

In confidence

**Tuesday 10 February 2026**

**11.20 – 15.30**

## **MINUTES**

### **Trustees present**

Paul Thompson (Chair)  
Wendy Alexander  
Mariella Frostrup  
Richard Hookway  
David Lefevre  
Kate Marsh  
Yaw Nsarkoh  
Malcolm Press  
Sushil Saluja  
David Todd  
Neil Wigan  
Paul Woodgates

### **In attendance**

Scott McDonald, Chief Executive (CEO)  
Kate Ewart-Biggs, Deputy Chair Executive (D/CEO)  
Vijay Doshi, Chief Financial Officer (CFO)  
Andy Williams, Chief Operating Officer  
Robin Clark, Chief Revenue Officer  
Chris Mathews, Chief Commercial Officer  
Mark Walker, Director English & Exams  
Mark Stephens, Director Cultural Engagement  
Maddalaine Ansell, Director Education (item 3)  
Lucy Watkins, Director Global Change Programme (item 6)  
Neil Smyth, Partner, Mills & Reeve (item 2)  
Alison Coutts, Secretary

## **1. Chair's introduction**

The Chair set out the objectives for the meeting, namely that by the end of the meeting trustees should be satisfied that:

- the Board had scrutinised the turnaround plan carefully;
- any necessary corrective or preparatory measures had been identified; and
- the Board had focused on “action over analysis” and “insight rather than numbers”.

The Chair emphasised the importance of a rolling five-year outlook, continued attention to free reserves and UK cash flow, and the need for confidence that the organisation remained on a viable path.

## **Declarations of interest**

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The Chair invited declarations of new conflicts of interest.

- One trustee declared a new appointment to the board of Lloyds Bank Corporate Markets PLC. It was noted that this would be formally declared in line with the organisation's conflicts policy.

No other new conflicts were declared.

### **Minutes of the previous meeting and action log**

The minutes of the Board meeting held on 9 December 2025 were reviewed and were approved as an accurate record, subject to minor factual edits related to clarifying the co-design of Board agendas and the inclusion of a missing surname.

The Board reviewed the action log.

- Trustees discussed whether an action relating to a future trustee session on the turnaround plan should be reframed to reflect intent to revisit the endorsed plan once FCDO approvals are secured, rather than being phrased as an open action.
- It was agreed that the action log should be updated accordingly.

### **Board agenda balance**

Trustees discussed the balance of Board agendas.

- Several trustees requested more substantive discussion of British Council programmes and impact, beyond financial and crisis management matters.
- Others emphasised the value of the weekly written updates and the need to protect limited Board time.
- The Chair acknowledged the point and agreed that future agendas would include a more substantial "content" item at each meeting.

## **2. CEO report**

Neil Smyth joined the meeting.

The Chief Executive provided a consolidated update on external reviews relating to the turnaround and financial position as follows:

1. **EY review** – assessed turnaround assumptions; overall assumptions were considered reasonable, though teaching income projections were judged optimistic. Management has adjusted forecasts accordingly.
2. **Deloitte liquidity review** – validated the British Council's depiction of cash and solvency pressures and confirmed the seriousness of the position.
3. *(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.)*

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4. **Further Deloitte work** – commissioned by FCDO to assess the overall turnaround plan, management capability and longer-term tracking, at lighter scope and cost than originally proposed by EY.
  5. **NAO review** – initiated at the request of the Foreign Affairs Committee and Public Accounts Committee to examine British Council finances and FCDO interaction; expected to take several months.

Trustees requested that any findings relevant to governance, Board oversight or trustee responsibilities be brought back to the Board as they emerge.

The Chief Executive updated the Board on ongoing discussions with FCDO and HM Treasury as follows:

- A draft letter of comfort has been agreed in principle with FCDO and is with HM Treasury for approval. Trustees noted its importance in enabling the signing of accounts and providing assurance, while recognising it has not yet been formally issued.
- Discussions are ongoing regarding access to cash, treatment of trapped cash, loan principal and interest deferral, and restructuring support.
- Trustees discussed the constraints created by current operational autonomy thresholds, noting concern that the existing approval regime is not compatible with managing a large global organisation or delivering the turnaround at pace.
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Trustees raised a concern that asset/operational autonomy thresholds had shifted dramatically referencing a move from a high threshold to a £2m threshold, arguing this impedes the ability to run a global business and deliver digital pivot/turnaround.

Overall trustees recognised the progress made in negotiations while noting that timing and sequencing of approvals remain critical.

