

In confidence

BCB(13)1st meeting

Tuesday 19 February 2013

MINUTES

Present

Vernon Ellis Chair
Gareth Bullock
Aled Eirug
Pamela Gillies
Howell James
Claire Ighodaro
Ros Marshall
Raoul Shah

In attendance

Jo Beall, Director Education & Society
Adrian Greer, Chief Operating Officer
Mark Robson, Director English
Bidesh Sarkar, Chief Financial Officer
Graham Sheffield, Director Arts
Rebecca Walton, Director Partnerships & Business Development
John Worne, Director Corporate HQ
Andy Hanson, Head Society (item 9)
Louise Jopling, Head Recruitment (item 11)
Sanjay Patel, Ag Director HR (item 11)
Alison Coutts, Secretary

1. Apologies for absence & declarations of interest

Simon Fraser, Richard Gillingwater, Martin Bean, Usha Prashar and Sue Hoyle had sent apologies for their absence.

The Chair recorded that this was the last meeting for Claire Ighodaro following the end of her tenure. On behalf of the Board he expressed his gratitude for her commitment and contribution to the Board, including as Chair of the Audit Committee, and for the many other ad hoc committees and functions she supported.

The Chair welcomed Aled Eirug to the Board.

There were no declarations of interest.

2. Minutes of the Board meeting of 9th October 2012 and matters arising

All matters arising from the meeting had been actioned or were included in the agenda for this meeting, or were scheduled for a future meeting.

The minutes were approved.

3. COO Report

Adrian Greer updated Trustees on financial and non financial performance to date and forecast for the remainder of the year.

Overall the picture is good and the bottom line shows a slightly larger contribution than planned.

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.*

He reported on the newly introduced risk area of absorptive capacity brought about by the scale and number of new programmes.

The Board discussed the nature of this risk and particularly the culture shift required to make the organisation more entrepreneurial and flexible. The Board agreed that there has been a shift and the organisation seems less anxious about continuous change than it did a few years ago. The Board agreed that the SBU structure along with the interface with the Management Board is positive and helps the organisation pick up on dissonance and issues more quickly. The Board welcomed the COO's plan to ensure all change programme SROs meet regularly to discuss interdependencies. The Board observed that good organisations are the ones which have excellent internal communications. They also tend to have proactive talent management strategies through which they identify and nurture the people who are entrepreneurial and potential agents for change. The British Council should continue in this direction and it would be useful to discuss further as it progresses.

On the technical side, the Board stressed that as the organisation expands there needs to be more awareness of necessary controls and better management of these controls. The Board asked for a regular one page update on key risks, ownership and mitigation measures. The Board also asked for a list of all the change projects to make it easier to track and review.

The Chair requested that the points raised above are summarised with actions and a relevant brief is included in the CEO's report at following meetings.

4. Chief Executive's Report

Adrian Greer reported in Martin Davidson's absence. He reported on investment in products and programmes and noted several new programmes which have been prioritised for development. One is public education systems capacity building which he highlighted as particularly interesting. It could bring huge opportunities as all over the world governments are introducing English earlier in schools and looking for support. This could become a major pillar for the BC in future.

The Board supported this and encouraged ambition and scale. It agreed that it gives us a good arena for opening up opportunities to other UK organisations. It advised a strong supporting benefits strategy in terms of impact and income. It also noted that scale and success will raise expectations and therefore risk. Therefore the organisation needs a clear partnership strategy and rigour in its contract and delivery management.

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5. Chair's Business

The Chair reported on a number of meetings and events he had attended including the Prince of Wales reception which was useful in re-engaging HRH as well as a helpful forum for engaging with some corporate partners.

The Chair led a discussion on the area of social justice. There was broad support for this to continue to be looked at as part of the development of the society strategy. The strategy will be brought to the Board when it is complete.

The Board endorsed Cameron Cartmell as independent member of the Audit Committee.

The Chair is pursuing the identification of further co-opted members for British Council Holdings following the departures of Steve Jones and James Boyle.

6. Report from Finance & Contracts Committee

The Chair reported on the first meeting which had been very useful.

The Committee has asked for a revised strategy paper from Eddie Byers to include more information on the market, competition, capability and how we will manage contracts. This will be reviewed at the next meeting. The Committee will also review individual contracts before they come for approval to the Board.

7. Report from Audit Committee

Claire Ighodaro presented progress on 4 items the committee had reviewed.

7.1 Preparedness for year end: the committee was satisfied with progress.

7.2 Child protection policy: the committee was satisfied with progress and supported management's focus on its evolving strategy for managing obligations of partners as this will have major legal and reputational risks.

7.3 Tax and status update: the committee was satisfied with progress. The committee had discussed the complexity of some status solutions and will be bringing a paper to the Board on the tax treatment of grant-in-aid aimed at simplifying the structures being put in place.

