on managing cyber risk.

Trustees also took note of the Risk Committee's annual report which had been shared for information. The Board thanked the Chair and other Committee members for their work on risk over a long and high-risk period.

10.3 Audit & Finance Committee

The Chair of the Audit & Finance Committee reported that the Committee had reviewed Internal Audit's annual report and had agreed that the control environment had improved in many areas. It had therefore focussed on high risk reports including serious findings by an audit of the Shared Services Centre (SSC) following which disciplinary action is being taken along with a full review of the SSC's policies to identify and address any divergences. The Committee had also reviewed the financial results, the reserves policy and progress on year-end statutory reporting.

11. Any other business

The Chairman suggested a straw poll to check trustee preferences for a face-to-face or virtual catch-up meeting on the 29th July. She noted that once the FCDO-appointed trustees were confirmed she would draft an agenda for the Away Day in liaison with the interim and incoming CEOs and then share with Trustees. Trustees agreed that it should be forward looking and could pick up on some of today's discussions related to risk appetite and levels of engagement

There was no other business and the meeting finished at 13.00

There followed an in camera session with Trustees.