



House of Commons
Foreign Affairs Committee

**The Work of the British
Council 2008–09:
Responses from the
Government and
British Council to the
Committee's Second
Report of Session
2009–10**

**First Special Report of Session
2009–10**

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The Foreign Affairs Committee

The Foreign Affairs Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Foreign and Commonwealth Office and its associated agencies.

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Committee staff

The current staff of the Committee are Dr Robin James (Clerk), Dr Rebecca Davies (Second Clerk), Ms Adèle Brown (Committee Specialist), Dr Brigid Fowler (Committee Specialist), Mr John-Paul Flaherty (Senior Committee Assistant), Miss Jennifer Kelly (Committee Assistant), Mrs Catherine Close (Committee Assistant) and Mr Alex Paterson (Media Officer).

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Special Report

The Foreign Affairs Committee published its Second Report of Session 2009–10, *The Work of the British Council 2008–09*, on 4 February 2010, as House of Commons Paper HC 333. The Government's response to this Report was supplied to us in the form of a letter from the Parliamentary Under-Secretary of State at the FCO, Chris Bryant MP, dated 29 March 2010. We also received a response from the British Council in the form of a letter from the Chief Executive, Martin Davidson, dated 9 March 2010. These letters are appended below.

Government response

Letter to the Chair of the Committee from the Parliamentary Under-Secretary of State, Foreign and Commonwealth Office, dated 29 March 2010

I have read and noted the Foreign Affairs Committee's Report on *The Work of the British Council 2008–09* which provided a number of interesting reflections on the challenges the Council faces. I attach the response from the British Council to the Conclusions and Recommendations in the Report and have added below some further Foreign Office response.

We will work closely with the British Council as we head into a new spending-round. In the current financial climate it will be doubly important that we focus funding in areas of maximum impact and priority.

On the specific FCO-related points that you raise in the report:

(Recommendation 9) We recommend that the FCO take all steps necessary to support the British Council in its efforts to resume its important work in Iran. (Paragraph 59)

The FCO regrets the Iranian decision to force the British Council to suspend its activities and strongly believes in the importance of cultural relations and people-to-people links. We will continue to support the British Council in its efforts to resume its work in Iran. We have raised this issue on several occasions with the Iranian Ambassador here in the UK, and with officials in the Iranian MFA, but without success so far.

(Recommendation 10) We recommend that the FCO support the British Council's efforts to re-establish itself in Zimbabwe. (Paragraph 61)

The FCO is fully supportive of the British Council's work in Zimbabwe, which includes the work being developed by the Royal Commonwealth Society aimed at re-skilling the diaspora to enable them to contribute to the rebuilding of Zimbabwe.

We will continue to monitor the situation in both countries closely, mindful that well-conducted cultural relations work can be an important lever for democratic change and freedom of expression.

Chris Bryant MP

British Council response

Letter to the Chair of the Foreign Affairs Committee from the Chief Executive, British Council and attached memorandum, dated 9 March 2010

In answer to the Foreign Affairs Committee's Report on *The Work of the British Council 2008–09*, please find enclosed our response to the recommendations and conclusions regarding the British Council's activities, performance and administration. We have also provided answers, in our submission, to the challenges identified in the Report.

We value the Committee's assessment of our work, particularly its support for our strategy and priority countries, including the increased investment in China.

Performance in 2008–09

(Recommendation 1) We conclude that the change in extent of data provided and the presentation of that data in the British Council's 2008–09 Annual Report makes it more difficult to track the Council's performance over a period of years and evaluate it. We welcome the inclusion of narrative case studies as a means of illustrating the Council's work, but conclude that some of the space devoted in the latest report to photographs, and to gimmickry such as half-sized pages and pages with holes cut in them, could be devoted in future to hard information and statistics. We recommend that in future the Annual Report should include fuller performance data, including corporate performance scores and reach, to facilitate year-on-year analysis. We further conclude that the Council should re-instate the use of pie charts to demonstrate country share of regional income. (Paragraph 8)

The British Council's 2009–10 Annual Report will present the organisation's performance data at corporate, regional and country level. It will provide a year-on-year comparison; and a read across the 11 regions. It will adopt a more straight-forward design treatment. We welcome the Committee's guidance on how to present data in the most useable way.

(Recommendation 2) We conclude that the recent decline in some of the scores achieved by the British Council in relation to quality of service, particularly in that relating to engagement with decision makers and senior influencers, gives cause for concern. We recommend that, in its response to this Report, the Council should set out the steps it is taking to investigate the reasons for these declining scores, and give its view of the implications of these trends for future Council policy. (Paragraph 17)

Having reviewed the small number of scores in our Evaluation of Long-Term Outcomes that dipped recently we believe we need greater focus on sustaining relationships beyond

the life-cycle of specific projects. We are working with our network of Country Directors to develop the appropriate and effective response to achieve this.