### **Insolvency risk, trustee duties and contingency planning**

The Board held an extended discussion on risk, timing and trustee duties.

Key points:

- Trustees discussed potential delays arising from political changes and the risk of resolution slipping beyond March.
- Legal advice reiterated trustees’ duty to act in the best interests of creditors and to maintain a “reasonable belief” that the organisation can avoid an insolvency process; noting there is no single statutory ‘trigger date’ but that it is an ongoing judgement and trustees must continually reassess.
- The complexity and value-destructive nature of any liquidation process was noted.

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  - Trustees debated whether to set a formal “trigger date” for escalation; it was agreed that ongoing monitoring by the Finance Committee, with escalation to the full Board if required, remained appropriate.

## Operational update

The Chief Executive provided additional updates including:

- Work is underway to reset the relationship with FCDO at all levels.
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- Trustees confirmed that authority is delegated to the CEO to proceed with country closures in line with previously agreed criteria and as set out in the Board pack, and asset sales in line with the agreed programme, without returning to the Board for individual approvals.
- A range of positive programme and country highlights were noted.

## 3. Trans-National Education (TNE) presentation

Maddalaine Ansell joined the meeting and presented a paper on Transnational Education (TNE).

Key points noted:

- TNE aligns strongly with the British Council’s Charter and government objectives around soft power, development and growth.
- The British Council’s in-country expertise and relationships provide a strong comparative advantage.
- Trustees discussed risks associated with international interference and academic freedom.
- *(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.)*
- Trustees highlighted the importance of quality assurance, appropriate success metrics, and caution around franchising models.
- The Board discussed how equality, diversity and inclusion objectives are embedded in programmes and noted that evidence of impact in TNE continues to develop.

## 4. Reports from Committees

### Finance Committee

[www.britishcouncil.org](http://www.britishcouncil.org)

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The Committee reported on investment and restructuring proposals recommended for approval as set out in the Board pack.

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- Following a debate during which it considered the best interests of the main creditor, the Board held a formal vote and a clear majority approved the Finance Committee’s recommendation.
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### **Commercial Committee**

The Committee reported on:

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- Egypt operations, with strong team performance noted; and
- trapped cash considerations.

### **Audit & Risk**

The Committee reported on:

- The need for a special Board meeting when the letter of comfort has been finalised to approve the annual accounts.
- Trustees noted the importance of the going-concern judgement and the associated material uncertainty disclosure.
- The letter of comfort was recognised as an important element supporting this decision.

## **5. CFO report**

The CFO referred to the report in the Board pack and summarised the position on cash and reserves against the turnaround plan as follows.

- March 2026 positions are broadly in line or slightly better than plan.
- Year-to-date operating surplus is £5m favourable versus Q2 forecast, half of which is due to timing. Total movement of reserves for 2025/26 is currently £20m favourable versus Q2 forecast.
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*Council or another party as defined under Section 43 (Commercial interests) of the Freedom of Information Act 2000.)*

- Available Group Cash was £178m, this is within loan covenant and minimum cash levels required. Against forecast there is some improvement through cost management, lower investment spend, contingency release and timing differences on working capital.
- The need for a more flexible funding “release valve” within future agreements was highlighted to avoid repeated approvals for relatively small sums.

## **6. Update on Turnaround Plan Delivery inc. Q3 performance report and Country Closure update**

Lucy Watkins joined the meeting.

Presenters referred to the turnaround progress report and made the following points:

- Forecasts reported as above turnaround plan targets.
- Severance funding for 25/26 projects is secured with a reduced number of “red” projects as a result.
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- Efficiency programme on track; substantial headcount reductions expected in 26/27; progress on organisational streamlining and operating model consultations (E&E TOM and customer service TOM).
- Risk noted due to Capita delays affecting civil service pension processes and timing of UK exits.
- Growth delivery on track overall but constrained by delayed investment; *(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.)* expected to reach key conclusions in Feb/March.
- Discussions covered digital investment prioritisation, sequencing of asset proceeds and cash access, and staff morale in the context of prolonged uncertainty. It was noted that it would be useful to separate our severance costs from other investments for better clarity. *(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.)*

## **7. Media Agency Ecosystem Framework Contract**

The Board considered and approved the proposal to consolidate media spend through a framework approach, noting strategic benefit from being a more significant client and seeking improved effectiveness over time.

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## **8. Any other business**

It was noted that the May Board meeting will now be in London and the planned visit to Cardiff/Wales deferred to September due to the proximity to the Senedd election and its impact on external engagement.

There was no other business and the meeting finished at 15.00.