

In confidence

BCB(14)4th meeting

Tuesday 15 July 2014

## **MINUTES**

### **Present**

Vernon Ellis                      Chair  
Gareth Bullock  
Aled Eirug  
Pamela Gillies  
Richard Gillingwater  
Sue Hoyle  
Usha Prashar  
Martin Roth  
Raoul Shah  
Tom Thomson

### **In attendance**

Martin Davidson, Chief Executive  
Jo Beall, Director Education & Society  
Adrian Greer, Chief Operating Officer  
Helen Murley, Director HR  
Mark Robson, Director English  
Graham Sheffield, Director Arts  
Caroline Stockmann, Chief Financial Officer  
Rebecca Walton, Director Partnerships & Business Development  
John Worne, Director Strategy and Communications  
Andrew Fotheringham, Director Corporate Services (item 8)  
Louise Jopling, Head of Recruitment (item 12)  
Julia Amour, Acting Regional Director UK (item 13)  
Alison Coutts, Secretary

### **1. In camera session**

The Chair briefed Trustees on the recruitment exercise for the next CEO. Interviews had taken place on 14th July and the Nominations Committee had met on the morning of 15th July, just before the Board meeting, to review their conclusions. He summarised the process and shared the CV of the proposed candidate. After some deliberation and discussion the Board agreed to the recommendation subject to a final reference from the candidate's current chair and the approval of the Foreign Secretary.

The Executive Board then joined the meeting.

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

Martin Bean, Rohan Gunatillake, Howell James, Ros Marshall and Matthew Rycroft had sent apologies for their absence.

There were no declarations of interest.

### **3. Minutes of the Board meeting of 10 June 2014 and matters arising**

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

The Minutes were approved.

### **4. Chief Operating Officer's Report**

Adrian presented the highlights on performance as at the end of Period 2. This is on track. He then asked Caroline Stockmann to brief the Board on the following two issues.

The first was to inform the Board of a delay in signing off the accounts for 2013/14. Caroline explained that the NAO had found 2 errors in the accruals. These are within the threshold of likely error. However, NAO had decided to apply the threshold of 'extreme possibility error' which means we have to give a greater sample to provide appropriate assurance. This will take time so it will be impossible to lay the accounts before Parliamentary recess. We are therefore aiming to lay the Annual Report and accounts in October.

The second was to give an update on the Global Finance Change Programme (GFCP) as had been requested on a quarterly basis from the Trustees. One element of this is the proposed new Profit and Loss Account (P&L) format in the COO pack, which we are proposing to report against in future. The aim is to make it clearer and more transparent. For example, it gives greater visibility of the split between earned and grant (and ODA) income. It is still work in progress but the plan is to move to this format from the end of Quarter 2. Adrian asked the Board for comments. Trustees asked to see it with real numbers inserted and a read-across against the current P & L so they can see it reconciles. Subject to that they endorsed the approach.

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

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He also referred to the recent Gulf Ministerial meeting which he had attended, the focus on the value of soft power, and the need for the British Council to engage and support this part of the agenda.

### **6. Chair's business**

The Chair reported on his and Martin's recent meeting with Sajid Javid, the new Secretary of State (SoS) for DCMS. It had been a constructive meeting focussing on the value of education and culture in terms of contributing to the government's objectives. The SoS also raised the challenge of using sport more effectively to support our mutual aims in various countries, e.g. Brazil. The Executive will be looking at this more closely over the coming months.

The Chair noted that this was the last meeting for Pamela Gillies, Sue Hoyle and Raoul Shah. He thanked them for the outstanding contribution they had all made to the Board and therefore the organisation. He remarked that they had all in different ways gone well beyond the basic requirement of a Trustee. To mention just a few: Pamela has served on REMCO and the Nominations Committee, Sue on the Audit Committee as well as advising on the staff survey and on issues related to the arts strategy, Raoul on the Annual Report, digital strategy, communications and more.

He also informed the Board of various Trustee changes. Howell James will be moving from Christies to become Chief Executive Officer of Quiller Consultants in the autumn. He will remain a Trustee. Martin Bean has been offered and has accepted the position of Vice Chancellor of Melbourne Institute of Technology so will resign from the Board with effect from the end of this calendar year. Richard Gillingwater has accepted the position of Chair of the Open University, which will be a huge time

commitment so will also resign from the Board at the end of this calendar year. The Chair congratulated Howell, Martin and Richard on their new appointments. He noted that the Nominations Committee will run an exercise in the autumn to recruit additional Trustees to fill the gaps.

The Chair updated the Trustees on the current recruitment for 2 new Trustees. He noted that although the Nominations Committee had shortlisted, interviews were still to take place and that he would email the Board with the Committee's recommendations after their completion to ask for their vote.

