

In confidence

BCB(11) 5th meeting

Tuesday 11 October 2011

MINUTES

Present

Vernon Ellis Chair
Nihal Arthanayake
Martin Bean
James Boyle
Tony Hall
Sue Hoyle
Claire Ighodaro
Patrick McKenna
Raoul Shah

In attendance

Martin Davidson, Chief Executive
Jo Beall, Director Education & Society
Pippa Greenslade, Director Global HR
Adrian Greer, Director Global Network
Mark Robson, Director English
Bidesh Sarkar, Chief Financial Officer
Graham Sheffield, Director Arts
Rebecca Walton, Director Partnerships & Business Development
John Worne, Director Corporate HQ
Eddie Byers, Director Programmes & Projects
Andy Mackay, Secretary

1. Apologies for absence & declarations of interest

Alan Buckle, Simon Fraser, Pamela Gillies, Howell James and Steve Jones had sent apologies for their absence. Raoul Shah and Patrick McKenna apologised for the fact that they would have to leave before the end of the meeting.

The Chair reported that Alan Buckle had now taken up his new role as Deputy Chairman International for KPMG. In the light of the new demands this was placing on his time, he was reviewing whether he could continue in his role as Deputy Chair of the British Council. He would discuss this further with the Chair before the next meeting.

Martin Bean and Claire Ighodaro raised their roles as Vice Chancellor and Council Member of the Open University respectively in regard to the agenda item on contracts strategy, as the Open University had already entered some contracts with the British Council. The Chair thanked them for drawing the attention of the Board to this but it was agreed that the nature of the discussion at this meeting would be of a level of generality where this would not represent a conflict of interest. Should there be a more detailed or more specific presentation or discussion of particular contracts, it might be appropriate for one or both of them to withdraw from the meeting for that discussion.

2. Minutes of the Board meeting of July 2011 and matters arising

All matters arising from the meeting were being actioned, were included in the agenda for this meeting, or were scheduled for a future meeting.

The Chief Executive confirmed that the suggestion which had been put forward under item 5, that the key focus for the digital project should be on the development and deployment of content had been noted and was being taken forward by the executive.

The minutes were approved.

3. Chair's business

The Chair thanked Trustees and the executive for their participation in the recent awayday and offered his thanks to John Worne for planning, preparing and facilitating the programme. Trustees agreed that it had been a valuable and productive meeting.

In reporting on his recent visit to Hong Kong, the Chair initiated a discussion about the potential role and impact of building stronger alumni networks and associations of those with experience of or connections with the British Council and the United Kingdom. Trustees agreed that this was a very interesting area and were pleased to hear that work was already underway focussing on UK study alumni. They suggested that it was important to have some initiative that was centrally driven and initiated corporately from the UK and recommended that a pilot should focus on one specific strand, activity or environment. The executive would consider alternatives and report to the Board on intended follow up.

Tony Hall reported on a recent visit to the British Council operations in Nigeria. He had been particularly impressed by the impact of the creative entrepreneurs programme and underlined the value of making a commitment to the continuation of the programme for a number of years. Other Trustees endorsed his view of the programme.

Sue Hoyle reported on a visit she had made to the British Council in Hungary, where she had learned of excellent work being done by a small team to develop new partnership relationships.

The Board agreed that it was very valuable to learn of Trustees' visits to British Council projects and operations and that this should be included under Chair's Business when appropriate. The Chair and CEO's office would also put in place a mechanism to gather feedback from Trustees following a visit.

4. Report from Audit Committee

Claire Ighodaro reported on the meeting of the Audit Committee which had taken place on 10 October.

The committee had reviewed the management letter from the National Audit Office. They were satisfied with the progress made on the majority of issues but had noted that there were items which were recurring for the second or third year. They had requested from the executive a timescale for dealing with those issues.

The committee had examined the draft timetable for the year end process. The parliamentary recess would be one week earlier in 2012 because of the Olympic Games in London. This meant that the timeline would be even tighter than in recent years and it would be important to identify early those Trustees who would take a role in the development of the Annual Report.

The Internal Audit workplan was on track, with 79 audits completed or scheduled. *Information in this section has been redacted/removed as it is likely to be exempt from disclosure on the ground that it is "likely to prejudice the effective conduct of public affairs" as defined in Section 36 of the Freedom of Information Act 2000 **

. They had also noticed that the development of the new travel and expenses policy was ongoing and recognised the amount of work which was involved in its implementation. They had some concerns at the time that the process was taking but recognised the amount of work involved and offered their support to assist in the rollout of the new policy with effect from 1 April 2012.

