

In confidence

BCB(09)6th meeting

Tuesday 8 December 2009

MINUTES

Present

Gerard Lemos (Acting Chair)
Alan Buckle (Deputy Chair) by phone, items 2 - 9
Nihal Arthanayake
Brian Hanna
Sue Hoyle
Claire Ighodaro
Raoul Shah

In attendance

Martin Davidson
Maureen Laurie
Mark Robson
Bidesh Sarkar
Cathy Stephens
John Worne
Graham Sheffield (item 10)
Rebecca Walton (item 10)
Michael Carrier (item 13)
Rob Lynes (item 13)
Andy Mackay (Secretary)

A reordered agenda was tabled at the opening of the meeting

1. Apologies for absence

Apologies had been received from Zeinab Badawi, Pamela Gillies, Tony Hall, Steve Jones and Patrick McKenna.

2. Minutes of the Board meeting of October 2009 and matters arising

Matters arising from the previous meeting had been actioned, or were to be covered in items on the agenda for this or the following meeting.

The minutes were approved.

3. Chair's business

The Chair informed the Board that Steve Jones would complete his three year term as a Trustee on 12 February 2010. Steve had indicated his willingness to serve a second term as a Trustee, should the Board reelect him. His reelection was proposed by Claire Ighodaro and seconded by Sue Hoyle.

He was reelected unanimously to serve a second term of three years as a Trustee, with effect from 13 February 2010.

The UK holding company which the Board has approved earlier in the year was in the process of being set up. It had been agreed that two Trustees should serve as Directors of the holding company. The Chair proposed that Brian Hanna and Raoul Shah should be elected to these roles. The nomination was seconded by Nihal Arthanayake and approved unanimously.

The Chair reported on an investigation that he had commissioned into a long-standing complaint 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) of the Freedom of Information Act 2000**. The Chief Executive had referred this complaint to him, as it had proved impossible to resolve to date. The investigation had been carried out 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) of the Freedom of Information Act 2000** with terms of reference agreed with both the British Council and *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) of the Freedom of Information Act 2000**. The Chair outlined the recommendations of the report, which the Trustees discussed. They agreed that the recommendations should be accepted and that *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) of the Freedom of Information Act 2000** should be informed of this, with a view to bringing the matter to a conclusion.

The Deputy Chair reported on the process for the recruitment of the new Chair. Following a competitive tender process, Korn Ferry Whitehead Mann had been contracted to lead the search. The Commissioner for Public Appointments had ruled that the recruitment was not one which she should regulate. However, the panel had decided to follow the public appointments process where appropriate, and had appointed an independent assessor to verify the process. The vacancy had been advertised on 6 December; applications would be accepted until 15 January, and the intention was to complete interviews by late February. Scheduling difficulties for the panel, however, suggested that this target might prove too ambitious.

4. British Council Ancillary Trusts

The Board approved the actions outlined in respect of the charities and trusts with which the British Council was linked and delegated authority to the Chief Executive to take the necessary steps outlined. They also approved the proposal to delegate decision making in relation to ancillary trusts and charities to the Chief Executive.

They requested further information, at a future meeting, concerning the governance arrangements and accountabilities for the different charities.

5. British Council Benevolent Fund

The Board received and approved the annual report and account for the Benevolent Fund.

They recommended that investment advice should be taken, to ensure the most effective strategy to maximise returns on the funds held.

6. British Council Status resolution – Pakistan and Kazakhstan

Gerard Lemos proposed a resolution to establish a branch of the British Council in Pakistan. The proposal was seconded by Nihal Arthanayake and the following resolution was unanimously approved:

It was resolved that:

- a. a branch of the British Council shall be established and registered in Pakistan under the laws of Pakistan;
- b. the address of the branch shall be: Ramna 5, Diplomatic Enclave, Islamabad, Pakistan;
- c. the Resident Manager of the branch shall be Mr David Martin;
- d. Mr David Martin should be granted power of attorney in respect of the British Council in Pakistan with full power to manage the Branch and act on its behalf in all matters, including but not limited to:
 - representing the Branch before all ministries, governmental agencies and third parties; signing and filing forms and documents with the Registrar of Companies, Board of Investment and Federal Board of Revenue;
 - appointing and dismissing employees and determining their salaries and remunerations pursuant to the provisions of law;
 - concluding all contracts and agreements required for the management of the Branch, all in accordance with the British Council policy and procedures and Delegation Rules from time to time in force and in general to exercise all the powers and prerogatives necessary for the management and operation of the Branch;
 - commencing, filing, prosecuting, defending and carrying to completion in all levels of the Courts and administrative tribunals of Pakistan all claims or legal proceedings which the Branch may have, both criminal and legal, including bankruptcy and liquidation against natural or juristic persons, and as may be directed by duly authorized Officers of British Council settling or compromising, referring to arbitration or taking such other steps as may be necessary including the power to receive money or other property due or to become due the Branch from any court, administrative tribunal, natural person or persons or from any juristic entity; and
 - substituting and appointing an alternate to perform all or any of the purposes aforesaid and so instruct and in a like manner to revoke such appointment and appoint another alternate or other alternates from time to time giving and granting unto said attorney or attorneys full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done on behalf of the Branch.

