

In confidence

BCB(12)4th meeting

Tuesday 10 July 2012

## **MINUTES**

### **Present**

Vernon Ellis                      Chair  
Martin Bean  
James Boyle  
Simon Fraser  
Pamela Gillies  
Sue Hoyle  
Claire Ighodaro  
Raoul Shah

### **In attendance**

Jo Beall, Director Education & Society  
Martin Davidson, Chief Executive  
Pippa Greenslade, Director Global HR  
Adrian Greer, Director Global Network  
Mark Robson, Director English  
Bidesh Sarkar, Chief Financial Officer  
Rebecca Walton, Director Partnerships & Business Development  
John Worne, Director Corporate HQ  
Andrew Fotheringham, SRO, Status & Tax (item 9 - 11)  
Andy Mackay, Secretary

## **1. Trustee Elections**

Trustees made the following elections:

Sir Vernon Ellis was proposed for a second three year term as Chair of the British Council with effect from 25 March 2013 by Claire Ighodaro. The nomination was seconded by Raoul Shah and approved unanimously.

Baroness Prashar of Runnymede was proposed by Pamela Gillies as Deputy Chair of the British Council for a three year term with effect from 11 July 2012. The nomination was seconded by James Boyle and approved unanimously.

Gareth Bullock, Richard Gillingwater and Rosamund Marshall had been proposed by Martin Bean for a three year term as Trustees of the British Council with effect from 08 October 2012. The nomination had been seconded by Raoul Shah and was approved unanimously.

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

Nihal Arthanayake, Tony Hall, Howell James, Steve Jones and Patrick McKenna had sent apologies for their absence. From the Executive, Graham Sheffield had sent apologies for his absence.

The Chair noted that Alan Buckle had ended his term as Deputy Chair on 6 July and that the terms as Trustee for Nihal Arthanayake and Patrick McKenna would come to an end before the next meeting of the Board. On behalf of the Board, he expressed gratitude to all three for their significant contribution to the organisation and paid tribute to their commitment and engagement. A dinner for Trustees to recognise this would be organised when convenient for all concerned.

There were no declarations of interest.

## **3. Minutes of the Board meeting of 12<sup>th</sup> June 2012 and matters arising**

All matters arising from the meeting were being actioned, were included in the agenda for this meeting, or were scheduled for a future meeting.

The minutes were approved.

## **4. Chair's Business**

The Chair reported on his annual meeting with the Foreign Secretary, where they had agreed that the relationship and collaboration between the British Council and the FCO were positive and effective. *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\*. 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 effective conduct of public affairs" as defined in Section 36 (Prejudice to the effective conduct of public affairs) of the Freedom of Information Act 2000\*.*

## **5. Annual Report from Audit Committee**

Claire Ighodaro, Chair of the Audit Committee, presented to the Board the annual report on the work of the Audit Committee.

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The role of the shared service centre in Noida was highlighted, given its significance as the finance hub for the whole organisation. The Committee had recommended that the centre should be given clear objectives by the parent entity, to ensure that it was fully recognising and meeting the needs of the business.

The Committee were assured that the control environment in place was adequate. Given the extent of change in the organisation, they were encouraging management to strengthen controls wherever possible and recommended that the Board keep the control environment and its effectiveness under review.

The Chair of the Committee concluded by paying tribute to the role played on the committee by Patrick McKenna, who had attended his last meeting. She also gave her thanks for the continuing role on the committee of the independent member, Roger Chovil, who had given many years of excellent service. The Board agreed that it would be important to assure the future effectiveness of the committee, with a new Chair for the committee to be appointed for 2013, one new Trustee to be identified to join the committee and the independent member's term coming to an end also in 2013. This should be addressed as a matter of priority.

## **6. Chief Executive's Report**

The Trustees welcomed the graduate recruitment programme outlined in the report and agreed that this was hugely important for the future success of the organisation. They would welcome more information about the programme the graduates would follow and the way in which they would be integrated into the organisation. They noted that such programmes would help to bring in the next generation of organisational leaders and that it would be important to make sure that they were properly identified and progressed rapidly and appropriately.

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Trustees endorsed the approach to the development of the programme for their September away day, looking beyond the corporate plan period and focussing on the ambition for the organisation for 2020, as well as identifying action which might be needed in the immediate future to support delivery of those longer term ambitions. They agreed that it would be useful to receive in advance the foresight data which the strategic business units were working with; they welcomed the proposal that the FCO planning staff could provide data on their projections of the global context in 2020 and of the likely priorities for the interests of the UK.

## **7. Organisational Performance Report**

Trustees noted the headline results for the first quarter, which were broadly on track. *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\*.*

They considered the investment portfolio for the year and noted that some adjustment might be needed to allow for resource for the capability strengthening as necessary in the areas outlined above. The Board discussed alternative approaches to development and reporting of the investment portfolio and agreed that the current approach was appropriate, with the focus on the investment required to deliver the targets which they had set through the Corporate Plan. They would, however, welcome the opportunity to discuss options when asked to approve investments. They would also find valuable greater visibility of the relationship of the investment decisions made with the delivery of the business outcomes, as well as a mechanism which would allow them to review progress and the benefits realised.

The Board discussed the maturity of risk identification, management and mitigation. They took assurance from the evidence that, where risks were realised, management was able to move effectively to address the issue and prevent recurrence.