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8. UK Profile and Participation

John Worne updated the board on progress. The Board agreed this was significant and noted that William Hague has agreed to launch the 4th 'thought leadership' publication in March. China Week was seen as a success and a focus on arts is planned for March and English later in the year.

The Board gave a steer to persevere with building links with businesses. The Board noted the low awareness of parents and young people of the British Council's work and supported a drive to address this. They discussed the need to focus on young people's media as well as young people direct, to identify and work through youth influencers not just schools, and to use youth itself to get out the message. They also discussed the importance of scoping new products and materials properly so they are specific and relevant rather than a gift pack type of approach.

The Chair requested an action programme for this and Ros Marshall and Howell James volunteered to review.

John Worne said that he is considering bringing in some high level communications expertise to get us there faster.

9. Partnerships: Progress and Next Steps

Rebecca Walton welcomed Andy Hansen, Head of Society to the meeting and updated the Board on progress over the last 18 months.

The Board recognised that the British Council has made considerable progress in understanding and engaging with a range of different types of partnerships which are bringing impact, income as well as innovation into the organisation. They supported the strategy of mainstreaming partnership into the SBUs and overseas operations with Rebecca's small team providing expertise and support. They also supported the partnership approach proposed for developing the new society strategy.

Overall the Board felt that the opportunities are huge and that expanding our partnerships work is essential for increasing our reach and impact. They observed that rapid growth will increase risk so there is a need for appropriate management control and reporting to the Board.

10. Corporate Plan 2013 text

The Board reviewed the final draft text of the Corporate Plan and agreed it is a good document. *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 Board approved the text.

11. Temporary, interim and contract staffing

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12. British Council Annual Report 2012/13

The Board noted the approach to the 2012/13 report which is based on the one from 2011/12 which proved effective. Howell James and Raoul Shah volunteered, and Richard Gillingwater was nominated by Claire Ighodaro in his absence to work with the team on design and development.

13. Contract amendments – Nigeria Justice for All

The Chair confirmed that the contract had been reviewed at the Finance and Contracts Committee which had found no obstacle to Board approval. He observed that it seems a good strategic fit and contributes to the overhead so the amendment seems logical. The Board noted that the security risks have been addressed.

The Board approved delegation to the Chief Executive to sign the contract.

14. Global Finance Change Programme

Bidesh Sarkar updated the Board on the change programme which will reduce headcount and costs but also give us the platform we need to support growth. The Chair confirmed that it had been reviewed at the Finance and Contracts Committee which had found it strategically appropriate and in line with current and likely future business needs.

The Board requested an update once the design phase is complete with more regular reviews on risk management at the Finance and Contracts Committee.

The Board approved delegation to the Chief Executive to sign any related contracts.

15. Establishment of operation – Uruguay

The Board endorsed the decision to register a branch of the British Council in Uruguay for an initial period of 3 years. They also approved a formal resolution (attached as Annex A) to that end. The latter was proposed by Aled Eirug and seconded by Ros Marshall. If the British Council wants to stay open beyond that then it will come back to the Board for endorsement.

16. Status Resolution – Bulgaria, Romania & Sri Lanka

The Board approved the resolution (attached as Annex B) on setting up a branch in Bulgaria. Proposer: Aled Eirug, Seconder: Ros Marshall

The Board approved the resolution (attached as Annex C) in relation to the registration of a representative office in Romania, Bucharest. Proposer: Aled Eirug, Seconder: Ros Marshall

The Board approved the resolution (attached as Annex D) on setting up a branch in Sri Lanka. Proposer: Aled Eirug, Seconder: Ros Marshall

17. Delhi Premises Project

The Board approved investment up to £3m including contingency on upgrading the Delhi premises.

18. Any other business

There was no other business and the meeting ended at 1345.

Summary of action points arising

Meeting of 04 December

(06)8	Director Arts to present 2013 programme to trustees in April	April Board
(06)3	CFO to investigate benchmarks for investment in analogue charities and foundations	June
(06)6	<i>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*.</i>	July Board

Current meeting

(01)11	<i>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*.</i>	March
(01)1	A summary of key risks to be presented at the next Board meeting	April Board
(01)1	A list of change programmes to be presented at next meeting	April Board
(01)5	The Chair to recommend a new director British Council Holdings	April
(01)7	<i>Information in this section has been redacted/removed as it is likely to be exempt from disclosure on the grounds that it is</i>	July Board

	<i>“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*.</i>	
(01)8	D/CHQ to share a plan for identifying and developing new products to reach the UK youth market	July Board
(01)14	Update on the finance change programme to be included on agenda following design phase	Early 2014

STATUS RESOLUTION - URUGUAY

IT IS RESOLVED THAT:

