Board of Trustees 2026

3rd meeting

In confidence

Tuesday 12 May 2026 11.00 – 15.00

MINUTES

Trustees present	In attendance
Paul Thompson (Chair)	Scott McDonald, Chief Executive (CEO)
Wendy Alexander	Kate Ewart-Biggs, Deputy Chair Executive (D/CEO)
Mariella Frostrup	Vicki Olby, Chief Financial Officer (CFO)
Richard Hookway	Andy Williams, Chief Operating Officer
David Lefevre	Chris Mathews, Chief Commercial Officer
Kate Marsh	Mark Walker, Director English & Exams
Yaw Nsarkoh	Mark Stephens, Director Cultural Engagement
Malcolm Press	Jonathan Stubbs, Head Visual Arts Programme (item 3)
David Todd	Robin Clark, Chief Revenue Officer (item 4)
Neil Wigan	Andrew Horton, Director Digital & Technology (item 4)
Paul Woodgates	Nick Alexander, Chief Transformation Adviser (CTA)
	Neil Smyth, Partner, Mills & Reeve (items 1 & 2)
	Alison Coutts, Secretary

1. Chair's introduction

The Chair opened the meeting and set out the objectives for the session. These included reviewing organisational performance, the financial position and key strategic decisions requiring Board oversight.

Apologies and declarations of interest

Apologies were received from Sushil Saluja. The Chair invited declarations of any new conflicts of interest.

No other new conflicts were declared.

Minutes of the previous meeting and action log

The minutes of the Board meeting held on 24 March 2026 were reviewed and approved as accurate records.

The Board also reviewed and noted the action log.

2. CEO report

The Chief Executive provided an update on discussions with the FCDO on revised loan terms and the implications for the British Council's turnaround plan. He noted that the latest FCDO proposal represented progress on the current position, notably through a five-year extension of the loan, access to certain asset sale proceeds identified in the turnaround plan, and limited use of trapped cash for debt servicing. However, the proposal did not resolve a number of material concerns. *(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 discussed the extent to which the proposal would provide sufficient stability and operational freedom to deliver the turnaround plan. There was broad agreement that the organisation needed to move quickly towards resolution in order to reduce uncertainty and allow management to focus on delivery. At the same time, trustees were clear that a number of elements required further discussion with the FCDO before the Board could be satisfied that the arrangements would support successful execution of the plan.

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The Board therefore supported the Chief Executive in continuing discussions with the FCDO, with the aim of securing refinements to the proposed terms. These refinements were to focus on: greater flexibility in KPI design; safeguards against cash sweep arrangements creating distorted incentives; rejection of any arrangement that would impose an additional Transformation Adviser role; and clarification and, where necessary, challenge of any proposal affecting trustee appointments or wider governance arrangements. Trustees also supported seeking a more credible mechanism to provide continuity beyond the initial five-year term, whether by extension or rollover provisions linked to satisfactory delivery.

The Board noted the advice from legal counsel on the obligation for the Board to act in the best interests of stakeholders, the risks related to the constraints imposed by the current debt position and the need to resolve it at pace, and the importance of planning on the basis of documented commitments rather than informal assurances.

The Board agreed that discussions should continue urgently so that an agreed position could, if possible, be reached ahead of the PAC meeting in July.

The Board also noted the wider Chief Executive update, including progress on asset sales, the restructuring of regional operations, work on the exams and English target operating

model, country closure planning, the award of the Erasmus contract, and other programme and partnership developments. Trustees welcomed the positive operational progress being made, while recognising that successful delivery remained highly dependent on financial stability and disciplined execution.

3. Venice Biennale presentation

Jonathan Stubbs joined the meeting.

The Board received an update on the British Pavilion at the Venice Biennale and the presentation of Lubaina Himid's exhibition. Trustees noted that the exhibition had opened strongly, with significant visitor numbers and positive international attention in the opening days.