She also highlighted the discussion the committee had had concerning the information risk policy, where they had noted that implementation was behind target. They were fully supportive of the work being undertaken by the executive to make progress and achieve the targets set.

5. Chief Executive's Report

Martin Davidson reported on the work which the executive was initiating to follow up the areas of focus which were agreed at the Board awayday. Plans were being prepared for the areas of Brand and profile in the UK, building on large scale UK initiatives, led by John Worne; talent and capability, looking at how to maximise and make changes to the way in which the organisation manages and introduces new talent, led by Pippa Greenslade; the commercial development of operations, with a particular focus on western Europe and the progressive reduction of grant funding for the region, led by Adrian Greer and Bidesh Sarkar; and presence overseas, including the emerging concept of British centres, led by Adrian Greer. He had decided that it would be valuable to add a fifth area of focus – the achievement of the organisation's digital aspirations, including the best approach to delivery of content through different media, led by John Worne.

Trustees commended the work which had been launched by British Council to mark the Dickens anniversary in 2012 and recommended that a future focus on the Shakespeare anniversary in 2016. They suggested that consideration be given to areas of new media, such as the development of graphic novels to encourage young people in the UK and elsewhere to engage with literature. The executive agreed that this would be a very interesting area to explore and exploit in the future.

*Information in this section has been removed/redacted as it is likely to be exempt from disclosure on the grounds that it may "compromise health and safety" as defined in Section 38 of the Freedom of Information Act 2000 **

6. Organisational Performance Report

The Board welcomed the clarity and analysis contained in the revised Organisational Performance report. They confirmed that they wished future reports to adopt the same format. They noted and agreed the areas for Executive Board focus for the remainder of the financial year in order to deliver the agreed targets. They were reassured to learn that demand for services in English language centres remained strong overall, despite the global economic situation.

7. Education and Society portfolio

Trustees welcomed the presentation by Jo Beall which described the focus she believed should be brought to the portfolio for Education and Society, as well as the emerging framework for portfolio reorientation. *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 of the Freedom of Information Act 2000 **. They were pleased to note that the plan was to reduce significantly the number of component parts of the portfolio and to focus on the highest impact and most efficient projects. They recognised, however, that there would still be a need for flexibility to respond to particular demands on a smaller scale, particularly in the area of society.

The Board suggested that, as the work progressed, they would value more information on the overall strategic focus, including the balance which was struck between the tensions of achieving income targets while delivering the impact required. They agreed that the detailed review which had been conducted was very valuable, to inform the development of the clear strategic direction which would be established by the early part of 2012. They would additionally like to hear more of the emerging narrative for the work and of how staff and external partners were being attracted to and inspired to be a part of the new strategy.

It was clear that there were huge opportunities in HE for and from the UK and that a key challenge for the British Council would be to help the UK sector to find the most effective way to exploit the totality of its brand in the international arena. The British Council's work in cultural relations should help to develop international partnerships in a range of ways, including joint research and development as well as international student mobility. *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 of the Freedom of Information Act 2000 **.

Trustees were keen to ensure that the digital offer was fully integrated into the strategy and that it was seen as a cross-cutting enabler which helped to simplify the business model. They noted the work that had already been completed in developing the digital dimension of schools' work and were pleased to learn that this was being expanded to work in youth and civil society and HE.

They looked forward to learning more about the development of the strategy at their meeting in April 2012.

8. Contracts Strategy

The Chair welcomed Eddie Byers, Managing Director of Programmes & Projects, who outlined to the Board the progress made in the implementation of the new contract pursuit and management strategy. This was bringing a rigorous focus on the sectors of specialism and strength for the organisation. *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 of the Freedom of Information Act 2000 **. This was now taking effect and the improved visibility of future contract opportunities, coupled with encouraging level of business won in the first part of the year, were positive signs at this stage of development. For the future, he emphasised the clear alignment between the organisation's priorities and this type of work. Trustees endorsed the progress made and agreed that the direction of travel was appropriate.

