

3. CEO report

The CEO brought Trustees' attention to the new structure of the CEO report which focuses on 'Significant Events' and 'Significant Challenges' i.e. live issues the organisation is dealing with. Trustees commented that this is a helpful way of engaging the Board on relevant issues.

He briefed Trustees on the House of Lords International Relations Committee on soft power and cultural relations to which he had given evidence. He noted that Usha had supported him on the preparation for this and it seemed to have gone well.

He also referred to the Independent Inquiry on Child Sexual Abuse (IICSA) which is on the second phase of its investigation. The British Council has been named as a core participant, and is therefore preparing its written response which will be submitted in September in preparation for the public hearing which has been scheduled for February. He noted that a later session at the meeting would provide a more detailed brief for Trustees.

Finally, he noted that he has been elected as a Director for two years of the association of European Union National Institutes for Culture (EUNIC), and that this is important to help us continue to engage with EU countries on cultural inter-change.

4. Organisational Performance Report (finance)

4.1 The CFO gave an update on the end of year management accounts which are showing a net surplus of £5.6m and in line with the accounts presented to the Board in June with some minor adjustments.

He noted that he will continue to embed new processes following the Financial Transparency Project's work so that they are fit for purpose in terms of recording and providing the data that the businesses require.

He also committed to continuing the previous CFO's work on reducing overhead costs and improving the effectiveness of and widening the remit of shared services.

4.2 Australian branch accounts:

The CFO noted that a paper had been tabled with the 2017/18 annual report and audited financial accounts for the British Council branch in Australia, which are required to be approved by the Board of Trustees.

The Board approved.

5. Annual Report & Accounts

The Chair welcomed Paul Fairclough to the meeting.

The COO reminded the Board that a final draft of the Annual Report and Accounts had been sent to them for comment on 12th June. He also noted that the Audit & Finance Committee had reviewed at their meeting on 21st June and had agreed it.

Trustees observed that it was a well laid-out document with good content and gave it their approval.

6. Deep dive: people

The Chair welcomed Gary Elliott and Fiona Bartels-Ellis to the meeting.

Gary gave an update on progress since the HR plan had last been presented to the Board 2 years ago. He also gave his views after four months in the organisation, on challenges and how to address in order to further professionalise the organisation's approach to managing and supporting people.

He referred to a number of areas that need focus, such as pay and reward, performance management, succession planning and talent management in order to build an HR function that properly addresses current business needs.

Fiona briefed the Board on the organisation's work in equality and diversity, including equality monitoring targets, progress in meeting them and the challenges, as well as the Diversity Assessment Framework (DAF) tool which is used to increase awareness and active engagement. She also referred to the equality screening process of new or updated policies and working practices. She noted that it requires a considerable investment in terms of resource but that the benefits in terms of staff engagement and traction are huge.

Trustees noted progress particularly on the EHR system. They also agreed that the equality, diversity and inclusion (EDI) work is strong and were pleased that much of it, e.g. the DAF is seen as good practice externally. They were positive about the approach to equality screening.

They agreed that a strong organisational culture and adherence to the purpose and values of the organisation must guide our approach to addressing HR and EDI challenges.

They also agreed to Gary's plan for progressing changes to the HR function over the next 2 to 3 years. It was agreed that the organisational performance reports will track progress on HR plans and that the Remuneration Committee will also enable Trustees to keep track and hold the organisation to account on specific people issues.

The Chair thanked Gary and Fiona for a stimulating session.

7. Safeguarding update

The Chair welcomed Siobhan King to the meeting.

Siobhan updated trustees on the Inquiry's second case study related to the protection of children overseas and the organisation's obligations in terms of responding. She noted that in part the requirement is for the organisation to provide learnings that can inform future relevant planning and legislation which is very positive, but that we'll also be required to provide explanations and statements as well as a considerable amount of data to demonstrate what we have done.

The Board welcomed the update and agreed that the proposed approach, plan and resourcing was appropriate.

8. Reports from Committees

The Chair brought the Trustees' attention to the pack that had been tabled and which included: a summary of all the Board's committees and their scope; their terms of reference; membership, exec attendees; frequency of meetings and protocols on how they are governed. He explained that this was a response to one of the recommendations from the last Board Effectiveness Review which raised concerns on Trustees not having the full picture in terms of the remit and outputs of the committees.

He noted that an updated pack would be shared with Trustees annually, that comments to improve would be welcome and should be shared with the Secretary to the Board.

8.1 Commercial

Kevin Havelock reported back on the meeting of 5th June.

