

In confidence

BCB(14)1st meeting

Tuesday 25 February 2014

MINUTES

Present

Vernon Ellis Chair
Martin Bean
Gareth Bullock
Aled Eirug
Pamela Gillies
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
Chris Kinsella, Interim Chief Financial Officer
Graham Sheffield, Director Arts
Rebecca Walton, Director Partnerships & Business Development
John Worne, Director Strategy and Communications
Andrew Fotheringham, Director Corporate Services (item 11)
Alison Coutts, Secretary

1. Apologies for absence & declarations of interest

Richard Gillingwater had sent apologies for his absence.

There were no declarations of interest.

The Chair informed the Board that he had received a letter from the Foreign Secretary that morning. In it the Foreign Secretary had notified him that he had nominated the FCO's Chief Operating Officer, Matthew Rycroft, as Simon Fraser's successor and the Foreign Secretary's personal representative on the British Council's Board of Trustees. The Trustees unanimously elected Matthew Rycroft as a Trustee to the Board.

The Chair introduced Chris Kinsella, interim Chief Financial Officer, and welcomed him to his first Board meeting.

2. Minutes of the Board meeting of 10 December 2013 and matters arising

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

The minutes were approved.

3. Triennial Review

The Chair led a discussion on the draft report which had been received from the Triennial Review team. He reminded Trustees that the report should be treated in confidence. He asked Trustees for their views and ideas for moving forward. Although the Trustees expressed concern that the report had flaws which needed to be ironed out before publishing, there are also challenges we recognise and need to focus on further.

4. Chief Operating Officer's Report

Adrian updated the Trustees on projected financial performance following our Q3 forecast exercise. Overall it is on track to reach contribution targets.

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.*

Adrian also brought the Board's attention to specific security issues. Last week there had been a car accident in Egypt in which 5 participants of our International Inspirations programme were killed. Although the British Council is not liable nor responsible, it has been a shocking incident and staff are doing everything they can to support the families and people who survived.

In Ukraine the office was closed for 3 days but has now reopened. We are reviewing the situation daily.

In Caracas there is currently a high level of political unrest and the environment is unpredictable. The office is currently closed and again we are monitoring daily.

Adrian noted that Trustees had asked for more detail on our approach to managing cyber security. This is outlined in the pack for the Board's comment. In addition we will be bringing it back for a full discussion in the autumn along with our full IT strategy.

5. Chief Executive's Report

Martin informed the Board of the appointment of Caroline Stockmann as new Chief Financial Officer who will take over from Chris Kinsella at the beginning of June. She is currently CFO for Save the Children International, has worked for the Southbank Centre, Novartis, Unilever and a range of other organisations in the public and private sectors. He assured the Board that until then Chris would be taking forward a number of change programmes and will be overseeing the end of year processes. The Chair thanked Chris for his help and support which was clearly making a difference.

Martin updated the Trustees on the Europe strategy. The proposals are now with the FCO waiting for final agreement.

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Martin brought the Trustees' attention to the Commonwealth Games brochure which had been tabled.

He also referred Trustees to the tabled publication 'Remember the World as well as the War', an interesting and well-written piece which recognises how genuinely global the impact of the war was.

The Chair remarked that credit is due to the team which is now producing a stream of good quality and professional publications.

6. Chair's business

The Chair noted that it will be important that Matthew Rycroft, as a new Trustee from April, has a proper induction into the organisation and understands his responsibilities to the Charity.

He asked for volunteers to work with the British Council on the Annual Report by reviewing and commenting on draft text. Raoul Shah and Tom Thomson agreed to do this.

He noted that Richard Gillingwater had resigned from British Council Holdings as he is on various other Sub-Committees but asked for Board approval for the nomination of Gareth Bullock to British Council Holdings. The Board approved.

The Chair noted that Sue Hoyle was stepping down from the Audit Committee. He thanked her for her excellent work and long service to the Committee.

He also asked the Board to approve the nomination of Tom Thomson to the Audit Committee. The Board approved.

He asked Trustees to report back on recent British Council related visits. Howell had found his visit to the Hong Kong office informative. Usha had visited the operation in Madrid, including the school, the building works for the new teaching centre and meetings with key contacts which she'd found useful. Martin Roth had spent a week in India for the Museums conference which was well organised and included experts from across Europe and India.

