

In confidence

BCB(15)1st meeting

Tuesday 10 February 2015

## **MINUTES**

### **Present**

Vernon Ellis                      Chair  
Rohan Gunatillake  
Howell James  
Rosemary Kelly  
Kirsty Lang  
Ros Marshall  
Usha Prashar  
Martin Roth  
Matthew Rycroft  
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  
Graham Sheffield, Director Arts  
Rebecca Walton, Director Partnerships & Business Development  
John Worne, Director Strategy and Communications  
Laura Dawson, Chief Information Officer (item 5)  
Alison Coutts, Secretary

### **1. Apologies for absence & declarations of interest**

Janet Beer and Gareth Bullock had sent apologies for their absence.

There were no declarations of interest.

The Chair welcomed Rosemary Kelly to her first Board meeting.

He also recorded the Board's thanks to Aled Eirug for his commitment and valuable contribution over his 2-year term.

### **2. Minutes of the Board meeting of 2 December 2014 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 asked for feedback on the style and content of his first report. Trustees were positive about it and liked the personal tone.

Ciarán gave a short report on his visit to Pakistan. He had found it very stimulating and was particularly impressed with the scale and depth of their research. The data has helped them to properly understand their markets and is also supporting proper monitoring and evaluation. He noted that we must learn from this and share the research more widely.

He then commented that our agenda post the Triennial Review is large and putting considerable pressure on individuals. He will be working with the Executive to better prioritise and establish clear ownership of the major initiatives. He is also encouraging colleagues to identify small things that take up time without adding much or any value which can be stopped.

He also reflected on the need to tell our story better with clarity on why we do what we do and how it builds trust in the UK. This issue had come up in various meetings with high level stakeholders. Trustees agreed that it's a high priority and it is important to develop a clearer narrative.

The Board congratulated Ciarán on an excellent start. They also agreed that having acknowledged the messages and lessons from the Triennial Review it is time to put the process behind us. Instead we must take proper ownership of the organisation's future, address the issues and work ever more closely with stakeholders to strengthen mutual understanding and support.

### 4. Update on recent initiatives

- **Examinations: Project Insignia**

*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\*.*

- **Examinations: Secure English Language Testing (SELT)**

Mark informed the Board that the IELTS consortium of Cambridge Assessment, IDP and British Council has been named by UK Visas and Immigration (UKVI) as a preferred bidder for one of two SELT concessions for testing within the UK, and for one of either one or two concessions for testing in the rest of the world. He also corrected the figures in the paper which should read that the potential additional income is [REDACTED]. He noted that the timetable will be tight and centres will have to be set up and running in April. The Trustees agreed that this is a major endorsement of the IELTS brand.

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- **Arts**

Graham gave an update on some recent new initiatives. He mentioned the **Syria: Third Space** project which includes an exhibition in the British Council lobby and new digital programme for Syrian artists. He encouraged Trustees to visit the exhibition and noted that it was being followed and discussed widely on Twitter.

He informed them of the **UK Iran season of culture** which was launched last week and which aims to strengthen opportunities for greater cultural engagement and the improvement of understanding and trust between the UK and Iran. It is being led in partnership with a range of organisations across the UK.

He handed out an update on **Shakespeare Lives**, a major programme of events and activities in 2016 celebrating Shakespeare's life on the anniversary of his death. We are working closely with GREAT, Visit Britain, UKTI, DCMS and others. Trustees suggested also connecting with the 'Shakespeare in schools' programme.

Finally he mentioned the **Eastern Partnership Culture Programme II**. This is an EU contract which we won together with Goethe Institut, Soros Foundation and National Centre for Culture, Poland. It aims to build cultural capacity in six countries and is worth 4.5m Euro.

Trustees gave their congratulations for an imaginative programme and were pleased to see the range of UK partners. They also encouraged Graham to ensure the right mechanisms are in place to enable proper evaluation.

## 5. GIS Strategy

The Chair welcomed Laura Dawson to the meeting.

Rebecca introduced the session, noting that the organisation has a considerable journey ahead to ensure we have the right technology and information for the future. One of the challenges is to move to being a technology enabled business rather than a business relying on technology.

Laura focussed on some specific points, including the core capabilities we need, the architecture we will put in place, and the culture and behaviours required to make best use of it.

Trustees were pleased to see some progress as well as clarity on the direction of travel, having previously observed a lack of coherence. They asked for a timeline with clear milestones so they can monitor progress. They asked for more detail on how the SBUs will engage and how this will lead to supporting new products. It also needs a strategy for attracting good talent in a competitive and expensive field.

Trustees observed that there are many interdependencies such as good management information and data, digital media, engagement with the SBUs, with HR on capabilities, etc. and that a strategic plan which is wider than the GIS plan would be helpful to enable tight management. This should sit under the Corporate Plan.

## 6. Chief Operating Officer's Report

Adrian gave an update on financial performance which is on track to bring the general account back onto plan at year end.

He drew Trustees' attention to the risk management report and a summary of changes to the 15 corporate level strategic risks following the mid-year review by the Executive Board. Trustees advised that Risk 1 should not have ODA at the heart of it. Having the right portfolio isn't highly affected by this particularly for the next 12 months. On Risk 11 they asked why the teaching business has been moved into a higher likelihood category. Mark explained that overall registrations in one of our most important markets, Spain, have been slightly down year on year. The reasons for this are being explored together with mitigations against further decline. Overall they agreed that the format is much clearer.

