

In confidence

BCB(14)3rd meeting

Tuesday 10 June 2014

MINUTES

Present

Vernon Ellis Chair
Martin Bean
Aled Eirug
Pamela Gillies
Rohan Gunatillake
Sue Hoyle
Ros Marshall
Usha Prashar
Martin Roth
Matthew Rycroft
Raoul Shah
Tom Thomson

In attendance

Martin Davidson, Chief Executive
Jo Beall, Director Education & Society
Adrian Greer, Chief Operating Officer
Helen Murley, Director HR
Mark Robson, Director English
Graham Sheffield, Director Arts
Caroline Stockmann, Chief Financial Officer
Rebecca Walton, Director Partnerships & Business Development
John Worne, Director Strategy and Communications
Anna Searle, Director English (item 8)
Alison Coutts, Secretary

1. Apologies for absence & declarations of interest

Gareth Bullock, Richard Gillingwater and Howell James had sent apologies for their absence.

The Chair introduced and welcomed Caroline Stockmann, the new Chief Financial Officer.

Martin Bean absented himself from the room whilst the Chair proposed him for re-election following the end of his first term on 11 July 2014. Ros Marshall seconded the motion which was agreed unanimously.

There were no declarations of interest.

2. Minutes of the Board meeting of 29 April 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 Operating Officer's Report

Adrian noted that the Board had reviewed last year's financial performance in the previous meeting and there had been no notable adjustments in the closing periods. The full overview is in the report. He referred to the headcount figure which the Trustees had questioned in the last meeting. He explained that the figure given in January had been inaccurate and although our data collection on staff numbers is improving there are still some discrepancies in historical data. Slide 10 in the COO pack gives the accurate figures. He commented that between December 2012 and December 2013 headcount has risen by approximately 7.5%. This reflects in part, new capability being brought in to manage growth, particularly in English & Exams and support services. It also is a result of a number of non-permanent workers being converted to fulltime contracts. This compares with an overall annual growth in turnover of 14%. The Trustees discussed the need to be clear what good looks like in terms of staffing across operational and support services and asked for a session on this at a later Board meeting.

Adrian noted that for the first time he had included an update on all reported frauds and this will be a regular feature to give Trustees a full and early picture in keeping with our new procedures on handling fraud. He confirmed that losses had been included in the year end process in the Annual Report and had also gone to the Audit Committee.

He asked Jo Beall, Mark Robson and Graham Sheffield to give a short update on headline financial and impact targets referring to pages 21 to 32 of the Organisation annual Performance Report which led to a short discussion. The Board said they would welcome some structure time to take a deeper look from a regional perspective. Adrian agreed to include this periodically, perhaps initially focussing on Sub Saharan Africa and the Middle East. Trustees also asked for clarity on what the main strategic issues are on which each SBU and region will focus over the coming year, with flash reports on this quarterly so it is easier to monitor progress and issues.

Overall they found it a good and useful report

4. Chief Executive's Report

Martin updated the Board on the situation in Pakistan. As a result of the current security environment the Karachi office had been closed and the situation was being reviewed on a daily basis. *Information in this section has been redacted/removed as it is likely to be exempt from disclosure on the grounds that it is "likely to endanger the safety of any individual" as defined in Section 38 (Health and safety) of the Freedom of Information Act 2000**. Exams were still taking place wherever feasible within strict security protocols. We are working very closely with the FCO and the High Commission.

The Trustees asked about the staff talk on race referred to in the CEO report and were pleased that group had been set up to explore issues around this. They noted that they would welcome further discussion once the group had had time to produce some recommendations.

5. Chair's business

The Chair updated Trustees on the issues referred to in his report. He also asked Rohan Gunatillake to update the Board on the latest meeting of the Digital Advisory Group. Rohan observed that it had been an encouraging meeting and was moving from a focus on operational to more strategic issues. It was agreed that relevant thinking should feed into the Board Away Day agenda in September.