Finally the Chair pointed Trustees to the new format for the front covers of key board papers. He'd produced this in response to feedback from the last Board Effectiveness Review and suggestions from Tom Thomson. The aim is to make it clearer why the paper is coming to the Board and what the Board is being asked to do. The Board agreed that this was helpful.

7. Report from the Finance & Contracts Committee

The Chair reported on the meeting of 11 February. He noted that the Committee had discussed the new framework for investments which is a good step forward and laid out criteria and the process clearly. The Committee had then reviewed the draft contracts strategy. There was some evident progress but it still needed work before reporting back.

The Committee had then reviewed the following 4 contracts.

- Bangladesh: Economic Empowerment of the Poorest Programme – contract extension to March 201.
- Zambia: Institutions of Democratic Empowerment (IDEA) and Citizens Service Engagement and Accountability (CSEP) Programme
- Provision of English Language, Maths and Science Training to the Qatar Technical Institute, in partnership with BAE Systems
- Provision of on-line language assessment and learning support for participants in the Erasmus+ Programme.

The Chair recommended them for approval by the Board. The Board approved and delegated authority to the Chief Executive to sign.

The Chair also noted that the Committee had reviewed a major new procurement in the English area but that more work is needed before it can be approved.

8. Report from the Audit Committee

The Chair asked Sue Hoyle to report back in Richard Gillingwater's absence.

Sue reported that at the meeting of 17 February the Committee had discussed the year end (including the NAO interim audit) and reserves. She noted that the organisation is on track for the year end and that the proposed level of reserves is similar to last year.

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The Committee also received a report on the Status and Tax programme which they were satisfied with.

Finally, they had done a Committee Effectiveness Review asking for feedback from Executives and non-Executives. As follow up they intend to identify more opportunities for non-Executives to be briefed on various aspects of the British Council's work. They will invite regional finance managers to meetings occasionally to understand and appreciate their roles and regional issues better. They are also planning a joint meeting with British Council Holdings in October.

9. Corporate Plan draft text for 2014/15 and 2015/16

John Worne talked the Trustees through the main sections of the draft Corporate Plan. He pointed out that it has a stronger focus than before on overall value to the UK. He also informed them that this year the draft text has also been sent to BIS, UKTI and DCMS and so far we are getting positive feedback.

The Board observed that it was a strong document and agreed the text.

10. Annual Report 2013/14

John Worne asked for comments on the proposed approach to the Annual Report which is very much in line with last year's.

The Board agreed with the approach.

11. Statement of Risk Appetite

The Chair welcomed Andrew Fotheringham to the meeting. Adrian Greer introduced the session, reminding the Board that the Statement had last been discussed at the Board meeting in July 2013 when the Trustees had asked for some clarifications, particularly in terms of framing the risk for operating in high risk environments and how we manage it.

The Board agreed that it provided a good clear statement and gave it their approval.

12. Status resolution: Sri Lanka

Following the Board's approval in February to set up a branch in Sri Lanka, it approved another resolution to specify the purposes for which the branch will be registered. It also approved the new representative following a change in Country Director.

The resolution was proposed by Rohan Gunatillake and seconded by Tom Thomson.

13. Any other business

13.1 The Chair asked Tom Thomson for a report back on discussions at the recent Scottish Advisory Committee.

13.2 The Chair asked Rohan Gunatillake to report back on the second meeting of the Digital Advisory Committee.

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

Summary of action points arising

Updated from previous meetings

(05)10	Deputy Chair to report back to the Board on actions taken following the Board Effectiveness Review	April Board
(03)3	Investment report to come to the Board later in the year following scrutiny by the Finance & Contracts Committee.	April Board
(05)7	Report on Europe to come back to the Board addressing the offer, communications, capability and risk.	2014
(01)14	Update on the finance change programme to be included on agenda following design phase	2014
(04)7	D/E&E to bring a draft business case on Schools to the Board	2014

Current meeting

(01)4	Bring economic modelling to F&CC for review	Summer/Autumn 2014
(01)4	IT strategy including cyber-security to be scheduled for a meeting	Autumn 2014
(01)11	Trusts and Foundations to be rescheduled for another meeting	Summer 2014