

In confidence

BCB(13)5th meeting

Tuesday 22 October 2013

## **MINUTES**

### **Present**

Vernon Ellis                      Chair  
Martin Bean  
Aled Eirug  
Simon Fraser  
Pamela Gillies  
Richard Gillingwater  
Rohan Gunatillake  
Sue Hoyle  
Howell James  
Ros Marshall  
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 Human Resources  
Mark Robson, Director English  
Bidesh Sarkar, Chief Financial Officer  
Rebecca Walton, Director Partnerships & Business Development  
John Worne, Director Strategy and Communications  
Rosemary Hilhorst, Regional Director EU Europe (item 7)  
Colm McGivern, Regional Director UK (item 11)  
Alison Coutts, Secretary

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

Gareth Bullock had sent apologies for his absence.

There were no declarations of interest.

### **2. Minutes of the Board meeting of 16<sup>th</sup> July 2013 and the Extraordinary meeting 13<sup>th</sup> September and matters arising**

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

The minutes were approved.

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

Adrian updated the Trustees on financial performance. He noted that overall English language income is slightly below target though it is still well up on this time last year. Overall earned income is showing 12% year on year growth, though we had targeted it to increase by 18% this year.

The reasons for this shortfall include: lower levels of registration in Spain and Portugal particularly, because of the recession; disruption in the Middle East and North Africa – particularly Egypt and Libya; and a slower start to the DFID funded public education system project. On the latter the planned income will not be lost but will run one quarter behind for the remainder of the contract.

At this stage we are still expecting surpluses w to be delivered as planned.

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Adrian reported that progress is being made on the processes for managing the investment programme. Plans for better prioritisation are working so that those falling behind are more quickly compensated for with others moving up the agenda. However, there is still more work to be done on improving our ability to manage investment funds and establishing priorities more effectively especially with the Europe strategy coming through.

Adrian then noted that the full strategic risk register had been included in his report as it is midyear. Action is in train and he had no particular problems to highlight. The Board noted that sometimes the likelihood or impact scores were still the same at the end of the year. The CEO explained that the aim on many is to reduce either the likelihood or the impact, but as the risks are so high level it is unlikely we can reduce both. However, there will be more movement as we go beyond March 2014.

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

Martin updated the Board on the Triennial Review. He noted that he had met again with *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\** the Review Leader. She had informed him that they had received about 800 responses to the public consultation, had returns from over 100 Heads of Mission and had held 5 small focus groups in London. She planned to send him her initial findings by early November.

He informed the Board that he had had a good conversation with David Willetts in Pontignano and they had discussed some useful ideas on building a closer relationship between the British Council and BIS. This could include more discussion on forward planning and identifying a range of key countries where alignment is particularly important. He had followed up with a note to David Willetts.

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### **5. Chair's business**

The Chair reported on his visit to Pakistan which had been immensely inspiring. The scale is considerable and as described in his paper and blog, he'd seen real impact and impressive reach in what is an extremely important country.

He also briefed the Board on his meeting with Arminka Helic, Special Advisor to the Foreign Secretary.

The Chair asked Trustees to report on visits they had made to British Council offices since the last meeting.

The Deputy Chair reported on her visit to Romania, noting that the Ministry of Culture had commented on the importance of learning languages and the values it embeds. She had also had positive feedback from the Ambassador on the value of cultural diplomacy.

Ros Marshall reported on her visit to Japan where she also had seen the value they placed on the importance of learning English. She noted that it had been an excellent opportunity to understand the British Council better and she had spent time talking to staff. She advised other Trustees to ensure they receive briefings from colleagues in the British Council in the UK before going on visits.

Aled Eirug reported on his visit to Istanbul. He noted that the Consul General had been extremely positive about the British Council moving into the Consulate and that it is an excellent example of the joined-up approach. He had observed particular potential in higher education.

Pamela Gillies reported on her visit to the first British university in New York. Jo Beall and Paul Smith, Country Director, had also gone to the launch. She noted that it was a good example of how the British Council opens doors and supports other UK organisations.

Simon Fraser reported that he had made a visit to the Missions in Juba and Nairobi. He noted that in both places security is a particular issue and how important it is that the British Council is joined up on this with the Mission.

## **6. Report from the Audit Committee**

The Chair started the session by congratulating Richard Gillingwater and other members of the Committee for their commitment over the last few months. They have dealt effectively with some major challenges and given it appropriate time and energy including an extraordinary meeting.