Gerard Lemos proposed a resolution to establish a branch of the British Council in Kazakhstan. The proposal was seconded by Nihal Arthanayake and the following resolution was unanimously approved:

It was resolved that:

- (1) a branch of the British Council in Almaty shall be established and registered under the laws of the Republic of Kazakhstan;
- (2) the name of the branch shall be as follows: The British Council [Kazakhstan] Branch;
- (3) the address of the branch shall be: 13 Republic Square, 050013 Almaty, Kazakhstan;
- (4) the General Manager of the branch shall be Ms Carolyn Olga Milosevic;

(5) to approve the Regulations of the branch and a power of attorney in favour of the General Manager of the branch;

(6) To authorise the execution of the following documents, for and on behalf of the British Council:

- Power of Attorney in favour of Ms Carolyn Olga Milosevic to act in the capacity of the General Manager of the branch;
- Regulations of the branch; and
- Power of attorney in favour of Denton Wilde Sapte attorneys to accomplish the registration of the Branch.

7. Sierra Leone – Justice Sector Development Programme

The Board reviewed the proposed contract amendment for this project and approved delegation of authority to the Chief Executive to sign the amendment.

The Board was updated on measures which had been taken to strengthen financial controls, following an incidence of fraud. The Chair reported that Claire Ighodaro would additionally visit the British Council in Sierra Leone in 2010 and that, as Chair of the Audit Committee, she would be more fully informed of the control environment.

8. Proposed amendments to Royal Charter

The Board considered possible areas in which they might wish to seek permission from the Privy Council to make changes to the Royal Charter, at the same time as seeking to include the charitable purpose around cultural relations which was under discussion with the Charity Commission. They agreed that all administrative areas outlined should be further researched.

They further agreed that legal advice should be taken in the following areas and discussion begun with the Charity Commission and, subsequently, the FCO concerning possible changes:

- The right to remunerate the chair.
- Elimination of the requirement for Trustees to retire at the age of seventy.
- The right for the Board to vary the composition of subcommittees.
- Redefinition of membership of the British Council, with the Trustees constituting the membership and others being appointed as Honorary members.
- Removal of the requirement that Trustees must be British citizens. However, this should be limited so that a majority of 75% or 80% of the Trustees must still be British citizens. Some Trustees expressed concern about this proposal and indicated that they would welcome fuller discussion before reaching a firm decision.
- Removal the requirement for Privy Council approval of amendments to the Bye laws. This should be limited so that a two thirds majority was required to effect any changes rather than the normal quorum.

The Chair requested the Secretary to take forward further research and discussion and to report back to the Board.

9. Arts and Creativity – an update

Graham Sheffield, Arts and Creative Economy Adviser, and Rebecca Walton, Head of Arts, made a presentation which described some of the new and emerging project work in the arts and creativity, to give a flavour of the progress that had been achieved and the new offer which was being made.

This included

- a coordinated programme of work in India which demonstrated a new focus, including the rebuilding of expertise. This provided a model to be emulated in other countries;

- projects to introduce new work to new audiences, such as Punchdrunk in Boston, USA, which underlined the commitment to take more innovative work to a younger audience;
- the development of the creative entrepreneurs programme, which was now led by an external partner, Demos. The programme was likely to move to being funded through commercial partnerships within the next year, and offered a flagship for the UK's creative and knowledge economy;
- The London Book Fair, which exemplified the power of a partnership approach. Collaboration in India on literature work had led, for example, to creative writing courses which were now offered on a fee paying basis through the teaching centre network;
- My City, which was introducing young European artists to public spaces in Turkey. The work in the arts in Turkey was offering new opportunities for multilateral collaboration, and funding, and was allowing art and politics to work together without a need for compromise;
- and work around the Shanghai Expo and 2012 Olympic games, which was part of the showcasing work which aimed to stimulate interest in the UK.

Graham Sheffield reported his view, from wide engagement and consultation with the sector, that relationships and perceptions of the British Council had improved significantly following the action taken as a result of the Devlin report. He confirmed that much work remained to be done but stressed that there was much evidence of progress, as described in the presentation and through the ongoing work to rebuild the expertise of the global arts network. He believed that there was still a mixed external perception of the British Council in the arts community, but that the sector valued and wanted the British Council as a strong partner and interlocutor.

He also reported that the Arts Advisory Group would be appointed early in 2010. The Board stressed the importance of clear Terms of Reference for the group and a full understanding for the members of their role and responsibilities.