6. Triennial Review

The Chair updated the Board on progress and there followed a general discussion on the main points.

7. Report from the Audit Committee

In Richard Gillingwater's absence, Tom Thomson reported back from the meeting of 29 May.

The main points were that:

- 5 out of 7 posts had been recruited for and 3 people were already in place;
- a fraud risk assessment tool had been produced but still required some modification to satisfy the requirements of the Audit Committee;
- the risk reserve had been cut by £4million as the Committee had agreed that risks from tax exposure had been reduced
- the updated controls process had now become business as usual and embedded in standard processes;
- the Global Finance Change Programme was on track.

8. English 2020

The Chair welcomed Anna Searle, Director English, to the meeting.

Mark Robson introduced the session, by describing how only a few years ago our English activity was almost entirely based on our network of quite independently run direct teaching centres, reaching a few hundred thousand students each year. Today, we work additionally through digital, broadcast and publication channels as well as with Ministries of Education and donors to reach now more than 200 million learners and teachers of English and achieve significantly more impact. We are also starting to reinvigorate our direct teaching network with the introduction of several new "global" products. Looking forward to 2020, we aim to continue to achieve even greater breadth and depth of impact across all our English work streams, working closely with other UK organisations, and providing a more consistent British Council experience for our customers, including those using our teaching centres.

Anna gave more information on our market position which is currently under 1% of the global market. She noted that there is more work we need to do on being clearer how we bring in partners to work with us on English for education projects. She also referred to the direct benefit our English work brings to the UK through projects to support social inclusion, through Accreditation UK, and through producing and sharing market research with UK organisations.

The Trustees asked the team to review the outlined value chain to be clearer what prospective customers want from beginning to end of the chain. This focus on the user will help further define our response and help us know where to make investments. They also recommended that it be called the English (rather than Digital) Value Chain to bring all related work together in an integrated way and enable better measurement. Overall they were pleased with the direction of the strategy.

9. Arts Update

Graham Sheffield ran through the highlights of the last year drawing the attention of the Trustees to the press pack which shows the range of our work. He referred particularly to the additions to the British Council collection, sometimes in partnership, e.g. with the Tate, and how we are using it; to the Venice Biennale which was touring the UK for the first time; to Britten in Russia, and to our contribution to Culture is Great, through which we are working with DCMS and the UK sector to build up a comprehensive picture of what institutions are doing in the sector.

We are also growing our work in challenging environments, for example North Korea. We are using our showcasing work in new ways by focussing on younger audiences and increasing public participation through online access.

He updated the Board on a partnership with UCL on cultural skills which has been heavily oversubscribed which suggests major demand.

He noted that we have built up our expertise in the UK and across the regions, have a sophisticated induction programme and work together as one global team in a close and joined up way.

The Board commented that over the last 6 years our work in the arts has transformed for the better. They also asked for more clarity on where the demand is coming from and how we identify, bring in and work with partners. It was agreed that the next session on arts should include a focus on how we work cooperatively and together with the UK sector.

10. Funding Model

Caroline Stockmann introduced the session explaining that the Executive Board were proposing to explore alternative options for financing new initiatives whereas traditionally we have only used the retained reserve.

The Board agreed that it would be sensible to look at other options and the Executive should explore from an in principle position. However, it would clearly depend on what the funds were required for and if and when specific situations came up they would go through the full approval process.

11. Status resolution – Czech Republic

Adrian informed the Board that there had been a change in the Czech civil code which means that although we are already a registered branch, we need to register with a new authority.

The resolution was proposed by Martin Bean and seconded by Sue Hoyle. The Board approved.

12.

Information in 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.*

13. Any other business

The Chair asked Trustees to note the dates of meetings for 2015.

There was no other business and the meeting ended at 1400.

