

In confidence

BCB(13)6th meeting

Tuesday 10 December 2013

MINUTES

Present

Vernon Ellis Chair
Martin Bean
Gareth Bullock
Aled Eirug
Simon Fraser
Richard Gillingwater
Rohan Gunatillake
Sue Hoyle
Howell James
Ros Marshall
Usha Prashar
Raoul Shah
Tom Thomson

In attendance

Martin Davidson, Chief Executive
Jo Beall, Director Education & Society
Adrian Greer, Chief Operating Officer
Helen Murley, Director Human Resources
Mark Robson, Director English
Bidesh Sarkar, Chief Financial Officer
Graham Sheffield, Director Arts
Rebecca Walton, Director Partnerships & Business Development
John Worne, Director Strategy and Communications
Steve Stenning, Regional Arts Director for MENA (item 9)
Alison Coutts, Secretary

1. Apologies for absence & declarations of interest

Pamela Gillies and Martin Roth had sent apologies for their absence.

There were no declarations of interest.

The Board noted that Simon Fraser would be standing down from the Board and that this would be his last meeting. The Chair thanked him for his commitment and valuable contributions during his time on the Board.

2. Minutes of the Board meeting of 22 October 2013 and matters arising

All matters arising from the meeting had been actioned or were scheduled for a future meeting.

The minutes were approved.

3. Triennial Review Update

The Chair updated the Board on his meeting with the Challenge Group and subsequent follow up letter to Sian MacLeod, the Director of the Review Team.

He noted that we should receive the formal draft report with conclusions and recommendations before Christmas at which point we will be asked to give our formal response. When the draft has been received he will be in touch with Trustees to seek their views and contributions.

4. Status Resolutions

i) Peru: The Board endorsed the proposal to seek approval from the FCO for re-opening in Peru. Subject to receiving FCO approval the Board approved the proposal to establish a branch of the Charity in Peru and the formal resolution to enable this. Proposer: Aled Eirug; Seconder: Usha Prashar

ii) Azerbaijan: The Board approved the proposal to establish a branch of the Charity in Azerbaijan. Proposer: Martin Bean; Seconder: Usha Prashar

iii) Canada: The Board approved the proposal to establish a branch of the Charity in Canada. Proposer: Martin Bean; Seconder: Usha Prashar

iv) Russia: The Board gave authorisation for members of the Executive Board to sign documents on behalf of the British Council to incorporate a new subsidiary company in Russia. Proposer: Raoul Shah; Seconder: Martin Bean.

5. Chief Operating Officer's Report

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.*

The investment programme is now working more effectively and moving much faster. In fact we now have some tough choices to make on priorities and will not be able to do all of them. We will take a draft strategy to the Finance & Contracts Committee in February for a robust discussion.

The Trustees congratulated the British Council on the Erasmus+ win and acknowledged the hard work that had been done by the team to achieve this.

They also requested information on how the British Council is mitigating the cyber risk in the Strategic Risk Register noting that this has gone up the agenda across organisations generally. Martin noted that we have a team working on this and will bring a response to the Board in February.

6. Chief Executive's Report

Martin updated the Board on his visit to Sri Lanka. He had opened the library in Jaffna which will provide an offer in north and east Sri Lanka for the first time. He'd also opened the new building and library in Colombo and made the point that a reinterpretation of libraries as creating a safe convening space in certain countries is becoming more and more important. This is particularly so in South Asia and some other countries such as Burma and South Sudan. He has asked Stephan Roman, Rob Lynes and Graham Sheffield to create a plan around this.

He also visited India with the Deputy Chair. Three key points he noted were 1/ the shift of authority from the centre to separate states which creates a real opportunity to strengthen our engagement across the whole country. *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*.* He had

asked the team to explore how we can contribute to create a broader British presence. 3/ the Indian government's decision to build a cultural area in New Delhi. Again we should be able to contribute to the soft infrastructure of this.

He asked the Deputy Chair for her views of her visit. Usha said that she'd been impressed with the quality of the British Council's work and its scalability. From our leadership in classrooms work in Chennai to our work in Delhi with women entrepreneurs in partnership with Diageo, there is huge potential for growth. She had also visited Noida and was impressed with the professionalism of staff.