The Board discussed the governance of contract work and the importance of their having visibility of the higher value project pipeline and priorities, as well as the risk profile of the business, in order properly to exercise their responsibilities and accountabilities for the organisation. The Chair proposed that a subgroup of the Board be established with three or four Trustees working with Eddie Byers, Jo Beall and Adrian Greer to provide assurance for this area of the organisation's work. They would particularly focus on the consistency of proposed projects with organisational strategy; the financial and reputational risks of particular projects; and the skills and capacity of the organisation to deliver in any given contract. Trustees agreed with this approach and the Chair would agree how to take this forward with Martin Davidson.

Eddie Byers described the continuing work of the British Council in the management and delivery of EC Life Long Learning programmes, which were an important component of helping young people in the UK to develop their international awareness and understanding. *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 of the Freedom of Information Act 2000 **.

9. BC Holdings Annual Report to the Board

The Board noted the BC Holdings Annual Report, the first since the establishment of the subsidiary entity. James Boyle, who was a member of the Board of Directors of the entity in representation of the Trustees commended the work of the Board of Directors and suggested that it would be valuable in future to include a third Trustee as a Director. The Board agreed that they would welcome some further exposition of the operations of the subsidiary structure and that this should be scheduled for their meeting in April 2012.

10. BC Benevolent Fund: annual report and accounts and Trustee election

The Board noted the Annual Report and Accounts from the British Council Benevolent Fund. They offered their thanks to Sheila Lumsden, Chair of the Benevolent Fund and her fellow Trustees for their important effective work for the Fund.

The Board approved the appointment of Stephanie Ashcroft as a Trustee of the Fund. They further delegated authority to Pippa Greenslade to approve the appointment of a sixth Trustee before 31st December 2011.

11. Central Bureau Pension Scheme: Deed of amendment

A deed of amendment to the Central Bureau for Educational Visits and Exchanges Pension and Life Assurance Scheme and the affixation of the Common Seal of the British Council on 29 September 2011 was proposed by Tony Hall, seconded by Martin Bean and ratified unanimously by the Board.

The Board agreed that they would welcome further information about the scheme following its upcoming valuation. This would be included in the agenda for the meeting in July 2012.

12. Status Resolution: Georgia, Armenia & Belgium

The Board approved a resolution to register a branch of the British Council in Armenia, and to delegate to the Chief Executive authority to approve a charter for the branch.

The Board also approved a resolution to register a "Centre of Operations" of a foreign non-profit association (*vereniging zonder winst oogmerk / association sans but lucratif*) of the British Council in Belgium.

The Board further approved a resolution to register a branch of the British Council in Georgia.

The resolutions were proposed by James Boyle, seconded by Tony Hall and were passed unanimously. The detailed resolutions are attached at annex A to these minutes.

13. Sri Lanka Premises Project

The Board approved the proposed investment in the development of the British Council's premises in Sri Lanka.

14. Delegated Authorities to the Chief Executive

The Board approved the revised delegated authorities to the Chief Executive.

15. Any other business

The Board noted the British Council highlights and forward look which had been circulated with the papers for the meeting.

There was no further business and the meeting concluded at 1320.

Summary of action points arising

Meeting of 20 April 2010

(02)7	Board agenda for December 2011 to include an item on sector advisory groups following agreement of long term strategy
-------	---

Meeting of 12 July 2011

(04)2	Sector advisory group agenda item for December 2011 to include consideration of Honorary
-------	--

	membership
(04)4	February 2012 discussion of arts strategy to include narrative for work in the arts

Current Meeting

(05)1	Executive to update Trustees on development of alumni interaction in due course
(05)2	Trustees to report on visits to British Council operations overseas under Chair's business
(05)3	Chair & CEO's office to follow up with individual Trustees on their visits overseas
(05)4	<i>Information in this section has been removed/redacted as it is likely to be exempt from disclosure on the grounds that it may "compromise health and safety" as defined in Section 38 of the Freedom of Information Act 2000 *</i>
(05)5	Organisational performance report format to follow model presented in this meeting
(05)6	April 2012 agenda item on Education and Society to include overall strategy and narrative
(05)7	Chair & CEO to discuss setting up of contracts governance subgroup
(05)8	<i>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 of the Freedom of Information Act 2000 *.</i>
(05)9	April 2012 agenda to include item on operation of subsidiary entities
(05)10	July 2012 agenda to include item on Central Bureau Pension scheme

*

Resolution of the Board of Trustees of the British Council on the establishment of the British Council Armenian Branch

