

In confidence

BCB(14)5th meeting

Tuesday 28 October 2014

## **MINUTES**

### **Present**

Vernon Ellis                      Chair  
Janet Beer  
Gareth Bullock  
Richard Gillingwater  
Rohan Gunatillake  
Kirsty Lang  
Ros Marshall  
Usha Prashar  
Matthew Rycroft  
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  
Rebecca Hughes, Director Education (item 5)  
Chris Hickey, Director British Council Schools (item 11)  
Alison Coutts, Secretary

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

Martin Bean, Aled Eirug, Howell James and Martin Roth had sent apologies for their absence.

There were no declarations of interest.

### **2. Minutes of the Board meeting of 15 July 2014 and matters arising**

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

The Minutes were approved.

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

Adrian presented an update on financial performance. He noted that this is broadly on track with gross surplus on target. Income is down against plan but this is mainly due to the late start on Erasmus+ so is delayed rather than not forthcoming.

He presented two new strategic risks one on fraud and one on security. The Board that risk tolerance for fraud be amended from zero to low as the former is unrealistic. Subject to that they agreed the new risks. Adrian also referred to update on regional priorities in annex 1. The Trustees found this extremely useful and agreed that the occasional update combined with deeper dives into 2 or 3 regions over each year would help them engage more thoroughly with the issues.

Finally Adrian noted that the Wholly Foreign Owned Enterprise (WFOE) for exams in China had now been successfully established which is an important shift for us.

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

Martin updated the Board on the opening of a new Teaching Centre in Medan in Indonesia which is a step towards building a more effective network across the country.

The Trustees were interested in the launch of the organisation's first MOOC and congratulated the British Council on its development.

Martin explained that the Executive Board had recently had a couple of Away Days to focus on the CEO transition period. Trustees were pleased with the plan for maintaining momentum and supporting the new CEO in his first few months.

#### **5. Education and Society update**

The Chair welcomed Rebecca Hughes, Director Education, to the meeting.

Jo presented an update on performance against commitments to date and took the Board through the updated strategy to 2020 and plans and options to achieve it.

She also ran through where we have come from partly for the benefit of the newer Trustees, the emphasis on working in partnership and the changing shape and competencies within the team.

Rebecca went through the value proposition for education and the distillation of our focus in more detail.

The Board thanked them for their presentation and the Chair noted that there has been significant progress over the last few years in terms of bringing clarity to our strategy and simplification of our product offer. They noted that there is more to do in terms of alignment with our stakeholders, developing the competencies and resourcing model we need and responding to the challenges raised by the Triennial Review. They stressed the importance of learning from feedback.

Jo then briefed Trustees on our approach to Connecting Classrooms III. The Board approved.

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

The Chair announced that Jo's recent award as a Fellow of the Academy of Social Sciences which is huge recognition of her contribution. The Trustees congratulated her on this honour.

He asked for feedback from Trustees who had travelled on behalf of the British Council recently. Rohan reported back on the conference in Pontignano, Usha on a visit to Bangladesh, Kirsty on Brazil and Tom on a trip to Serbia and Herzegovina.

The Chair then led a discussion on the Away Day conclusions and follow up. They agreed that the slides prepared by John and Rohan are helpful and that it should be included in the papers for Board meetings as a standing item as a prompt for testing progress and direction. It was also agreed that the main agenda items should include a section reporting on how they are responding to these priorities.

## **7. Report from Nominations committee**

The Chair briefed Trustees on the Committee's proposal to appoint David Verey as a new Trustee as well as Chair of the Audit Committee to replace Richard Gillingwater when he leaves at the end of the year. The Trustees approved the appointment.

He also briefed them on the approach agreed to recruiting two further Trustees for next year at the meeting of 27<sup>th</sup> October. The approach includes particular emphasis on aiming for more diversity on the Board in particular on gender and ethnicity as well as attracting candidates from outside of London and the South East.

Trustees endorsed the approach.

## **8. Report from Finance & Contracts Committee**

The Chair reported back on the meeting of 11 September and asked for Board approval for the CEO to sign the following contracts:

*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\*.*

## **9. Report from Audit Committee**

Richard Gillingwater reported on the meeting of 21 October. He focussed on 3 areas.

1/ the year end processes. These are in the final stages and included a substantial review of our accruals processes. NAO are now sampling and hope to complete in early December.

2/ the control environment. This work is coming along well and the controls introduced will better manage growth. However there is still more to do.

3/ Internal Audit. Richard briefed them on plans for staffing following the current Head's imminent move on secondment.

## **10. Triennial Review**

Martin gave an update on how the organisation is handling its response to the recommendations in the Triennial Review and also on the progress on Phase II. He confirmed that our proposed formal response to the Review will come to Trustees for their endorsement on December 2<sup>nd</sup> as would the Phase II report from the consultants which is due on December 1<sup>st</sup>.

## **11. British Council Schools**

The Chair welcomed Chris Hickey, Director British Council Schools to the meeting.

Mark gave an update on progress since the Board's agreement in principle in July last year that establishing a network of British Council schools is the right thing to do.

Mark briefed Trustees on plans so far including [REDACTED]. He noted that the draft had been scrutinised at the last Finance & Contracts meeting. He asked for the Board's steer on what will be a significant endeavour which will require long-term commitment.

Chris talked through in more detail the mission and unique character of our schools, how we would manage competition, our approach and business case for [REDACTED] and our ambition for a network of schools for the future.

The Trustees discussed the challenges and benefits in some detail. Overall they agreed that we should continue as planned with [REDACTED] subject to the following points:

*Information in section 11 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\*.*

- be clear on our distinctive niche and impact for UK long-term, and ensure an emphasis on outreach to support public education system customers
- give more thought to how we scale up to establish a meaningful network.
- be clear on resourcing for the above including investment
- it will need FCO/HMT approval, so consult with Foreign Secretary sooner rather than later, and use the Corporate Plan to initiate this early next year. This should include information on the concept, financing and pipeline of locations
- develop other options for funding for subsequent schools
- ensure our external consultation through COBIS is thorough (partly through the corporate plan consultation)
- all business cases for subsequent individual schools need to come to Board (and FCO) for final approval.

## 12. Any other business

Rohan reported on the most recent meeting of the Digital Advisory Group on which a short paper had been tabled. He noted that the Group had asked the British Council to bring specific challenges for the group to discuss rather than more general issues, which is beginning to happen.

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

### 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
(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)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

(05)6	Include the Away Day slides in Board packs and ensure papers include a section responding to the issues raised.	December 2014
-------	---	---------------