

In confidence

Tuesday 13 May 2025

11.00 – 15.30

MINUTES

Trustees present

Paul Thompson (Chair)
Wendy Alexander
Mariella Frostrup
Richard Hookway
Kate Marsh (observer)
Yaw Nsarkoh
Rageh Omaar
Malcolm Press
Katy Radford
Fiona Salzen
Sushil Saluja
David Todd
Christian Turner
Paul Woodgates

In attendance

Scott McDonald, Chief Executive (CEO)
Kate Ewart-Biggs, Deputy Chief Executive
Vijay Doshi, Chief Financial Officer (CFO)
Serin Hasan, Director Strategy
Andrew Horton, Director Digital & Technology
Sanjay Patel, Chief People Officer (CPO)
Mark Stephens, Director Cultural Engagement
Mark Walker, Director English & Exams
Andy Williams, Chief Operating Officer (COO)
Lucy Watkins, Director Global Change Programme
Charles Darley, Chief Transformation Advisor (CTA)
Rob Humphreys, Chair of Wales Advisory Committee (item 1)
Seona Reid, Chair of Scotland Advisory Committee (item 1)
Alison Coutts, Secretary

1. Scotland, Wales and Northern Ireland Country Committees: effectiveness review report

The Chair welcomed Mariella Frostrup, Kate Marsh, Yaw Nsarkoh and David Todd to their first meeting. He also welcomed Rob Humphreys and Seona Reid to this first session, noting how important it is that the Board understands the unique environments and opportunities in Scotland, Wales, and Northern Ireland.

Each of the Committee Chairs then set out key matters of interest in the three countries which the Board may be less aware of, including initiatives the British Council is already involved in

and opportunities to do more. They noted their appreciation of the 4-nations approach in the strategy documents, the strong relationships in-country and the positive engagement of the local teams with the advisory committees. They also suggested that global programmes could benefit from more scrutiny to ensure they reflect the diversity of culture across the whole of the UK to which the Board agreed.

It was agreed that the review's recommendations would be picked up and responded to whilst noting the need to be light on management time. It was noted that written reports from Chairs of the Committees to the Board would be welcomed as would their continued attendance at the Board's annual strategy day.

It was also noted that the current rotationary arrangement, whereby Chairs of the Country Committees take turns to sit on the Board for two years, needs attention and that the Nominations Committee would review the range of skills and perspectives needed on the Board and make a proposal for Board approval by the end of the year.

2. Chair's introduction

2.1 Apologies for absence and declarations of interest

David Lefevre had sent apologies for his absence and there were no declarations of interest.

2.2 Minutes and matters arising

The minutes of the meeting of 25 March 2025 were approved and the Chair noted that matters arising would be covered in the meeting.

3. CEO report

The CEO updated trustees as follows.

We are developing a new vision which will be shared with the Board in July. This assumes major change and a focus on activity which produces income whilst being consistent with our objectives. The turnaround plan is challenging and assumes a tough settlement and continued competitive market conditions. We will need to be inventive and ambitious around growth through technology initiatives and online learning and are also looking at ways to strengthen our contracts and partnerships business. This means a huge cut in headcount, the closing of a significant number of country operations and teaching centres and reducing the number of programmes. We are aware that we have some skills and capability gaps, are currently running a search for a Chief Revenue Officer and are considering other areas where we need more support. We will finalise the plan in July and deliver it over the next 3 years.

The Chair thanked the CEO and colleagues for the huge amount of work they are doing on planning and implementing change and acknowledged how hard it is for people when many will lose their jobs. Several trustees referred to the need for strong governance around the

Board Committees and other groupings during this period to ensure they provide scrutiny and challenge but don't stray into day-to-day management. It was agreed that the Chair and Committee Chairs would review this and come back to the Board with a proposal.

4. Update on change programme

Progress since last meeting

The CEO introduced the session noting that the presentation would include a preview of the vision and a request for approval on some country closures. He then led a presentation focussing on the global network, growth and the financial model having noted that other workstreams would be covered in more detail at the July meeting.