It is resolved that:

- (1) A branch of the British Council in Armenia shall be established and registered under the laws of the Republic of Armenia;
- (2) The name of the branch shall be The British Council Armenian Branch, and the address of the branch shall be 24 Baghramyan Avenue, Yerevan, 0019
- (3) The Charter of the British Council in Armenia shall be approved. The Chief Executive of the British Council be authorized to approve the Charter of the British Council in Armenia. It is further resolved that the approved Charter shall be executed under seal of the British Council in the presence of two authorized officers.
- (4) The registered representative of the branch shall be Ms. Arevik Saribekyan, Director Armenia

*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) of the Freedom of Information Act 2000**

- (5) Ms. Arevik Saribekyan is hereby authorised as the attorney-in-fact of the British Council in Armenia for any and all matters necessary to accomplish the establishment of the branch and the registration of the foregoing particulars, including but not limited to making statements on behalf of the British Council, filing reports with the relevant government authorities and/or foreign exchange banks, and the appointment of a law firm or other representative of Ms. Arevik Saribekyan as sub-attorney-in-fact. It is further resolved that a statement confirming the appointment of Ms. Arevik Saribekyan as such attorney-in-fact shall be executed under seal of the British Council in the presence of two authorized officers.
- (6) Ms. Arevik Saribekyan is hereby authorised to apply to the Republic of Armenia State Registry of Legal Entities to register the Branch in accordance with governing laws and regulations of the Republic of Armenia.

Resolution of the Board of Trustees of the British Council on the status of the British Council in Belgium

It is resolved that:

(1) a centre of operations ("*centre d'opération*") of the British Council shall be established in Belgium, hereafter the "Centre of Operations", as from 1 January 2012 [or such other date as the Chief Executive of the British Council shall agree, acting under authority delegated by the Board of Trustees].

(2) the name of the Centre of Operations shall be ["The British Council in Belgium"], and the address of the Centre of Operations shall be [rue du Trône 108, 1050 Brussels, Belgium].

(3) the Centre of Operations will perform activities to achieve the following charitable purposes:

- (a) promote cultural relationships and the understanding of different cultures between people and peoples of the United Kingdom and other countries;
- (b) promote a wider knowledge of the United Kingdom;
- (c) develop a wider knowledge of the English language;
- (d) encourage cultural, scientific, technological and other educational cooperation between the United Kingdom and other countries;
- (e) promote the advancement of education; and such other activities to achieve these purposes as may be decided by the British Council.

(4) as from 1 January 2012 [or such other date as the Chief Executive of the British Council shall agree, acting under authority delegated by the Board of Trustees], Mr. Hope, Martin, *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) of the Freedom of Information Act 2000** is appointed, with power of subdelegation, as legal representative of the Centre of Operations, who will administer the daily management and the representation of the British Council towards third parties and in court regarding the activities of the Centre of Operations. The legal representative of the Centre of Operations is remunerated as an employee. His mandate shall be valid for four years as from 1 January 2012. The daily management of the Centre of Operations includes, without being limited to, the following:

- (a) to represent and defend the interests of the British Council in Belgium;
- (b) to execute and deliver any and all agreements, instruments, documents, statements, certificates, correspondence and other papers as may be necessary or appropriate for the operation of the Centre of Operations;
- (c) to negotiate and purchase or lease any equipment necessary for the function of the Centre of Operations;
- (d) to negotiate for and enter into any lease in respect of any immovable property, including any lands, houses, or other structures or any part or parts thereof, necessary for the activities of the Centre of Operations;
- (e) to pay all claims, debts, moneys, rents, taxes, charges and other amounts whatsoever now owed, or that may hereafter be owed by the Centre of Operations;
- (f) to demand, sue for, collect, recover and receive all goods, claims, debts, moneys and other amounts whatsoever now due, or that may hereafter be due or are the property of the Centre of Operations and to make, execute and deliver receipts, releases or other discharges therefore;

