

In confidence

BCB(10) 6th meeting

Tuesday 14 December 2010

## **MINUTES**

### **Present**

Vernon Ellis	Chair
Alan Buckle	Deputy Chair
Nihal Arthanayake	
Pamela Gillies	
Brian Hanna	
Claire Ighodaro	
Howell James	
Steve Jones	
Patrick McKenna	

### **In attendance**

Martin Davidson  
Pippa Greenslade  
Mark Robson  
Bidesh Sarkar  
Cathy Stephens  
Rebecca Walton  
John Worne

*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) of the Freedom of Information Act 2000\*.* (Item 7)

Andy Mackay (Secretary)

### **1. Apologies for absence**

Tony Hall, Sue Hoyle and Raoul Shah had sent apologies for their absence.

The Chair welcomed Rebecca Walton, Acting Director Arts, who was attending her first meeting in this role.

### **2. Minutes of the Board meeting of October 2010 and matters arising**

All matters arising from the meeting of 19 October had been actioned and item 7 from the meeting of 20 April would be covered in the agenda for a future meeting, following the completion of the strategy review. The Secretary confirmed that the Board had unanimously agreed in their meeting of 20 April 2010 to continue the practice of co-opting the Chair of the one of the UK advisory committees to serve for a two year period on the Board of Trustees on a rotating business.

The minutes were approved.

### **3. Chair's business**

The Chair updated Trustees on the process to recruit up new Trustees. The Nominations Committee members were scheduled to meet the candidate proposed in the Chair's notes for the October meeting and would make a recommendation to the extraordinary meeting of the Board in January.

He reported on the successful opening of the new British Council premises in Rome. Additionally, he described his visit to China as a part of the Prime Minister's delegation. The Prime Minister had had the opportunity to see some of the work undertaken by the British Council and had been impressed by its quality and relevance. Plans for the China Now festival in 2012 were progressing well. The seven founding sponsors had been identified, a steering committee had been established, on which Vernon Ellis would be Deputy Chair, and the British Council would be responsible for delivery of the UK component of the festival in China.

The Chair and Chief Executive had hosted a reception, sponsored by Jaguar Cars, to celebrate the opening of the Anish Kapoor exhibition in India. The Foreign Secretary had made a speech at the event recognising the quality and importance of the British Council's work. In addition to the Foreign Secretary and Anish Kapoor, more than one hundred key stakeholders had attended the event which the Chair reported to have been highly successful.

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

Martin Davidson reported that the revised organisation structure was now in place with the strategic business units for English, Arts and Education & Society alongside the newly configured overseas regions of which there were eight, including the UK for the first time, and a reformed Corporate HQ. The Management Board, which included all Regional Directors and members of the Executive Board, would have its first meeting later in the week and would have a three day, face to face meeting in January. The Management Board would bring key managers to the heart of operational management and would have accountability for the delivery of the targets contained within the strategic frame.

Following the announcement of the CSR settlement, there had been some unhelpful communications from the FCO about the relative settlements which they, the British Council and the BBC World Service had received. Additionally, a message in the new FCO implementation plan which suggested that Ambassadors should be accountable for all UK government activity in their country had caused confusion. A meeting had been arranged in January to discuss this: the position for the British Council as an operationally independent body was that it should not be a part of that Ambassador's wider accountability; the British Council would continue to demonstrate its contribution to the UK's international priorities, particularly in prosperity and security but accountability would remain through the British Council to the Board of Trustees.

### **5. Organisational Performance Report**

Mark Robson briefed Trustees on updated forecasts for audience and finances in the report, which covered the period to the end of October. Despite some in-year reductions in government funding, particularly from the Department for Education and Chevening scholarships, audience figures were good overall, particularly aspirants, where the target of 19.1 million was projected to be exceeded by more than 10%. All audience groups were tracking ahead of the previous year and the results to date were pleasing.

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The Board agreed that they would welcome a fuller discussion of the prospects for the work of the British Council in English. The Executive would prepare a presentation on the strategy for English for the April Board meeting, which would allow for review of the opportunities, the risks and the mitigating measures.

The Board also requested a report on the policy for investment of cash balances, to ensure that the risk profile was appropriate.

## **6. Royal Charter and Bye-laws: resolution**

The Board considered the resolutions relating to proposed changes to the Royal Charter and Bye Laws. The changes outlined in the resolution followed their previous agreements and reflected feedback from key stakeholders.