The Board noted the strength of the British Council's presentation, both artistically and operationally, and the value of the Biennale as a demonstration of the United Kingdom's cultural influence and soft power. Trustees who had attended reflected on the quality of the exhibition, the strong public and professional response, and the opportunity the event created for donor engagement, international relationship-building and wider profile raising for the British Council.

Trustees welcomed the success of the pavilion and recorded their appreciation to the teams involved in delivery, development and stakeholder engagement.

4. E&E Growth & Digital strategy

Robin Clark and Andrew Horton joined the meeting.

Management gave a presentation on the proposed growth strategy for English and Exams. Trustees welcomed the clarity of the analysis and the stronger focus on opportunities for top-line growth, following a prolonged period in which management attention had necessarily been concentrated on restructuring and cost reduction.

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The Board endorsed the overall direction of travel and supported further work through the Commercial Committee to translate the strategy into a focused delivery plan. In discussion, trustees stressed the need for realistic milestones, careful monitoring of capability development, and close attention to margin as well as revenue. Trustees also noted that the market is competitive and changes rapidly, and stressed the importance of ensuring that management had sufficient flexibility and partner support to adapt quickly.

The Board noted that future reporting should provide a clearer line of sight between strategic priorities, operating milestones and turnaround plan assumptions, and that this should become the central framework for Commercial Committee oversight.

5. CFO report

The CFO presented the management information update.

Management information report

The Board reviewed the draft year-end financial position and noted a stronger than expected outturn. Trustees welcomed the positive movement on reserves compared with forecast, reflecting asset sale gains, additional grant-in-aid received at year end, and improved operating performance through cost management and one-off benefits. The Board recognised this as a significant improvement and welcomed management's achievement in broadly meeting the year's financial expectations.

Turnaround plan refresh

The Board then considered the refreshed turnaround plan and the proposed budget for the new financial year. Trustees noted that the refreshed plan remained challenging and continued to show materially negative reserves over the period, although cash was expected to remain above minimum requirements provided key assumptions were delivered. The Board discussed the scale of investment built into the plan, including major restructuring costs, growth investment and other transformation expenditure. Trustees recognised that delivery would remain highly dependent on timely execution of disposals, restructuring and commercial growth.

Management explained that the budget aligned with the refreshed turnaround plan and provided the basis for operating in the current year, while further refinement would continue in relation to major programmes, including English and Exams growth and Erasmus. Trustees noted the judgement involved in setting the budget in a volatile environment and the importance of maintaining contingency and close oversight as the year progressed.

Following discussion, the Board approved the annual budget. The Board also approved the release of £4.3 million of capital investment funding for essential minor works and safety compliance across the estate. Trustees noted that, subject to greater financial stability, the organisation should move progressively back towards more normal delegated arrangements for investment approvals.

6. Reports from Committees

Finance Committee

Trustees noted that much of the substantive discussion had centred on issues already considered in the main meeting, including the turnaround plan, budget, investment assumptions and FCDO negotiations. The Committee also highlighted the need, once loan discussions concluded, to establish a clear baseline version of the turnaround plan against which performance and stakeholder engagement could be managed.

Audit and Risk Committee

The Board noted approval of the internal audit plan, discussion of key risk areas, a management review of the IELTS scoring issue, and work on credit control in English and

Exams. Trustees also noted the plan to return to filing statutory accounts by December and the update that had been provided to the Charity Commission.

Commercial Committee

Trustees noted the deep dive into opportunities in Colombia, trapped cash, lessons learned from the EnglishScore transaction, *(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.).*

The Committee had also considered how to strengthen commercial discipline and prioritisation in order to support the growth agenda.

8. Any other business

The Chair reminded trustees that the 22 September Board meeting will take place in Cardiff and that if anyone will not be able to attend, it is important to notify the Secretariat urgently to avoid losing deposits for hotels and venues which are due imminently.

There was no further business and the open session of the meeting closed at 15.00.