He noted that the Committee had spent time looking at the exams business and future opportunities, the strategic review of the teaching business and progress on the schools project. They'd also reviewed 2 digital partnership opportunities to develop new products which the Committee was supportive of.

He noted that there had been a good response to the advertisement for 2 independent members of the Committee and that interviews would take place in mid-July.

8.2 Audit & Finance Committee

David Verey reported back on the meeting of 21st June.

He noted that the risk reserve remains at a similar level to last year (£38.7m this year vs £38.8m last year). He said that the Committee had reviewed the Code of Conduct compliance review return launched by the governance team which had had a 100% return rate but only after reminders. The executive will stress the importance of the exercise to managers when it is run again next year. He noted that the second phase of the Financial transparency project will be starting shortly and that most of the team is in place. Finally he noted that it had been Cameron Cartmell's last meeting after 5 years as an independent member and the Committee had thanked him for his excellent contribution.

He also referred to the Annual Report on the Committee's work for information and to the updated Terms of Reference. The Board approved the Terms of Reference.

The Chair of the Board then reminded the Trustees that it had been David's last meeting as Chair of the Audit & Finance committee and thanked him for his excellent stewardship.

8.3 Nominations Committee

The Chair informed the Board that the Nominations Committee recommended Mark Beddy, with CV and references tabled, to be elected as a Trustee and also as the Chair of the Audit & Finance Committee, taking over the latter function from Sir David Verey. The Board approved.

He also informed the Board that Oliver Laird had decided not to request a second term after his first ends in November as his new job means he can't give the time required.

He noted that the Nominations Committee will meet again in the autumn to review the composition of the Board, do some succession planning and bring to the Board for approval.

The Chair updated the Committee on the timeline for recruiting a new Deputy Chair with longlisting taking place at the end of July, shortlisting in September and interviewing at the end of September/beginning of October.

8.4 Risk Committee

Tom noted that there hadn't been a meeting since last reported, but that the Committee had reviewed and agreed the Committee's annual report which was in the Board papers for information with updated the Terms of Reference. The Board approved the Terms of Reference.

8.5 Contracts Committee

The Chair referred to the annual report on the Committee's work over the last year for information.

9. Tailored Review

The Chair welcomed Christopher Wade to the meeting.

Christopher talked through the latest Terms of Reference for the Review. He noted that most of the updates he'd suggested to the FCO following feedback from Trustees at their last meeting had been accepted. One or two items they'd have liked deleted remained as they are standard items of working in all reviews. He briefed on the Triennial Review team and Challenge Group which have both been set up. The Terms of Reference would be signed off in the next week or so and induction for the team would be provided by British Council colleagues over August and September. The Trustees agreed that preparation had been done well.

10. Branch Resolution: Azerbaijan

The CFO noted that we have a branch office in Azerbaijan which is our preferred status. He also asked for approval for the appointment of the new country director as the authorised representative as required by the local authorities.

Gareth proposed and Ros seconded and the Board approved.

The Board also approved to delegate authority to the Executive to appoint subsequent authorized representatives of the branch in Azerbaijan.

11. Chair's business

The Chair reminded Trustees that Rohan, working with Willy and Tom and the Secretary to the Board, was leading on the programme for the Away Day in September. Rohan talked through the outline which he'd tabled and asked for comments. Trustees were pleased with the way it was shaping up and encouraged plenty of time for discussion.

The Chair also reminded Trustees that a Board effectiveness review was being planned and that it will now also cover the Executive Board and Management Board.

He reported on his visit to the United States which had gone well and he'd been impressed with the people he'd met and the potential for the British Council.

12. Any other business

There was no other business and the meeting ended at 13.00.

Summary of action points arising

Updated from previous meetings

17(07)7	Updated IELTS partnership to come to Board for approval	2018
17(07)7	Recommendations on opportunities, funding and contract options for further British Council schools to come to the Board for review and approval	2018
17(07)8	Partnerships due diligence policy and process to go to Risk Committee for review	2018
17(07)8	Novel partnership arrangements to be taken to Risk Committee for review before committing	2018
18(03)8	Nominations Committee to agree proposal for updating Trustee membership to the Commercial and Risk committees	Nov 2018
18(03)10	Boardpad upgrade: information and briefings to be provided for Trustees	Nov 2018

Current meeting

18(04)	Progress on HR plans to be tracked more closely through the impact report and REMCO	December 2018
18(04)	Nominations Committee to review succession planning for trustees and updated membership of committees and bring to Board for approval	Oct/Nov 2018