## **8. Profile and Participation**

This item was not considered in full, owing to pressure of time. Trustees agreed that they would welcome the full presentation and discussion at their away day in September.

They agreed that it would be important to achieve clarity on the organisation's posture and that the recent examples the British Council's position on visa issues and on engagement with China, Israel and Palestine were appropriate to the organisation's mission and beliefs.

They recognised the potential tension between taking stronger positions to build profile and attracting greater criticism, which they would discuss further. They also recognised the value and credibility of having partners speak on behalf of the organisation but that it was also important for the organisation to speak out in support of its posture in order to build credibility and profile.

## 9. BC Holdings year end report

The Board noted the year end report on the performance of BC Holdings (UK). James Boyle, who served as one of the Directors of the company in representation of the Board of Trustees reported that the company board was functioning effectively and that its business was being transacted smoothly and correctly. He highlighted to the Board that both he and Steve Jones, the other Trustee who served as a Director of the company, would be leaving the Board of Trustees in the coming months and that suitably experienced Trustees would need to be nominated to replace them.

The number of subsidiary entities reporting to the holding company was planned to increase in the coming years; this would increase the need for scrutiny by the company directors and for visibility of the operation of the company by the Board of Trustees. The Board also took assurance from the attendance of PWC, the external auditor for the holding company, at meetings of the Audit Committee.

## 10. Status Resolution: Indonesia

The Board approved unanimously the decision to establish an educational foundation (a yayasan) in Indonesia.

## 11. Status Resolution: Argentina

The resolution to establish and register a branch of the British Council in Argentina under the laws of the autonomous city of Buenos Aires was proposed by Raoul Shah, seconded by Martin Bean and passed unanimously. The full resolution is attached at annex one.

## 12. Any other business

There was no other business and the meeting ended at 1200.

## Summary of action points arising

### Meeting of 21 February 2012

(01)3	Finance & Contracts Committee to review corporate plan investment schedule
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### Meeting of 17 April 2012

(02)1	Rebecca Walton to update Trustees on Microsoft partnership as appropriate
(02)3	Board away day in September to include discussion of long term ambitions for English
(02)4	Mark Robson to report <i>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*</i> . in December 2012
(02)5	Trustees to receive terms of reference for the ideas generation group once drafted.

#### Meeting of 12 June 2012

(03)3	Andy Mackay to prepare options for Board effectiveness reviews for presentation in late 2012
(03)4	Standard format to be developed for Board authorisation papers.

#### Current Meeting

(04)1	Claire Ighodaro to update Board on action to address NAO priority areas following next Audit Committee meeting
(04)2	Membership of Audit Committee to be confirmed at October meeting
(04)3	Vernon Ellis to seek nominations for a new independent member of Audit Committee
(04)4	Pippa Greenslade to provide Trustees with further detail on graduate programme
(04)5	Away day programme to include FCO planning team's 2020 global picture
(04)6	Bidesh Sarkar to develop reporting on investment portfolio in line with Trustee requirements.
(04)7	John Worne to present Profile and Participation options at September away day
(04)8	Trustees to join British Council Holding Company Board of Directors to be identified in the autumn

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## Status Resolution: Argentina

### IT IS RESOLVED THAT:

- (1) a branch of the British Council in Argentina be established and registered under the laws of the Autonomous City Of Buenos Aires;
- (2) the name of the branch shall be The British Council in Argentina, and the address of the branch shall be Marcelo T. de Alvear 590 (4<sup>th</sup> floor), C1058AAF, Buenos Aires, Argentina;
- (3) the registered representative of the branch shall be James Shipton:

*Nationality: 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\*.*

*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\*.*

*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\*.*

- (4) the subsequent representatives shall be appointed by the CEO or authority delegated from 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
- (6) James Shipton be authorized as the attorney-in-fact of the British Council in Argentina for any all matters necessary to accomplish the establishment of the branch and the registration of the foregoing particulars, including but not limited to making statements on behalf of the British Council, filing reports with the relevant government authorities and/or foreign exchange banks, and the appointment of a law firm or other representative of James Shipton as sub-attorney-in-fact. It is further resolved that a statement confirming the appointment of James Shipton as such attorney-in-fact shall be executed under seal of the British Council in the presence of two authorized officers.

(7). Ms Silvina Sesarego, Mr Enrique Stile or any other attorneys appointed by them associated with Marval, O'Farrell & Mairal Associates having its office at Av Leandro N. Alem 928 (C1001AAR), Buenos Aires, Argentina be authorised severally or jointly as the attorney-in-fact for purposes relating to the establishment of a branch (the "Branch") in Argentina under the Companies Act 2006 (2063), including but not limited to the following:

- to acquire, obtain and submit any and all documentation on behalf of the British Council, including but not limited to signing, completion and submission of application form required for registration of branch to the Office of Company Registrar (the "OCR") and all documentation related thereto as the Attorney may deem necessary;
- to appear before authorities of the Government of Autonomous City Of Buenos Aires and other officials in charge of or involved with the establishment of branch;

- to sign, seal, deliver, enter into, acknowledge and perfect all such applications, filings and documents and to request and provide all information, and to do acts and things as are necessary or expedient to be done to give effect to the authorizations and purposes herein.

*\* Enquiries regarding the redacted information contained in this document should be directed to the Information Policy Advisor: Freedom of Information, British Council, 10 Spring Gardens, London SW1A 2BN or via email, [foi@britishcouncil.org](mailto:foi@britishcouncil.org).*