The following points were made.

Vision

Trustees agreed that the work on the vision is critically important both externally and internally and will provide an essential narrative to show the importance of our work in a rapidly changing world externally and internally. They noted that the purpose will remain the same and that although we are focussing on work that brings in income, the work itself will still be delivering against our purpose.

Growth

Trustees commented as follows. The ambitions for English and the shift in the balance from face-to-face to online seem sensible. The tiered approach which aims for maximum reach accompanied by options for paid services also works well. Likewise, exploring delivery through partners or franchising could be real options though it will be important to ensure margins are improved as a result and that they are responsive to the different markets and environments they are located in.

Global network

Trustees considered the proposal for the Board's approval of a set of initial closures of country operations, noting that it would need final sign-off from the FCDO and that any significant changes following their response would come back to the Board.

The Board noted that the countries listed for consideration had been identified based on criteria which had been agreed by the Finance Committee. On that basis it approved the closure of the countries listed, with two abstentions as the relevant trustees had not yet been inducted on the process.

The Board also agreed that whilst trustees should not be expected to review the case for individual country closures, future requests should be accompanied by assurance from the Finance Committee that the criteria have been adhered to.

Financial models

The CFO ran through the financial models presented and noted that further iterations would be produced later in May and in June and that the final version would be submitted to the FCDO in August. He noted that the Finance Committee will continue to review each version before it is presented to the Board.

Trustees commented as follows. The current models are understandably extremely challenging and we have a very short period in which to make the progress needed to achieve the savings modelled for within this financial year. It would be helpful to have a timeline and milestones incorporated into the next version to help trustees track progress. It was also noted that the Finance Committee would track risk against the plan as a standing item and discuss any mitigating actions required. In addition the Commercial Committee would review the growth strategy when it is completed along with related activities.

CTA overview

The CTA commented as follows. Everyone is very clear on the challenge and SLT has made excellent progress in the last few weeks, with work progressing on the vision, activities, growth and savings plans. The turnaround forecast makes reasonable assumptions and the flat version is a good starting point. Version 2 of the plan will include concrete targets for profitability from teaching centres and for growth plans. We have set overhead and reduction targets which take us broadly in the right direction and the challenge now is whether we are putting together the right activities to address the shortfall. The growth plan is coming together and there will be other opportunities which we have yet to make concrete. The Board will be asked to decide how much to incorporate in our current planning and how much carries too much risk to incorporate at this stage.

There are two remaining strategic priorities which haven't been addressed at this meeting which relate to reductions in headcount and to a culture change towards becoming more commercially minded. At the same time we will need good will and engagement from colleagues to mitigate risks. We will also need risk mitigation plans as the turnaround plan is complicated and comes with an ambitious growth plan covering areas where people do not have a lot of experience.

5. CFO report

Management accounts

The CFO referred trustees to the draft end-of-year Management Accounts included in the pack for information, noting that most issues raised within it had been covered in the previous discussions and would be addressed in the turnaround plan. He also noted that the draft results show a deficit which is behind the 2024/25 budget and that the shortfall relates to a challenging trading environment along with adverse foreign exchange movements that continued into March.

6. Reports from Committees

Finance

The Chair of the Finance Committee noted that the Committee had covered many of the issues covered in the discussions today as well as the Berry project which has now been successfully signed and announced. There has also been work with the FCDO related to finding a solution to our trapped cash issue which will hopefully lead to a positive outcome.

Commercial

The Chair of the Commercial Committee noted that the Committee meeting had covered the following: a session on commercial contracts and an overview of the pipeline, an excellent briefing on Saudi Arabia where there may be opportunities to drive growth, IELTS and other growth plans in the area of English & Exams.

7. Update on festivals

Director Cultural Engagement updated trustees on the Venice Architectural Biennale which had just begun and for which the Chair had attended the opening events, as well as on plans for the three festivals taking place this year in Poland, Kenya and Brazil.

8. Any other business

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