Martin also reported on his visit to China. He'd had some useful conversations with Ministers. He'd had a discussion with Peter Bazalgette on the potential for the British Council and Arts Council England to strengthen the UK's relationship with China through the creative industries. He had met the Vice President with Jeremy Hunt to discuss the next people to people dialogue in early spring. The FCO has asked our team in China to act as the secretariat for this event.

Martin had then stopped in Moscow to meet his counterpart on the UK/Russia year of culture. He noted that there are now multiple years of culture and it will be important to prioritise how many and which ones we can do. Otherwise we will spread capacity and sponsorship opportunities too thinly.

Martin informed the Board that Rebecca Walton has taken on the responsibility for IT and line manages Laura Dawson, the new IT Director. This will bring IT much closer to the business.

He also informed the Board of the appointment of Chris Kinsella as the interim CFO. Meanwhile the recruitment for the permanent CFO is on course.

Martin referred Trustees to the 'highlights' brochure which had been tabled, as a response to the Trustees' request to have more information about what was happening. This will be updated every 2 months or so.

7. Chair's business

The Chair reported on the South Asia forum which had been excellent as it involved partners throughout.

He had also led discussions at the British Council Association meeting and Global Leadership Management meeting and had been impressed with the sense of cohesion and alignment from both.

He briefed the Board on a meeting with Deloitte which was set up to help think how we integrate our online and offline processes and products. The outcome was an agreement to work on a visualisation of what this might look like, in their facility which is set up to enable this sort of modelling. The plan is to do this in the spring and involve one or two trustees.

The Chair asked Trustees to report back on their British Council related visits. These included Raoul Shah in Manchester to open Icelab, Tom Thomson to Israel, Sue Hoyle to Mexico, Rohan Gunatillake to Hong Kong and Aled to Chilli and Argentina.

The Chair noted that some country directors seemed unaware of the role of Trustees and asked the secretariat to provide a brief.

He then noted that this was Bidesh Sarkar's last Board meeting before his departure from the British Council. He thanked him on behalf of all the Trustees for his contribution to the British Council and to the Board.

The Chair asked Richard Gillingwater to introduce the Shared Services Centre Report. Richard asked the Board to note it and suggested that in future Trustees should have summary operational reports at key points in the year. He will agree how this is done with the Audit Committee and Secretariat. The Board agreed that progress looked encouraging but that further reports should

include the users' points of views. It would be useful to see some KPIs in order to objectively measure performance.

The Chair thanked Helen Murley for her 'People Measures' summary which had been included in the COO report and which he had found helpful.

8. Corporate Plan Targets

John Worne introduced the draft breaking it down into 1/ narrative, 2/ impact and financial projections for the current plan, and 3/ forward projections beyond the current plan.

John noted that the organisation is in the process of restating its financials so that they focus on workstreams rather than funding sources. However the current corporate plan will state our accounts on the old system and the new will be introduced next year. He also pointed out that we will need to continue to look at our cost base and that Erasmus+ gives us an opportunity to get this right.

The Board discussed whether we should have a matrix to measure how the organisation contributes to the UK's soft power agenda. The CEO commented that this would be a helpful evolution. At the moment we measure whether we meet our targets, and we test our purpose through the trust research every couple of years. However it would make sense to test whether our targets are still the right ones to contribute to the UK's international agenda every 3 years or so.

The Board broadly approved the approach, the targets and the proposed changes to the current plan.

9. Arts and Society: Working Together

The Chair welcomed Steve Stenning to the meeting. Graham Sheffield introduced the session with a short update on the portfolio of work that Arts together with Education & Society have been rolling out in conflict-affected and fragile states. Steve then gave some examples from the Middle East and North Africa.

Graham noted that much of our work over the last two years has been opportunistic to enable us to build partnerships, experience and a track record. Now it is important to take this to scale and embed proper evaluation.

The Board agreed that work is going in the right direction with some good stories to tell. They asked for a stronger relationship to be built with DFID and the Arab partnership and to set out a global strategy.

10. British Council Benevolent Fund annual report and accounts

The Board approved the British Council Benevolent Fund Annual Report and Accounts for 2012/13.

11. Updated delegated authorities to the CEO

The Board approved the revised delegations to the Chief Executive.

12. Delegate authority to CEO to sign contracts related to Erasmus+

The Board delegated authority to the CEO to sign contracts and Letters of Intent related to the National Agency Contract for Erasmus+.