- (g) to make, execute, endorse, accept, collect, and deliver any and all bills of exchange, checks, drafts, notes and trade acceptances and to pay all sums of money at any time or times as may hereafter be owed by the Centre of Operations upon any bill of exchange, check, draft, note or trade acceptance made, executed, endorsed, accepted, collected or delivered on behalf of the Centre of Operations, and in its name by said legal representative of the Centre of Operations;
- (h) to defend, settle, adjust and compromise all actions, suits, accounts, claims and demands whatsoever that are now, or hereafter shall be, pending between the Centre of Operations and any other person, firm association, company, or authority in Belgium in such manner and in all respects as said legal representative of the Centre of Operations shall think fit, which authority shall include, inter alia, with regards to any courts, arbitral bodies and any legal, administrative and state bodies in Belgium the right to sign the statement of claim; transfer the matter to an arbitration tribunal; withdraw (fully or partially) and acknowledge the claim; change the substance and grounds of the claim; conclude amicable agreement; transfer powers to other persons; appeal against the court decisions; demand of execution of judgments; receive of awarded property or money;
- (i) to represent the Centre of Operations with the postal services, the tax administrations, customs, federal, regional, provincial and/or municipal authorities, and all other public law or private law authorities or administrations;
- (j) to enter into agreements with utility companies (telephone, water, gas, electricity) with respect to the Centre of Operations;
- (k) to execute all formalities with respect to tax and social security legislation;
- (l) to open bank accounts in local and foreign currency, to have the right of the first signature on all documents for conducting any and all banking operations, to manage and operate the opened bank accounts with the right to receive money, to deposit money on accounts, to carry out internal payments, to obtain all information on status of the accounts, and close the bank accounts of the Centre of Operations;
- (m) to hire and dismiss personnel of the Centre of Operations, and to pay salaries, wages or other remuneration as the legal representative of the Centre of Operations thinks fit, and to do furthermore everything which may be necessary to represent the British Council in its labour relations with personnel of the Centre of Operations;
- (n) to collect all letters, documents and packages, whether registered or non-registered, addressed to the Centre of Operations with the postal services, delivery companies and transportation companies (by air, waterway, railway or roadway) or any other company, and to sign all receipts and discharges;
- (o) to take such action as may be necessary or appropriate for developing, commencing and carrying on the business of the Centre of Operations;
- (p) to do all what is necessary for a punctual implementation of the decisions of the British Council and reporting to the British Council; and
- (q) to draw up and deliver all instruments and documents for the exercise of the above competences.

(5) It is further confirmed that a statement confirming the appointment and mandate of the legal representative of Mr. Hope, Martin as legal representative shall be executed under seal of the British Council in the presence of two authorised officers.

(6) Mr. Hope, Martin is hereby authorised as the attorney-in-fact of the British Council in Belgium for any and all matters necessary to accomplish the establishment of the Centre of Operations and the

registration of the foregoing particulars, including but not limited to making statements on behalf of the British Council, filing all reports, forms and documents with the relevant government authorities, amongst other, the drawing up and signing of the forms for publication in the Annexes to the Belgian Official Gazette, as well as the filing with the clerk's office of the competent commercial court and the registration of the Centre of Operation with the Crossroads Bank of Enterprises, the competent VAT-administration and the Social Security Administration, and the appointment of a law firm or other representative of Mr. Hope, Martin as sub-attorney-in-fact. It is further resolved that a statement confirming the appointment of Mr. Hope, Martin as such attorney-in-fact shall be executed under seal of the British Council in the presence of two authorised officers.

Resolution of the Board of Trustees of the British Council on the status of the British Council in Georgia

It is resolved that:

- (1) a branch of the British Council in Georgia shall be established and registered under the laws of Georgia;
- (2) the name of the branch shall be The British Council in Georgia, and the address of the branch shall be British Council, 34 Rustaveli Avenue, Tbilisi 0108
- (3) the registered representative of the branch shall be Zaza Purtseladze, Director Georgia:

*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) of the Freedom of Information Act 2000**

- (4) Zaza Purtseladze is hereby authorised as the attorney-in-fact of the British Council in Georgia for any and all matters necessary to accomplish the establishment of the branch and the registration of the foregoing particulars, including but not limited to making statements on behalf of the British Council, filing reports with the relevant government authorities and/or foreign exchange banks, and the appointment of a law firm or other representative of Zaza Purtseladze as sub-attorney-in-fact. It is further resolved that a statement confirming the appointment of Zaza Purtseladze as such attorney-in-fact shall be executed under seal of the British Council in the presence of two authorised officers.

** Enquiries regarding the redacted information contained within this document should be directed to the Information Policy Advisor: Freedom of Information, British Council, 10 Spring Gardens, London SW11 2BN (foi@britishcouncil.org)*