## **7. Report from Remuneration Committee**

The Deputy Chair reported on the REMCO meeting of 7 July. She updated Trustees on the discussions on broadbanding at the senior grades which will be implemented from September.

## **8. Risk Register**

The Chair welcomed Andrew Fotheringham to the meeting.

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The second was the risk on information security. The Board asked for clarity on the measures being taken to manage the risk of a cyber-attack. Adrian explained that a specialist in this area has recently been recruited, that we are currently reducing the number of sites and moving them to a firmer platform. He noted that our maturity in this area is not as high as it needs to be but action is in place to address. The Board were satisfied with the approach.

The Board asked for an extra risk to be included on overseas security issues as a standing item in the same way that child protection is. Adrian agreed to bring back proposed wording at the next meeting.

The Board approved the Risk Register for 2014/15.

## **9. Triennial Review**

The Chair noted that the final report was expected to be published in the next couple of weeks.

## **10. Annual Report from Audit**

Richard Gillingwater gave a summary of the work performed by the Audit Committee from July 2013 to July 2014. He observed in particular that a number of actions have been taken over the year to improve the control environment; and internal audit results have improved. He also noted that the Committee have raised a concern on payment and data security and the need for the organisation to ensure it is security compliant with the major credit card providers. They will review this over the coming year.

The Chair thanked Richard and other members of the Committee for their commitment and excellent work over the year.

## **11. Annual Report from BC (UK) Holdings**

Mark Robson reminded Trustees on the role of BC holdings and reported on the key issues covered in the year. He noted that the amount of business overseen by BC Holdings is growing and that by the end of this financial year £90million is projected to run through the various subsidiaries. Mark reminded the Board that they are represented on BC Holdings by Gareth Bullock who has recently joined and will attend his first meeting in September. He also informed them that Helen Sant, the

external director on BC Holdings has resigned as she has accepted a job in Australia, so he will be looking for a replacement.

## **12. Organisational capability and culture change**

The Chair welcomed Louise Jopling and Peter Tims to the meeting.

Helen Murley updated the Board on 4 main areas:

- Baseline people management. Work is in train on a system for improved data management so we can produce better statistics and reporting on a range of issues. She also showed the Board the new employee handbook which is being used for induction.
- Developing our workforce of the future. She updated the Trustees on the work on talent management, succession planning, the global operating model and other areas which will help build a strong workforce plan.
- Employer brand. Louise gave a short presentation on new ways we are piloting to ensure our recruitment brand becomes better known, this includes using Linked In as a recruitment tool.
- Employee engagement. The overall results remain high and above public and private sector norms. However there are areas we need to look at including gender differences, ethnicity, speaking up policies and approach, and employee well-being. Helen explained that we are setting up focus groups to explore what is behind these issues. The approach has already been discussed at the Management Board and leads have been identified in the regions and SBUs to develop action plans and see through follow up.

The Board agreed that some excellent work was taking place and endorsed the overall programme and direction for the HR work.

## **13. UK Strategy**

The Chair welcomed Julia Amour to the meeting.

Adrian introduced the session focussing on 4 areas:

- 1/ Media profile
- 2/ the direct offer to young people
- 3/ Supporting UK customers and institutions
- 4/ Wider engagement with communities, UK regions and the devolved administrations.

The SBU leads also gave an update on specific projects being run in the UK.

The Board discussed the increased profile and engagement in the UK over the last couple of years but agreed more should be done. They agreed with the strategic principles and liked the idea of focussing on specific regions in England rather than being too thinly spread. They commented that the recent focus on Glasgow is a good model as it had really made a difference and our work is much better recognised as a result. They endorsed the strategic direction proposed.

## **14. Any other business**

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The Board approved.

There was no other business and the meeting ended at 1400.

## 15. Annual General Meeting

The AGM was run immediately after the Board meeting.

### Summary of action points arising

Updated from previous meetings

(05)7	Report on Europe to come back to the Board addressing the offer, communications, capability and risk.	2015
(04)7	D/E&E to bring a draft business case on Schools to the Board	2014
(01)4	Bring economic modelling for review	2014/15
(01)4	IT strategy including cyber-security to be scheduled for a meeting	2014/15
(01)11	Trusts and Foundations to be rescheduled for another meeting	December 2014
(03)3	Include a session on headcount and what good looks like	2014/15
(03)3	Identify strategic issues of focus for each SBU and region and report against each quarterly	2015
(03)4	Include a session on EO&D targets, particularly on race	2015
(03)9	Include a focus on how we work cooperatively and in partnership with the UK sector in the next arts session	2015

Current meeting

(04)8	Include strategic risk on overseas security in the strategic risk register and bring to the board.	October 2014
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