The Board congratulated the team on the progress made, and on the effectiveness of the follow through on the commitments which had been made following the Devlin report. They agreed that the redevelopment of work in the arts had been gathering pace and that it was of huge importance to maintain that pace, moving as fast as possible to deliver more activity rather than plans. The decision to focus on priority environments, such as India, Shanghai and West Europe was allowing rapid progress in strategically important environments.

The ability to move even more quickly would depend on effectively rebuilding skills. The VER programme meant that some skills would be lost but more importantly would offer the opportunity to bring in new talent and skills in new and different relationships. The appointment of Graham Sheffield himself offered an example of this.

It was recognised that a lot of good work was being done and that the challenge was to communicate and disseminate that work more effectively. A clearer communications strategy would assist, as would more accessible information on arts events through the British Council home page. A relaunch of the new work followed by a proactive campaign, in which the support of Trustees would be very important, should help.

Trustees suggested that it was an urgent priority to consider further how to use technology to engage people with the UK through the arts. This would allow access to a much larger audience and to a younger target group which would not necessarily be reached through the current offer.

It would also be important to develop a better mechanism to describe the amount that the organisation was spending in the arts, as well as to demonstrate the impact made. The Board acknowledged that this should not lead to the programme spend of the organisation being driven from a single sector.

Trustees requested a forward calendar for events over the next year, to give them full sight of the plans, and to allow them to identify well in advance the events which they would wish to attend. They also agreed that they would each commit to see some of the work over the coming year.

The Chair invited the arts and creativity team to return with a progress update at the meeting in July 2010.

10. Chief Executive's report

Martin Davidson updated the Trustees on the voluntary early retirement programme. 392 applications had been received and 330 had been accepted. This exceeded the original target of 280 and was intended to create some head room to refresh and bring in new skills to the organisation. The increase in numbers had resulted in an increase in cost, from the original estimate of £19m to the current forecast of £22.7m. The payback period would be less than two years for the whole programme.

Trustees congratulated the Executive, and particularly Maureen Laurie, Director of Global HR, for the effectiveness of the programme. They were reassured to learn that key skills had been retained, with 27% of applicants in non-restructuring departments being rejected and 8% in restructuring departments. They agreed that the challenge for management would be to control the headcount and not to allow direct recruitment of new staff to replace those departing on VER. Achieving the refreshment of skills and different employment relationships would be a priority.

The next stage in the process was a redeployment exercise to match staff to posts in the new structure. This would be a very challenging process. It might be the case that some staff would not be matched to any of the new posts. Until this had been completed, it would not be possible to establish whether compulsory redundancy might be necessary.

Martin Davidson and Raoul Shah reported on a recent visit they had made to the US, where government and non government organisations had indicated their interest in and appetite for collaboration with the British Council. They had expressed huge respect for the approach and achievements of the British Council and for the lead which the UK took in cultural relations. Raoul Shah suggested that it would be critical not to undervalue the knowledge and expertise which the organisation enjoyed in cultural relations, and so to protect its own intellectual property. He suggested also that consideration must be given to exploiting its commercial value.

11. Organisation Performance Report

The Board agreed that the report demonstrated that the organisation was on course to achieve targets at this stage of the year and that the corrective financial action taken meant that the full cost recovery reserves should achieve the mid amber range target as had been agreed.

12. English Strategy

Michael Carrier, Head of English Language Innovation, and Rob Lynes, Deputy Director of Operations, described the portfolio of the organisation's work in English language, which represented an integrated offer from grant and partnership and full cost recovery. They explained the fundamental contribution of the English language to cultural relations, and the ways in which English could help to transform lives, supporting the realisation of aspiration for individuals, families and societies. The role of the British Council was as both practitioner and convening authority in the sector, something which differed from the work of the organisation in other sectors. The vision for the organisation was to be a world leader, with teachers and teacher trainers looking to the expertise which the British Council offered. In this way, the organisation would help to shape the global debate on language learning, as well as support the development of the multilingual world.

They described the services which had been, or were being developed for digital delivery, without

charge, aimed at teachers, policy makers and learners. This would broaden the reach of the organisation and serve as many as possible of those who had traditionally not been able to benefit from the offer of the British Council. They outlined initiatives which included British Council material being preloaded on Intel computers and the broadcast of material through Tata Sky. These examples demonstrated the partnership approach to work in English language.

In the UK, the focus would be on training teachers, on supporting English skills for migrants and on promoting the UK as a destination for English learning.

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Trustees welcomed the integrated overview which had been presented and the progress made. They were reassured that the potential of work in English language was being so effectively developed. They wholeheartedly endorsed the leadership role for the British Council in the building of English language skills for transformation. They also supported the development of new models of English language teaching for continuing growth in the business, such as the new model in India, which was based on the employment of local expertise for delivery.

They invited the English language team to return the Board at the end of 2010 to update them on progress.

13. Any other business

The Chair reminded Trustees that the next meeting in February would be a whole day meeting and would include a major focus on developing the organisation's strategy for the medium term.

The meeting ended at 1315.

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