Adrian informed the Board of a recent fraud [REDACTED] and noted that we expect to recover most if not all of the sum. We are also drawing out lessons learned.

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Following the Board's request at the last meeting for a summary of lessons learned from the halting of the eHR programme Helen talked through the main learning points in her report. These include the

need for more training on contract and commercial procurement as well as improvements in the processes. It will also be important to have more hard analysis to enable us to be more specific on what system we need in future requests for government approval.

## **7. Annual Report**

John drew the Board's attention to the tabled hard copy of last year's Annual Report. He noted that it had won an award in the 'Excellence in Reporting in Charities' category of PWC's 'Excellence in Reporting' awards. Trustees agreed that it is an excellent document.

John then presented the proposed approach to the 2014/15 Annual Report. Trustees had agreed previously that it should not be composed with a view to it being a sales or communication document as it is primarily a governance document. However, it would still be useful to include a couple of strong statistics and examples in order to demonstrate what we deliver for the UK. Overall they agreed with the approach.

## **8. Corporate Plan 2015**

John updated the Board on the consultation process. We are 6 weeks ahead of last year with 2 rounds of stakeholder consultation built in. We are onto the second round now. He then presented the updated text.

Trustees made the following comments.

It would be useful to have clarity on the status of the seven guiding principles so they are set in context. On page 5 it would be helpful to have a fuller statement on our purpose and value. It was agreed that a short overarching paragraph describing this would be appropriate for this one year plan, giving time to develop a stronger reiteration for the next one. They asked for a reference to funding and finances in the initial section. They also asked for a stronger mention of the contribution of society.

Overall they thought it was a strong plan. They agreed that it included a good response to the issues raised in the Triennial Review. They were also pleased with the consultation and noted particularly the importance of including the devolved administrations in the consultation.

With the changes noted above, they approved the report.

## **9. Chair's business**

The Chair updated the Board on the selection of Willy Roe as new Chair to the Scottish Country Committee following a recruitment process. His CV was tabled.

He also updated Trustees on the process being followed by the Nominations Committee for the appointment of two new Trustees. A search company called Audeliss, which has a strong record on diversity, has now been contracted. They have been tasked with attracting candidates from out of London and from more diverse backgrounds for consideration. In terms of expertise they will be looking for someone with a finance qualification who will also join the Audit Committee and someone expert in digital. He agreed to keep in mind the possibility of bringing in more expertise from the education sector either now or at the next opportunity.

The Chair shared some of the actions already taken in response to recommendations in the Board Effectiveness Review and asked for feedback. Trustees agreed that holding meetings from 8.30 to 13.00 should be continued as should including a closed Trustee session. They agreed that the next Board Away Day should be held out of London with a dinner the evening before. A Trustee dinner would also be welcomed mid-year.

He noted that a proposed response to the rest of the recommendations will be shared with Trustees for discussion at the next Board meeting. Trustees asked that particular consideration be given to

how to engage Trustees more effectively between meetings. This could include sending background to papers that will come to the Board by email beforehand, regional bulletins – perhaps monthly on a rotational basis, optional meetings with visiting directors, etc.

The Chair asked for feedback from Trustees who had travelled on behalf of, or including visits to, the British Council recently. Usha reported back on her visit to South Africa, Tom reported back on his visit to Jordan, Gareth to India and Martin Roth also to India.

## 10. Triennial Review update

The Chair and CEO updated the Board on the final stages which include a submission by the FCO to the Foreign Secretary. They noted the excellent work being done by the FCO to draw the review to a conclusion. They confirmed that the organisation is already working on various elements recommended in the EY report as these are important to do anyway so there is no need to wait for the final submission.

## 11. Report from Audit Committee

David Verey reported back on the Audit Committee meeting of 5 February. He noted in particular that they had agreed auditors' fees and had reviewed the fraud control system. The Committee had been pleased to see that the organisation is taking the latter very seriously.

He thought there was a gap in terms of taking a forward look at risk and at the financial picture. It was agreed that the Secretary will review the Terms of Reference for the Audit Committee and the Finance and Contracts Committee and suggest to the Chairs how and in what forum the gap could be best filled.

## 12. Any other business

Rebecca updated Trustees on the procurement exercise for a supplier to host the SAP system. This will bring a better agreement than previously and will produce savings. It will be within the CEO's delegations so is for the Board's information.

There was no other business and the meeting ended at 1300.

There was then a closed session for Trustees.

## Summary of action points arising

Updated from previous meetings

(05)7	Report on Europe to come back to the Board addressing the offer, communications, capability and risk	2015
(01)4	Bring economic modelling for review	2015
(03)3	Include a session on headcount and what good looks like	2015
(03)4	Include a session on EO&D targets, particularly on race	2015
(03)9	Include a focus on how we work cooperatively and in partnership with the UK sector in the next arts session	2015
(06)9	Develop action plan from Effectiveness Review recommendations and bring to the Board	March 2015

Current meeting

(01)5	GIS – come back to the Board with a timeline/milestones	By email
(01)11	Review and update Terms of Reference for Audit Committee and Finance/Contracts Committee	March