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.	2014
(04)7	D/E&E to bring a draft business case on Schools to the Board	2014
(01)4	Bring economic modelling to F&CC for review	Summer/Autumn 2014
(01)4	IT strategy including cyber-security to be scheduled for a meeting	Autumn 2014
(01)11	Trusts and Foundations to be rescheduled for another meeting	Summer 2014
(02)12	Update Board on GCFP every 3 months	Sept 2014
(02)3	Review of strategy in UK to be included in a later agenda	July 2014

Current meeting

(03)3	Include a session on headcount and what good looks like	Late 2014
(03)3	Identify strategic issues of focus for each SBU and region and report against each quarterly	October 2014
(03)4	Include a session on EO&D targets, particularly on race	Early in 2015
(03)5	Include digital plans on the agenda for the Away Day	September 2014
(03)9	Include a focus on how we work cooperatively and in partnership with the UK sector in the next arts session	2015

Status Resolution: Czech Republic

The British Council, a charity (a non-commercial organisation), duly established under the laws of the United Kingdom of Great Britain and Northern Ireland by Royal Charter on 7 October 1940 and the Supplemental Charter granted on 26 November 1993, as amended by Order of Her Britannic Majesty of 8th June 2011, with its headquarters located at: 10 Spring Gardens, London SW1A 2BN United Kingdom (hereinafter referred to as "**British Council**")

Has hereby made this decision

Based on the international Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Czech and Slovak Federal Republic on the Establishment and Activities of Cultural Centres entered into force on 12th December 1991 (hereinafter referred to as the "Cultural Agreement")

On

Establishment of a Branch of the British Council in the Czech Republic

With respect to the above mentioned Cultural Agreement and in accordance with the conditions stated in this Agreement, the British Council has decided to establish a Branch in the Czech Republic according to the local statutory regulations (hereinafter referred to as the "Branch")

The British Council has, in light of the above, decided that:

- (1) The Branch will be registered in the Czech Commercial Register as "**The British Council - pobočka Česká republika**".
- (2) The registered office of the Branch will be Bredovský dvůr, Praha 1, Politických vězňů 13, PSČ 110 00, Česká republika.
- (3) The subject of the activities of the Branch of the British Council in the Czech Republic is:
 - to promote cultural relationships and the understanding of different cultures between people and peoples of the United Kingdom and the people of the Czech Republic;
 - to promote a wider knowledge of the United Kingdom;
 - to develop a wider knowledge of the English language;
 - to encourage cultural, scientific, technological and other educational cooperation between the United Kingdom and the Czech Republic or; otherwise, to promote the advancement of education.

to organise other forms of activity which are in accordance with the aims of the above-mentioned Cultural Agreement.

(4) the first registered representative of the Branch shall be Steven Philip Oxley (Country Director Czech Republic):

Nationality: British

Passport no: *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) (Personal Information) of the Freedom of Information Act 2000*.*

Issued by: FCO

Date of birth: *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) (Personal Information) of the Freedom of Information Act 2000*.*

Permanent Address: *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) (Personal Information) of the Freedom of Information Act 2000*.*

and shall have full powers of authority to represent, do and undertake all acts on behalf of the Branch, including but not limited to the right to represent the Branch before all governmental and non-governmental institutions in Czech Republic, tax, customs, municipal authorities, banks and insurance companies, legal entities and individuals, the right to execute, accept, undertake and perform all contracts in the name and on behalf of the Branch, the right to initiate, defend, commence or settle legal actions in the name of and on behalf of the Branch and the right to retain any accountant, auditor, attorney or any other advisor deemed necessary to protect the interests of the Branch;

the subsequent representatives shall be appointed by the CEO or authority delegated from the CEO and certified as duly appointed representative by the Secretary to the British Council, or a statement confirming the appointment executed under seal in the presence of two authorised officers;

(5) The Secretary to the British Council is authorised to sign the certificate of organisational information on behalf of the Board;

The British Council has decided to establish its Branch in the Czech Republic for an indefinite time period.