- (1) a branch of the British Council in Uruguay be established and registered under the laws of Uruguay;
- (2) The name of the branch shall be “The British Council, Sucursal Uruguay”, and the domicile of the Branch will be Montevideo, Av. Italia 6201, Edificio Los Ceibos, Complejo LATU, CP 11500.
- (3) The registered representative of the branch shall be Robert Paul Hanley Woods (UK 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**, married to British citizen *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**.
- (4) The Branch shall receive a capital contribution of Uruguayan pesos 3,045,000 (GBP 100,000)
- (5) Robert Paul Hanley Woods be authorized as the representative of the British Council in Uruguay for any all matters necessary to accomplish the establishment of the branch and the registration of the foregoing particulars, including but not limited to making statements on behalf of the British Council, filing reports with the relevant government authorities and/or foreign exchange banks, and the appointment of a law firm or other representative of Robert Paul Hanley Woods as sub-attorney-in-fact. It is further resolved that a statement confirming the appointment of Robert Paul Hanley Woods as such attorney-in-fact shall be executed under seal of the British Council in the presence of two authorized officers.
- (6) The Secretary to the British Council is authorised to sign the certificate of organisational information on behalf of the board.

STATUS RESOLUTION - BULGARIA

IT IS RESOLVED THAT:

- (1) a branch (hereinafter the "Branch") of the British Council in Bulgaria shall be established and registered under the laws of Bulgaria;
- (2) the Branch shall be registered as a branch of a foreign non-profit organisation for public benefit in Bulgaria pursuant to the provision of the Non-Profit Legal Persons Act;
- (3) the name of the Branch shall be British Council - Bulgaria Branch (Британски съвет - клон България), the domicile of the Branch shall be Sofia, Bulgaria and the registered address of the branch shall be 7 Krakra Street, Sofia 1504;
- (4) the objectives of the Branch shall be the same as the objectives of the British Council as set out in Article 3 of The Royal Charter of the British Council (adopted in 1940, as amended) and the Branch shall carry out activities for public benefit in accordance with art. 38 of the Non-Profit Legal Persons Act;
- (5) the registered representative of the Branch shall be Lyubov Tomova Kostova (Country Director Bulgaria):

Nationality:

ID Card; Date of issue: Issued by:

Date of birth:

Civil N

Permanent Address:

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and she shall be appointed as the 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 right to represent the Branch before all governmental and non-governmental institutions in Bulgaria, tax, customs, municipal authorities, banks and insurance companies, legal entities and individuals, the right to execute, accept, undertake and perform all contracts in the name and on behalf of the Branch, the right to initiate, defend, commence or settle legal actions in the name of and on behalf of the Branch and the right to retain any accountant, auditor, attorney or any other advisor deemed necessary to protect the interest of the Branch; the subsequent representatives shall be appointed by the CEO of the British Council or 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.

- (6) the Secretary to the British Council is authorised to sign the certificate of organisational information on behalf of the board;
- (7) Lyubov Tomova Kostova shall be authorized as the attorney-in-fact of the British Council in Bulgaria for any all matters necessary to accomplish the establishment of the Branch and the registration of the foregoing particulars, including but not limited to making statements on behalf of the British Council, filing reports with the relevant government authorities and/or foreign exchange banks, and the appointment of a law firm or other representative of Lyubov Kostova as sub-attorney-in-fact. It is further resolved that a statement confirming the appointment of Lyubov Kostova as such attorney-in-fact shall be executed under seal of the British Council in the

presence of two authorized officers.

(8) *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** or any other attorneys appointed by them associated with Petrova & Partners having its office at 22 Oborishte Str., ap. 2, Sofia 1504 shall be authorised severally or jointly as the attorney-in-fact for purposes relating to the establishment of a branch in Bulgaria under the Non-Profit Legal Persons Act, including but not limited to the following:

- to acquire, obtain and submit any and all documentation on behalf of the British Council, including but not limited to signing, completion and submission of application form required for registration of branch to the Sofia City Court and all documentation related thereto as such attorney may deem necessary;
- **to appear before authorities of the Government of Bulgaria and other officials in charge of or involved with the establishment of 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 authorizations and purposes herein.

STATUS RESOLUTION - ROMANIA

IT IS RESOLVED THAT:

- (2) the British Council shall be registered under Romanian law through a representative office in Bucharest, Romania (the "Bucharest Office");
- (3) the Bucharest Office shall have its registered seat at 14 Calea Dorobanților, 010572 Bucharest, Romania;
- (4) the first legal representative of the Bucharest Office shall be **NIGEL TOWNSON**, a British citizen, born on ... , with his residence in ... holder of British passport no. ..., issued on ...