13. Any other business

- 13.1 *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*.*
- 13.2 The Chair briefed the Board on the Global Law Summit in February 2015 for which the British Council will be a partner. This will involve the British Council becoming a member of a company limited by guarantee which is the vehicle being set up to manage it. The Board approved.
- 13.3 *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*.*

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

Summary of action points arising

Updated from previous meetings

(04)6	D/BSS to bring a revised Statement on Risk Appetite back to the Board for review and approval.	February Board
(05)10	Deputy Chair to report back to the Board on actions taken following the Board Effectiveness Review	April Board
(03)3	Investment report to come to the Board later in the year following scrutiny by the Finance & Contracts Committee.	April Board
(05)7	Report on Europe to come back to the Board addressing the offer, communications, capability and risk.	2014
(01)14	Update on the finance change programme to be included on agenda following design phase	2014
(04)7	D/E&E to bring a draft business case on Schools to the Board	2014

Current meeting

(06)	COO to include a report on cyber risk in the next COO report	February Board
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STATUS RESOLUTION – AZERBAIJAN

TO RESOLVE THAT:

1. Miss Elizabeth White, the citizen of the United Kingdom, born on *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**. be appointed as the duly authorized representative of the British Council during preparation, drafting, filing, and delivery of the formal application for the purposes of launching the process of negotiation and further execution of the relevant treaty with the Ministry of Justice of the Republic of Azerbaijan concerning the intended establishment of the British Council's branch in the Republic of Azerbaijan in line with the laws of the Republic of the Azerbaijan.
2. A specific Power of Attorney be granted to Miss Elizabeth White to conduct and to implement the relevant actions and steps for achieving the foregoing purposes.

STATUS RESOLUTION - CANADA

IT IS RESOLVED THAT:

- (1) a branch (hereinafter the "Branch") of the British Council shall be established in Canada and registered in accordance with the laws of Canada and any applicable province, territory or municipality thereof, for the purpose of performing any lawful activity;
- (2) the name of the Branch shall be British Council Canada, and the address of the branch shall be 777 Bay St, Suite 2800, Toronto, Ontario, Canada, M5G 2G2, until changed.
- (3) the initial registered representative of the Branch shall be Salman Cheema whose address is *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**, who shall be appointed as the General Manager of the Branch with the full powers of authority to represent, do and undertake all acts on behalf of the Branch, including but not limited to the authority and power to represent the Branch before and deal with all governmental and non-governmental institutions or agencies in Canada, including without limitation tax, customs, municipal authorities, banks and insurance companies, legal entities and individuals, the authority and power to execute, accept, undertake and perform all contracts in the name and on behalf of the Branch, the authority and power to initiate, defend, commence or settle legal actions in the name of and on behalf of the Branch and the authority and power to retain any accountant, auditor, attorney or any other advisor deemed necessary to protect or advance the interest of the Branch; any subsequent representatives shall be appointed by the CEO of the British Council or a person with 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.
- (4) James M. Parks or any other attorney associated with the firm Cassels Brock & Blackwell LLP having its office at 2100 Scotia Plaza, 40 King Street West, Toronto, Ontario, Canada, M5H 3C2 be authorised as the attorney-in-fact for purposes relating to the establishment the Branch in Canada, including but not limited to the following:
 - to acquire, obtain and submit any and all documentation on behalf of the Branch, including but not limited to signing, completion and submission of application forms required for registration of the Branch with relevant government agencies and all documentation related thereto as the attorney may deem necessary;
 - to appear before and deal with authorities of Canada or any province, territory or municipality and other officials in charge of or involved with the establishment or operation of the 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 authorisations and purposes herein.

STATUS RESOLUTION - PERU

TO RESOLVE THAT:

- (1) a branch (hereinafter the "Branch") of the British Council in Peru be established and registered in accordance with the laws of the Republic of Peru in order to manage and execute the British Council's investments and operations in the said country. In this regard, the Trustees confirm that neither the social contract, nor the British Council's bylaws prohibit the establishment of branches abroad;
- (2) the name of the Branch be "British Council Sucursal Lima" and the domicile of the Branch be city of Lima, province and department of Lima, , Peru;
- (3) the capital equivalent of S/. 1000.00 (One Thousand and 00/100 Nuevos Soles) be allocated to the Branch;
- (4) the purpose of the Branch be:
 - (a) to promote cultural relationships and the understanding of different cultures between people and the understanding of the United Kingdom and Peru;
 - (b) to promote a wider knowledge of the United Kingdom;
 - (c) to develop a wider knowledge of the English language;
 - (d) to encourage cultural, scientific, technological and other educational cooperation between the United Kingdom and Peru; or
 - (e) otherwise promote the advancement of education.

the Trustees to declare that the activities mentioned above fall within the purposes and objectives of the headquarters (home of the British Council).

that the term of the Branch be indefinite and that it starts its operations on the same day that this resolution is registered in the Lima Register Office.