Richard Gillingwater reported on the extraordinary meeting on 3 October. *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\**. The Committee had also received a brief on the Global Finance Change Programme from the CFO and the elements that will ensure we have the right control framework in place.

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He also reported on the meeting of 21 October. The Audit Committee had agreed NAO's audit plan. It also received an update on Internal Audit's work. *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\*.*

The Committee also heard a report on the Shared Service Centre in India. They concluded that this seems to have bedded down well.

## **7. Europe Strategy**

The Chair welcomed Rosemary Hilhorst to the meeting.

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## **8. Building the Culture and Capability for Organisation Transformation**

Helen Murley presented a draft approach to planning for the future requirements of the organisation in terms of capability and organisational culture.

She noted the rapidly changing context in which we operate, the changing nature of our work and the need to understand the mixture of skills we have now, and how we grow them and source others to meet our future challenges and business needs. She observed the many elements which we want to keep, not least the strong ethos of the British Council that motivates our staff. There are also elements we need to develop or bring in. We also need to be clearer on the skills and capacity we want to retain or build in-house, and how much we want to outsource to temporary staff, consultants or other organisations.

She laid out a road map for going forward. This will start from building a foundation by working with the regions and UK departments to understand what capability and capacity we will need, what we already have and can develop, and where the gaps are. The next stage will be to prioritise and implement initiatives to develop our capacity and ways of working so they are fit for the future and for further growth.

The Board congratulated her on a clear articulation of the issues. In the discussion they emphasised the importance of valuing diversity in the workforce and that the capability to manage difference will need to be an ever more important ability. Overall they endorsed the approach.

## **9. Remuneration Committee Report**

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## **10. Board Effectiveness Review**

The Deputy Chair thanked Trustees for contributing to the review. She noted that generally satisfaction levels were high. Points that came up for further consideration were:

- How to get more diversity on the Board
- Whilst initial Trustee induction is good, could more thought be given to on-going induction and briefings
- Some papers are still too long
- Could the CEO report include a section on what's happening in the regions
- Could the meetings be shorter
- There should be more time for in-depth discussion of important issues.

There was some discussion on the conflict between the last two points. Trustees suggested shorter presentations, on the understanding that they would have read the papers. They also suggested that the agendas included fewer updates and concentrated on issues that required decisions.

The Deputy Chair agreed to discuss her thoughts on ways forward with the Chair and Secretary and report back to the Board.

## **11. Products for UK Youth Market**

The Chair welcomed Colm McGivern to the meeting.

John Worne updated the Board on the Study, Work, Create website which has brought together the range of opportunities we can offer young people in the UK.

He also presented the new Corporate website which the Board agreed was much improved. The

team will now create a Europe version.

However he pointed out that the approx. 25,000 opportunities currently on offer are reliant on 3 programmes including Erasmus. He asked for Board's views on whether this is a big enough offer.

The Board suggested that in future we should include offers from other organisations. For example, whether we win Erasmus+ or not, it should still feature on our website as an offer from others.

Overall they congratulated the team on the excellent progress.

## 12. Appointing Resident Agents

The Board approved a resolution to appoint the new Country Director of the British Council Philippines as the British Council agent in the Philippines.

Proposed by Raoul Shah, Seconded by Aled Aireg

The Board approved the resolution to delegate authority to the Chief Executive and to the Secretary of the Board to appoint resident agents on behalf of the British Council where required by law in future.

Proposed by Usha Prashar, seconded by Raoul Shah.

## 13. Any other business

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The Chair also noted that the Memorandum of Understanding and Management Statement with the FCO have been updated and signed off by the PUS and CEO. They have been emailed to all Trustees for information, along with a note of the main changes.

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

## Summary of action points arising

### Updated from previous meetings

(03)3	Investment report to come to the Board later in the year following scrutiny by the Finance & Contracts Committee.	December Board
(04)3	D/HR and D/BSS respectively, to develop detailed KPIs for the capability and control risks on the Strategic Risk Register.	December Board
(04)6	D/BSS to bring a revised Statement on Risk Appetite back to the Board for review and approval.	December Board
(01)14	Update on the finance change programme to be included on agenda following design phase	Early 2014
(02)8	D/Arts to give more information on arts for development and Creative Europe at the next arts update	2014
(04)7	D/E&E to bring a draft business case on Schools to the Board	2014

### Current meeting

(05)7	Report on Europe to come back to the Board addressing the offer, communications, capability and risk.	2014
(05)10	Deputy Chair to report back to the Board on actions taken following the Board Effectiveness Review	February Board