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- (5) subsequent legal representatives of the Bucharest Office shall be appointed by the Chief Executive Officer of the British Council or by another officer of the British Council under authority delegated by the said Chief Executive Officer, in each case certified as being the duly appointed representative of the Bucharest Office by the Secretary to the British Council, or by a statement confirming such appointment as legal representative of the Bucharest Office executed under the seal of the British Council in the presence of two authorised officers of the British Council;
- (6) The Secretary of the British Council is authorised to sign the certificate of organisational information on behalf of the Board of Trustees of the British Council;
- (7) The said **NIGEL TOWNSON** ("the Attorney") is empowered to act for and behalf of the British Council with respect to the registration of the Bucharest Office before all competent authorities and bodies. In this respect, the Attorney is empowered:
 - to represent the British Council before the Government of Romania, as well as any other boards, ministries, commissions, offices, departments, registries, notaries, agencies, companies and any other private and official persons, bodies and entities in Romania in view of the registration of the Bucharest Office;
 - to approve and to sign and to stamp on behalf of the British Council all documents that may be necessary or desirable in connection with the registration of the Bucharest Office including (without prejudice to the foregoing generality) the Statute of the Bucharest Office and all other documents as may be required pursuant to Romanian Government Ordinance 26 of 30 January 2000, as the same may be in force from time to time, and any legislation which may replace the said Ordinance;
 - to file and deliver to the relevant Romanian authorities and courts all such applications, forms and documents on behalf of the British Council as shall be necessary or desirable for the registration of the Bucharest Office;
 - to carry out any other actions and proceedings related to the accomplishment of this mandate including, but not limited to, the appointment of any person as sub-attorney-in-fact; and

- to delegate any of his rights as legal representative of the Bucharest Office to any persons, on the basis of a written document, including but not limited to delegations, powers of attorney, decisions.

It is further resolved that a statement confirming the appointment of Nigel Townson as such attorney-in-fact shall be executed under seal of the British Council in the presence of two authorised officers of the British Council.

MCGREGOR & PARTNERS S.C.A., authorised by the Bucharest Bar through Decision no. 731/14.3.2002, having its headquarters in Bucharest 011433, str. Popa Savu nr. 18, Romania, fiscal code RO 14661657 and the lawyers practising in it, including but not limited to *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 authorised to carry out the proceedings with respect to the registration of the Bucharest Office before all competent authorities and bodies, including but not limited to the following:

- to represent the British Council before the Government of Romania, as well as any other boards, ministries, commissions, offices, departments, registries, notaries, agencies, companies and any other private and official persons, bodies and entities in Romania in view of the registration of the Bucharest Office;
- to sign, make, exercise, stamp, file and deliver such applications, forms and documents on behalf of the British Council as shall be necessary or desirable for the registration of the Bucharest Office;
- to carry out any other actions and proceedings related to the accomplishment of this mandate.

STATUS RESOLUTION - SRI LANKA**IT IS RESOLVED THAT:**

- (1) a branch of the British Council be established in Sri Lanka and registered under the laws of the Democratic Socialist Republic of Sri Lanka;
- (2) the name of the branch shall be British Council in Sri Lanka, and the address of the branch shall be 49 Alfred House Gardens, Colombo 03, Sri Lanka;
- (3) the registered representative of the branch shall be Anthony Reilly:

Nationality: British (UK passport number

Date of Birth:

Address:

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- (4) the subsequent representatives shall be appointed by the CEO or authority delegated from 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;
- (5) the Secretary to the British Council is authorised to sign the certificate of organisational information on behalf of the board;
- (6) Anthony Reilly be authorized as the attorney-in-fact of the British Council in Sri Lanka for any and all matters necessary to accomplish the establishment of the branch and the registration of the foregoing particulars, including but not limited to making statements on behalf of the British Council, filing reports with the relevant government authorities and/or foreign exchange banks, and the appointment of a law firm or other representative of Anthony Reilly as sub-attorney-in-fact. It is further resolved that a statement confirming the appointment of Anthony Reilly as such attorney-in-fact shall be executed under seal of the British Council in the presence of two authorized officers;
- (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**, or any other attorneys appointed by Julius & Creasy having its registered office at 41 Janadhipathi Mawatha, Colombo 01, be authorised severally or jointly as the attorney-in-fact for purposes relating to the establishment of a branch in Sri Lanka under the Companies Act, No 7 of 2007, including but not limited to the following:

- to acquire, obtain and submit any and all documentation on behalf of the British Council, including but not limited to signing, completion and submission of application form required for registration of branch to the Registrar General of Companies and all documentation related thereto as the Attorney may deem necessary;
- **to appear before authorities of the Government of Sri Lanka and other officials in charge of or involved with the establishment of 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 authorizations and purposes

herein.

- (8) an Inward Investment Account ('IIA') be opened in a commercial bank in Sri Lanka in accordance with the directions issued by the Controller of Exchange and invest a minimum sum of United States Dollars 200,000/- or equivalent amount in other designated foreign currencies out of remittances received from abroad through such IIA.