(Recommendation 3) We conclude that the disaggregation of the British Council’s overall customer satisfaction score into individual scores for “meeting expectations” and “quality of delivery” is to be welcomed. We also welcome the introduction of the new advocacy measure, and recommend that the advocacy rating achieved in each region be reported in the Annual Report. We further conclude that the gap between the scores for level of satisfaction with engagement and for willingness to advocate working with the Council requires further investigation. We recommend that the Council investigate further the reasons for this gap, and report its conclusions in its next Annual Report. (Paragraph 22)

We will report regional advocacy ratings in our 2009-10 Annual Report.

The difference between satisfaction levels and willingness to advocate is a result of the different scoring methodologies used for each measure. Satisfaction is a weighted average score whereas net advocacy is a percentage. We believe our scores compare well with external benchmarks but we will continue to press for improvement.

(Recommendation 4) We conclude that the British Council’s continued commitment to the western Balkans, despite its overall shift in focus away from Europe, is to be welcomed. (Paragraph 30)

We welcome the Committee’s conclusion. We are present in all the countries of the western Balkans, where our role is to support UK interests through contributing to the security and prosperity of the region. We are doing this firstly by sharing UK expertise to help institutions align with European standards and secondly by helping individuals acquire skills—above all English—to enable them to create a long-term relationship with the UK, the rest of Europe and the world. Our programme in the western Balkans is funded partly by grant-in-aid, but increasingly by clients such as the European Union, by major sponsors, and by customers for our teaching and examinations services. While it is true that we have shifted grant-in-aid funding away from Europe to other priority regions, our focus on and commitment to working in Europe as a whole remains strong.

(Recommendation 5) We recommend that the British Council should monitor carefully the trend in engagement and customer satisfaction levels in Russia and North Europe. While we recognise that, given the strategic shift in resources, some decline in both measures provided may be expected, it is important that there be no decline in the quality of the services which continue to be provided in this region, to Russia in particular. (Paragraph 34)

We continue to monitor customer satisfaction and engagement in Russia and Northern Europe, and have appointed champions across the region tasked with driving improvements in the quality of service. We believe this focus will allow us to report a marked improvement in customer satisfaction scores across the region in 09–10.

(Recommendation 6) We conclude that the British Council’s refocusing of priorities which has resulted in increased investment in China, following its categorisation as an emerging economy and therefore a priority region, is to be welcomed. (Paragraph 40)

We welcome the Committee's conclusion.

(Recommendation 7) We conclude that the growth in customer satisfaction levels in the British Council's priority countries and regions is to be welcomed. This is an encouraging indication that the Council's efforts in refocusing its priorities and restructuring its services are bearing fruit. (Paragraph 48)

We welcome the Committee's conclusion.

Challenges

(Recommendation 8) We conclude that the lack of progress towards a Cultural Centres Agreement in Russia is regrettable, and recommend that the Government and the British Council continue to seek a resolution to this long-standing issue. We further conclude that the Council's success in pursuing alternative activities in Russia is to be welcomed and recommend that it is given a high priority. (Paragraph 57)

We agree with the Committee's conclusion and are committed to resuming negotiations as soon as circumstances permit.

(Recommendation 9) We recommend that the FCO take all steps necessary to support the British Council in its efforts to resume its important work in Iran. (Paragraph 59)

We welcome the continued support of the FCO to assist us resume our work in Iran.

(Recommendation 10) We recommend that the FCO support the British Council's efforts to re-establish itself in Zimbabwe. (Paragraph 61)

We continue to deliver support to individuals from our premises in Harare and Bulawayo with the full support of the British Embassy in Harare, our operations focus on capacity-building for young professionals in management and finance; the arts, higher education and journalism.

Administration

(Recommendation 11) We welcome the report on the Council's progress in implementing NAO suggested reforms. We recommend that progress should be reported in the Council's next Annual Report. (Paragraph 67)

We will report as recommended.

(Recommendation 12) We conclude that 2009–10 will be a difficult year for the British Council and that further cuts in staff and services may be unavoidable. In these circumstances it is important that the Council concentrates its activities on its core business and key objectives. We recommend that the FCO should supply us with the British Council's statement of its priorities in allocating scarce resources, in its response to this Report. We further recommend that the Council should update us with information relating to any proposed cuts in services required in order to meet the £11.8 million gap which it has identified in its planning for the next financial year. (Paragraph 78)

Like many international organisations, the following year will be a difficult one. The British Council is taking the necessary steps to put the organisation on a sound financial footing, with mandatory reserves at an adequate level. We have made a fundamental change to the business model of the organisation, achieving recurrent savings of more than £30 million.

330 UK-appointed members of staff will leave on Voluntary Early Retirement by October 2010. The work force in the UK will reduce by a total of 500 by the end of the year, representing 35% of the permanent UK workforce by the end of the year. In addition, we will seek to implement a pay freeze for all UK appointed staff and pay restraint for all overseas staff for the year 2010/11. We are also deferring some non-urgent investment and are making cuts in lower impact programmes.