

**In confidence****BCB(20)4<sup>th</sup> meeting**

Wednesday 8 July 2020

**MINUTES****Present**

Stevie Spring  
Rachel Lomax  
Mark Beddy  
James Cronin  
Stephen Deuchar  
Yasmin Diamond  
Tom Drew  
Debbie Forster  
Kevin Havelock  
Rob Humphreys  
Kirsty Lang  
Clare Reddington  
Fiona Salzen  
David Verey

Chairman

**In attendance**

Ciaran Devane, Chief Executive (CEO)  
Richard Thomas, Chief Finance Officer (CFO)  
Andy Williams, Chief Operating Officer (COO)  
Kate Ewart-Biggs, Director Global Network  
Mark Robson, Director English and Exams  
Mark Stephens, Director Cultural Engagement  
Catherine Ward, Global People Director  
Alison Coutts, Secretary

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## **1. Chairman's introduction**

### **1.1 Apologies for absence & declarations of interest**

Janet Beer had sent her apologies for absence. There were no declarations of interest.

### **1.2 Minutes of the Board fortnightly meeting of 15<sup>th</sup> June and matters arising**

All matters arising from the meeting had been actioned.

The minutes were approved.

### **1.3 Chairman's comments**

The Chairman updated the Board on her recent meetings with the Foreign Secretary on the Review. She referred to the government's agreement to an initial loan and commented on the distinct change of tone in government now that the financial crisis is growing and the need to be sensitive to this.

She noted that the meeting would focus on the business plan which will set out the organisation's future over the next few years and the transformation required to get there. It will also address the review outcomes and be an essential piece of work to support negotiations on a longer-term loan and on the spending and integrated reviews.

The Chairman thanked the trustees on the cashflow group and the executive for their hard work and asked other trustees to think how they can help the executive more whilst they are under such huge pressure.

## **2. Covid-19 risk management**

### **2.1 Cashflow**

The CFO referred to the forecast in the pack and highlighted the following. A minimum of £70m is required to keep branches across the world liquid and pay bills as they fall due. Cashflow in June is more positive than forecast due to better cash management, further savings in English and Exams, and income from schools exams. The forecast then declines steadily, and even with the loan, from the end of August it falls into negative. The business plan will be submitted on 3<sup>rd</sup> August as a condition of a further loan. He stressed the importance of securing this by the end of August.

The Board thanked the CFO, his team and the cashflow group for their ongoing excellent work to secure the organisation's future. They also asked for Terms of Reference for the group to be documented and circulated to ensure the governance between its role and the Board's is clear. It was agreed that the minutes of the cashflow group meetings will be shared with the full Board.

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## 2.2 Draft business plan

The COO presented the one-page summary of the business plan which had been reviewed by the cashflow group. It covers rebuilding the current businesses but the main focus will be on the more radical transformation required for the future. A draft will be shared with the Board on the 23<sup>rd</sup> July with a final version ready for approval the week of 27<sup>th</sup> July before it's submitted to government on 3<sup>rd</sup> August. It was noted that 3<sup>rd</sup> August won't be the end of the process and detailed work will continue over August and beyond in preparation for the Spending Review.

Trustees commented that the business plan needs to include a strong and convincing vision of what the British Council will look like. It will also be essential to show excellent value for money to the government with clarity on when they will get a return on investment.

They noted that it includes a strategy to reduce the estate. In addition David Verey and Stephen Deuchar had recently reviewed options for the arts collection and will work with Director Cultural Engagement and his team to write up their conclusions for the Board.

Trustees stressed their willingness to help and noted that to save executive time, SLT should send them working documents or ring them to test out ideas. It was agreed that the executive will follow up on a one to one basis before presenting the final draft.

## 2.3 Foreign Secretary review

Director Global Network noted that the review is challenging but the meetings between the Chairman and the Foreign Secretary had been helpful, bringing more clarity and insights to what is required. Managing the business modelling in parallel but to different deadlines adds to the complexity but is necessary and will help prepare for both the Spending Review and the Integrated Review.