### **6.1 IT WAS NOTED THAT:**

- 6.1.1 A copy of the draft revised Royal Charter and Bye-Laws and draft Charity Commission scheme had been circulated in advance of the meeting and considered by the trustees.
- 6.1.2 The trustees had previously reviewed and approved the wording of two draft special resolutions setting out the proposed amendments to the Royal Charter and Bye-Laws.
- 6.1.3 'In principle' approval of the proposed amendments to the Royal Charter and Bye-Laws has been received from:
  - The Privy Council
  - The Charity Commission
  - The Foreign and Commonwealth Office
- 6.1.4 Formal approval under section 16(2)(a) of the Charities and Trustee Investment (Scotland) Act 2005 has been received from the Office of the Scottish Charity Regulator.
- 6.1.5 The trustees are satisfied that it is in the best interests of the British Council for the proposed amendments to the Royal Charter and Bye-Laws to be adopted.

### **6.2 THE TRUSTEES HEREBY RESOLVED:**

- 6.2.1 To approve and pass the special resolutions in the form set out in the attached two documents marked 'Special Resolution' in accordance with clause 14 of the British Council's Royal Charter. (The trustees noted that the changes set out in the special resolutions would not be effective until they were formally approved and adopted by the Privy Council).
- 6.2.2 To approve the draft Scheme provided by the Charity Commission and authorise Andrew Mackay and John Worne to formally apply for the Scheme and to execute Charity Commission application form CSD-ST1(B) on behalf of the trustees by affixing the seal.
- 6.2.3 To instruct Andrew Mackay to apply to the Privy Council for an Order In Council to formally adopt the revised Royal Charter and Bye-Laws in the form presented to the meeting and to take all such steps as are necessary to facilitate the adoption of the revised Royal Charter and Bye-Laws.

The Charity Commission had requested that Trustees be informed that, in some circumstances, the Scheme might be published before it was adopted, should any of the proposed amendments be deemed controversial. The Charity Commission had asked that the trustees be consulted about whether or not they judged that the Scheme should be published in this case; their informal advice was that the changes being made were not controversial. Trustees agreed unanimously that they did not believe it necessary to publish the Scheme before adoption but that the revised Charter and byelaws should be made publicly available on the British Council website as soon as they were formally approved and adopted.

## **7. Draft Strategic Framework and Plan**

The Board endorsed the strategic direction described in the draft Strategic Framework 2015 document, and congratulated the team which had completed a thorough strategy process both quickly and effectively.

Trustees suggested that it would be useful to prepare high level summaries for use with external audiences, both for the UK and overseas. These could also give a first summary level of 'how' the strategy would be delivered. They underlined the significance of partnership and digital, which they consider to be of fundamental importance to the future of the British Council. Addressing these appropriately would require sustained investment and change in the nature and content of our cultural relations work and should be presented as more integral to the Strategic Framework going forward.

Areas which would merit further discussion included the nature and scale of the British Council's work in society, whether global citizenship captured all that the British Council did and wanted to do in 'society' and that more definition here would be appropriate once the Education & Society SBU Director had been appointed. The value of science, in particular, was discussed and the need to avoid carelessly losing its place in our work. More detail on how sectors such as science and also sport would act as "content providers" and enrich the organisation's other work was needed. Trustees recognised that the best cultural relations impact was a composite of effects: scale, quality and lasting legacy. Nevertheless, they wished to review and clarify the key performance indicators. Trustees additionally wanted to better understand financial modelling, risks and investment choices to 2015 as well as high level implementation plans.

Trustees agreed that these areas would be substantially picked up in the Corporate Plan, which would now be drafted for their discussion and approval at a meeting in the early part of 2011, but that a detailed consideration of financial modelling should be included in February's meeting.

## **8. British Council Benevolent Fund: annual accounts**

The Board received and approved the annual report and accounts of the British Council Benevolent Fund.

## **9. Treasury & Banking Policy**

The Board approved the revised treasury and banking policy, subject to discussion and agreement of a revised investment policy at the February 2100 meeting. They particularly asked for review of the percentage of holdings which could be placed with a single counterparty, indicating that this should be considerably lower than the proposed 50%.

## **10. Any other business**

There was no other business and the meeting concluded at 1245.

## **Summary of action points arising**

### Meeting of 20 April

(02)7	Board agenda to include an item on sector advisory groups following agreement of long term strategy.
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### Current meeting

(06)1	Presentation on English strategy at April meeting
(06)2	Report to Board on investment of cash balances
(06)3	Secretary to make formal application for amendments to Royal Charter following extraordinary meeting in January.

(06)4	Draft Corporate Plan presentation to include areas requested by Trustees
(06)5	Revised investment policy to be presented to Board at their February meeting

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