

TRIENNIAL REVIEW RESPONSE REPORT:
EXECUTIVE SUMMARY

THE OPPORTUNITY
DEVELOPMENT PROCESS:
BRITISH COUNCIL RESPONSE
TO THE TRIENNIAL REVIEW
RECOMMENDATIONS
RELATING TO THE
DEVELOPMENT OF
EDUCATION AND ENGLISH
CONTRACT OPPORTUNITIES
OVERSEAS

FIRST YEAR PROGRESS AND IMPACT REPORT – AUGUST 2016

EXECUTIVE SUMMARY

Following the recommendations of the Triennial review in 2014, the British Council launched its Opportunity Development Process (ODP) in June 2015, a procedure and internal campaign with the aim of ensuring fairness, transparency, consistency and partnership in developing its contract work overseas, in relation to contracts with a value greater than £100k.

This report reviews the first year of operation. It finds that the process has been rolled out successfully and has had a significant positive impact on the attitude and behaviours of British Council managers. The process of recording the rationale for project pursuit is being followed. However the process has not led to the expected increase in sharing of information about business opportunities for UK organisations. There is little evidence that the process has made a large impact on UK sector perceptions of the British Council's approach in this area, and the report calls for a more proactive engagement with the UK sector which will change perceptions, amongst other recommendations aimed at continuing and strengthening the process.

Overall conclusions

- The Opportunity Development Process (ODP) has been rolled out efficiently to British Council offices overseas using a variety of methods and targeting relevant members of staff
- The policy that underpins the Opportunity Development Process (ODP) and the procedures involved are generally understood and being implemented although there are still inconsistencies in both understanding and implementation
- The use of the Services for International Education Marketing (SIEM) website for sharing large-scale opportunities has so far been very limited
- Oversight and reporting systems within English for Education Systems (EES) are insufficiently robust to verify if all opportunities identified are being recorded and shared
- There is evidence that organisational cultural change is taking place in relation to alignment, consistency, transparency, fairness and working in partnership
- The Opportunity Development Process (ODP) has had only a minimal impact as yet on sector perceptions

Research methodology

Data was gathered through:

- An analysis of reporting systems:
 - Financial records via SAP
 - Global EES and Education & Society pipeline documents
 - Monthly consolidated Opportunity Development Process (ODP) reports
 - Opportunity Assessment Checklist (OAC) log
 - Services for International Education Marketing (SIEM) log
 - Selected completed Opportunity Assessment Checklists (OACs)
- An online survey of British Council staff involved in the development of overseas contract opportunities
- Two focus groups with representatives of the UK sector
- Research highlights
- Organisational cultural change

Staff involved in the development of large scale overseas English and educational contracts report that the Opportunity Development Process (ODP) has clearly made a positive impact on their behaviour and/or the behaviour of their teams in relation to recording and sharing information with the UK sector. 83% of those surveyed report that the ODP is being implemented at least mostly consistently.

From a review of recently submitted Opportunity Assessment Checklists (OACs) there are isolated examples of staff not stating British Council preference for working on an open tender basis in response to specific requests from Ministries of Education to deliver services without passing through a tendering process. The relative infrequency of these examples and evidence of discussion with local UK Trade and Investment (UKTI) and Foreign and Commonwealth Office (FCO) representatives around examples of this type confirm the general but not complete success of the process in bringing about organisational cultural change.

These behavioural and attitudinal changes within British Council are an important long term benefit that the Opportunity Development Process (ODP) is delivering.

Recording information

The impact of this expressed change in attitude and behaviour is apparent in a consideration of the figures relating to Opportunity Assessment Checklist (OAC) completion. Since June 2015, the British Council's Education and Society department have completed Opportunity Assessment Checklists (OACs) for 100 opportunities with an estimated contract value of £295m. For the same period the English for Education Systems function have completed OACs for 49 opportunities with an estimated total contract value of £75m.

Sharing information

The number of competitive tender opportunities recorded through an Opportunity Assessment Checklist (OAC) and posted on the Service for International Education Marketing (SIEM) website for the same period is four. This relatively low number could be the result of various factors:

- an MoE had decided categorically that it does not wish to pass through an open tendering process;
- a strategic decision has been taken to involve partners further down the line;
- as is the case with the majority of opportunities, the opportunity in question is already in the public domain;
- other channels are being used to share partnership opportunities;
- there is a reluctance to share.