- (5) To submit the British Council to the Peruvian laws in order to support the obligations assumed by the Branch in Peru.
- (6) the permanent legal representative of the Branch be Allan Taggart, nationality British, identified with British passport number *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**.

Allan Taggart, be given authority as permanent representative; will individually have the necessary attributions to oblige the British Council for the operations performed by the Branch and, particularly, will be enabled to:

Administrative attributions

- (a) Execute the resolutions passed by the British Council in everything that is related to the registration of the Branch;
- (b) To represent the Branch at government agencies, especially at the Superintendence of Tax Administration - SUNAT, the Tax Administration Service - SAT and any tax agency. Likewise, to represent the Branch at municipal, prosecutor, customs, military and police, authorities, Peruvian Congress of the Republic's Committees, Public Ministry, the Ministries or the Executive Power directions, Public Registries and, in general, at any Peruvian government agencies, with the sufficient powers to represent the Branch's interests, execute/sign and file writings, requests, forms, general documentation, appeals and claims, being invested by the attributions that for those purposes give the Law of General Administrative Proceeding ("Ley del Procedimiento Administrativo General") (Law N° 27444) among other applicable laws.

- (c) Sign in its name the Branch's correspondence.
- (d) Issue receipts and payment statements.
- (e) Collect any amounts owed to the Branch and require the handing over of any movable and immovable property belonging thereto or which possession it merits.
- (f) Request and obtain all types of registration records, authorizations, licenses, permits, approvals, consents, concessions and rights; as well as carry out any necessary act to undertake the activities comprised in the Branch's purpose.

Representation attributions

- (a) Represent the Branch in the Peruvian Courts, being either claimant and defendant, with the general attributions of representation (article 74 of the Peruvian Proceeding Code or the law that may substitute such code), and even for the enforcement of the judgment and the collection of fees and expenses ("costos y costas"), and the following especial attributions:
 - Appear in the name of the Branch and contribute in the defense of the initiated proceedings.
 - Conventionally submit the Branch to the competence of a different judge than the corresponding originally.
 - Represent the Branch in all judicial hearings of testing and proceeding consolidation.
 - Perform any kind of acts of disposition of substantive rights.
 - File complaints, counterclaims, answer complaints and counterclaims, file all types of exceptions and prior defenses, file oppositions and submit to arbitration the controverted pretentions in the process.
 - Desist from the proceeding and pretention, file acceptance of the complaint, settlements and transactions.
 - Intervene as co-party or main intervening third party, of property, preemption and file civil complaint.
 - File all the impugnation and annulling means prescribed in the procedural law or in special laws.
 - Offer evidence means; file reflection and opposition; issue statement as a party; make statement as a witness and perform recognizance.
 - File recusals.
 - Request for the interruption of the term and the deferral of the term for a proceeding act.
 - Request the suspension of the proceeding or of a proceeding act.
 - Request the legal and judicial suspension of the proceeding.
 - File counter precaution, even under the mode of "sworn precaution" ("caución juratoria")
 - For procedural Labor law (Law N° 26636), or the law that modifies or substitutes it, in addition to the attributions mentioned before, the Branch's representation will be exercised with the most extensive and broader general attributions,. Regarding the special attributions they will include rendering confession or party's declaration resources, and documents recognition, among others.
- (b) To represent the Branch before political, police, public administration in general, municipal and tax authorities, with the general powers of representation and the special powers to file any kinds of statements, forms, letters, requests, claims, complaints, objections, impugnation or administrative resources as well as withdraw them.
- (c) Request the start of arbitrations, to file arbitration lawsuits and answer arbitration lawsuits, file any kind of resources, to make settlements, to appeal/challenge awards, to demand the enforcements of awards to the competent jurisdictional organ, having the same general attributions that the established in this section.
- (d) Propose non judicial settlement under terms established by Law N° 26872 and Legislative Decree N° 1070 or any replacement and other additional rules that may be applicable; be invited and invite to conciliation, to report to conciliation and reconciliation.