Trustees commented that it is important to include our work for other government departments and devolved governments to reinforce that our work is for the wider UK. This is recognised by Heads of Missions who see the range of interaction and it's important to bring this into the strategic relationship with the FCO.

## 2.4 Examinations strategy

The Board considered a new strategy for the examinations business in India as part of the wider Examinations strategy.

The Board agreed that this is a good example of the radical change needed to bring in cash at a time of crisis. They gave their approval for a continuation of the discussion before it comes back to the Board, following review by the cash committee.

## 3. CFO reports

### 3.1 Outturn

Trustees noted that the outturn and budget in the pack had been reviewed by the Audit & Finance Committee. The CFO highlighted the following. The outturn is a stocktake of the [www.britishcouncil.org](http://www.britishcouncil.org)

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current position and an estimate of the final position. The year-end process is more drawn out more than usual but as agreed previously the plan is to submit the Annual Report and Accounts in October. The going concern issue is still being worked on but won't be resolved until the Review is complete and the business case is agreed.

## **3.2 Budget**

Trustees noted that although the numbers will, the re-budgeting exercise in May sets a benchmark for the year to be referred to during the monthly accounts exercise.

## **4. Corporate and governance**

### **4.1 Well-being report**

The Global People Director talked through the report in the pack and the range of policies, guidance, communications and engagement put in place to support staff over the last 4 months. On the whole feedback had been positive. The main issues emerging relate to peoples' ability to work from home and to work/life balance which has improved for some but diminished for others. Concrete measures are being taken to address the former, and more guidance is being produced to help managers support more flexible working patterns.

The Board thanked her for an excellent and reassuring report and agreed it was a helpful reminder of the pressures on colleagues round the world and the importance of supporting their well-being. They also noted that it's a point in time, before a gradual return to work across the world and before further organisational changes, both of which will raise new challenges.

### **4.2 Committee meeting reports**

The Chair of the Audit & Finance Committee highlighted that committee members had reviewed risks raised in internal audit reports including on the new payment platform. The Committee had stressed the importance of strong change management skills and processes to address the weaknesses identified and to generally improve change management in the organisation.

The Chair of the Remuneration Committee noted that the Committee's discussion had focussed on identifying £15m of workforce savings in the current year which is a condition of the loan.

The Chair of the Risk Committee highlighted that Debbie Forster has agreed to be the trustee whistleblowing champion in addition to safeguarding. The rest of the meeting had focussed Covid-related issues including its affect on the existing risk register. A revised risk register will be drawn up over the summer and the Committee's workplan will be developed around it.

The Risk Committee had also reviewed a new business resumption risk appetite and recommended it for Board approval. The Board approved.

In addition it had approved the Committee's annual report which had been included in the Board pack for information. The Board noted.

The Chairman thanked the Chairs and committee members for their valuable work on a range of important and difficult issues.

## 5. Any other business

The Chairman noted that Malcolm Press, the trustee replacing Janet Beer when she steps down in September, will attend the Board meeting on 23<sup>rd</sup> July as an observer. She also reminded the Board that Sushil Saluja will start on 1<sup>st</sup> September and Rageh Omaar on 23<sup>rd</sup> September.

It was noted that recruitment for a new Director Arts has reached 2<sup>nd</sup> interview stage and agreed that Director Cultural Engagement would update and engage with trustees on the appointment.

The Chairman thanked the executive for their excellent work in extraordinary times and asked them to pass on the Board's thanks to their teams.

There was no other business and the meeting finished at 11.50.

### Action points

Meeting date	Action	Owner	Due date (note reasons for changes)	Status:
Jun 2020	New entities requiring Board approval to be scrutinised by the commercial committee first.	Director E&E	June 2020 onwards	Open
Jul 2020	Draft formal Terms of Reference for the Cashflow Committee for Board approval	Secretary	23 <sup>rd</sup> July	Open