It is difficult to draw any firm conclusions, but it is clear the stated channel for sharing opportunities from this process (the SIEM website) is not being utilised. It is worth noting however that during this period 100 lower value (less than £100k) Education and English contract opportunities were posted on the SIEM site.

Preference for partnerships

Each Opportunity Assessment Checklist (OAC) requires the manager to indicate 'pursue alone' or 'pursue in partnership' or 'do not pursue'. The majority of OACs (83%) were tagged as 'pursue in partnership' – equivalent to £432m. (See table 1). However, we noted that these figures relate to opportunities many of which do not result in business. (Table 2 gives the breakdown of revenue to British Council from overseas contracts.)

Table 1: 'Pursue in partnership' June 2015 to July 2016

	ESTIMATED CONTRACT VALUE	% OF TOTAL ASSESSED
Pursue in partnership	£432.41m	83%
Pursue alone	£66.57m	13%
Do not pursue	£17.55m	3%

Table 2: Overall value of educational and English contracts (FY 2015 – 16)

	EDUCATION AND SOCIETY (E&S)	ENGLISH FOR EDUCATION SYSTEMS (EES)
FCR (client income from non-grant funded projects)	£180.2m	£14.9m
External funding to British Council grant-funded projects	£53.4m	£6.33m
Grant	£104m	£21.5m
Total	£337.6m	£42.72m

Transparency and reporting

The British Council's current reporting mechanisms are not configured to reveal what percentage of the *totality* of opportunities identified by British Council is being recorded. This is a particular problem with opportunities from the British Council's English for Education Systems (EES) function and is a cause for concern.

UK sector perceptions

The focus groups held with the UK sector revealed two main points in relation to the effectiveness of the Opportunity Development Process (ODP).

First, the sector is aware that British Council is responding to the recommendations of the Triennial Review, but is not clear what this response consists of.

Second, the response has, on the whole, yet to make an impact on the existing perceptions of the British Council in relation to the transparency, alignment, consistency and fairness of its behaviour. Given its stated aim and the investment British Council has made in the development of the Opportunity Development Process (ODP) and its roll-out, results could have been better, especially if communication with the sector had been part of the design of the ODP project.

These comments need to be seen in relation to the relatively short time the ODP has been in operation, British Council priorities and resources in relation to external communication, and the capacity of the sector to absorb and disseminate information provided by British Council.

One further point arising from discussions with the UK sector revolves around excluding opportunities with an estimated contract value of less than £100k – the kind of opportunity that ELT providers within the UK sector stated they are most interested in. The British Council will find it more difficult to put forward the ODP in its current form as a mechanism that fully allays the concerns of the sector.

Recommendations

- Use the research questions in this report to set measures against which the impact of the Opportunity Development Process (ODP) can be evaluated, along with its continued applicability, on a yearly basis
- Ensure that the information about how British Council is responding to the Triennial Review recommendations is externally disseminated in a more systematic way through the development and implementation of an effective UK sector engagement strategy
- Review the process and channels through which information about opportunities is shared, especially in relation to the Services for International Education Marketing (SIEM)
- Ensure that improvements being made to the systems for capturing and reporting on pipeline opportunities identified by English for Education Systems (EES) allow accurate and consistent reporting
- Consider lowering the current threshold of £100k for mandatory recording and sharing of opportunities
- Introduce a Contracts Approval Process (CAP) for English for Education Systems (EES) project pursuit to ensure better oversight of recording and sharing opportunities
- Continue with the programme of training for senior staff. Hold Regional Leads and country-based managers accountable for instances of non-compliance with British Council stated policy on recording and sharing opportunities
- Continue with the programme of training of and information dissemination to relevant staff. Hold regional and country directors accountable for performance of their teams in respect of Opportunity Development Process (ODP) policy and practice
- Include in the training of relevant staff an understanding of what UK sector expertise consists in and how this might be engaged with in the pursuit and delivery of (especially English for Education Systems) overseas projects
- Ensure 'targets' for overseas contracts work are expressed in ways that foreground benefit to the UK as well as financial targets and educational impact
- Review the Opportunity Development Process (ODP) documentation on an on-going basis to ensure that it is as easy to understand and implement as possible