- (e) To sign on behalf of the Branch of the British Council the Minute and Public Deed of establishment of the Branch in Peru. Any one of said attorneys shall have all powers necessary, without reservation or limitation, for purposes of granting and executing all agreements, statements, certifications and generally any public and/or private documents that may be required for the establishment of the Branch and its registration with the Registry Office of Lima - Lima.

Labor Attributions

- (a) Hire the personnel and/or employees and/or officials and establish its obligations and salaries as well as suspend or terminate such relationships. For such purposes the representative can send any kind of communications on behalf of the Branch.
- (b) Establish the rules and internal regulations that deems necessary for the good progress of the Branch.
- (c) Issue certificates of employment, work training statements and pre-professional practice certificates and similar documents.
- (d) Sign the communications forwarded to the Ministry of Labor and Employment Promotion, to the Social Security Institute – ESSALUD, Pension Normalization Office – ONP and Superintendence of Private Pension Fund Management Companies, among other related institutions.

Contractual Attributions

- (a) Negotiate, enter into, sign, regulate, amend, extend, renew and terminate any agreements and its conditions, civil and commercial, nominated and not nominated, in which the Branch is intervening, without any exceptions, including - being this only an enunciatively and no limitative declaration - especially the following contracts or agreements: employment contracts; contracts regarding all kind of properties (movable and immovable property) such as transfers, acquisitions, sales, leases, supply, constitution of real properties and guarantees (personal and real), among others; services agreements, including location and building services, distribution, among others; loan agreements; insurance and other associated contracts (joint ventures, consortium, among others).

Banking and Financial Attributions

- (a) Open, operate, manage and close any kind of accounts in any financial, banking or credit institution, as well as deposit and withdraw funds from such accounts.
- (b) Issue, endorse, discount, accept, guarantee ("avalar"), submit and give as guarantee bills of exchange, promissory notes, vouchers and, in general, any credit instruments.
- (c) Issue and endorse checks and any other payment orders.

Substitution and Delegation

- (a) Substitute totally or partially all the attributions that are hereby granted, as well as revoke or terminate those substitutions; being entitled to name new substitutes and to waive the Power.
- (b) Delegate - without any prejudice to its attributions, totally or partially the attributions granted by this Power in favor of third parties, being able to revoke or terminate those delegations, being entitled to name new attorneys.
- (7) *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*, both of them domiciled for this purposes in 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**. are designated as representatives of the Branch of the British Council in Peru, to individually or jointly as single signature, execute the following acts:

- (a) Register the Branch in the Single Register of Taxpayers (RUC), being able anyone of said representatives to sign all kinds of documents and forms, make submissions, requests, formats, documentation in general, appeals and complaints, also being invested by the attributions that for those purposes give the Law of General Administrative Proceeding ("*Ley del Procedimiento Administrativo General*") (Law N° 27444) among other applicable laws.
- (b) Sign on behalf of the Branch of the British Council the Minute and Public Deed of establishment of the Branch in Peru. Any one of said representatives shall have all powers necessary, without reservation or limitation, for purposes of granting and executing all agreements, statements, certifications and generally any public and/or private documents that may be required for the establishment of the Branch and its registration with the Registry Office of Lima - Lima - Lima, and in general participate in any procedure with such purpose.

Being 1300 hours at 10 Spring Gardens, London, SW1A 2BN on 10 December 2013 and having no further matters to discuss, the session was closed, after which the resolution was written, read and approved unanimously.

STATUS RESOLUTION - INCORPORATION OF THE RUSSIAN SUBSIDIARY

IT IS RESOLVED THAT:

- (1) The British Council acting as a co-founder wishes to incorporate a limited liability company to be established in Russia, which will have its registered address at 9 Zemlyanoi val, Moscow, 105064, Russian Federation (the "Russian subsidiary");
- (2) that the incorporation of the Russian subsidiary is approved;
- (3) that any member of the Executive Board acting individually, is and shall be hereby authorised, empowered and directed, in all cases, to execute and deliver in the name of and on behalf of the British Council charity, any and all documents and to perform any and all actions which he or she may deem necessary, appropriate or desirable in order to incorporate the Russian subsidiary, including, but not limited to executing and delivering the official application for state registration of the Russian subsidiary and signing all other forms, applications, statements and other documents as he or she may deem necessary.