

MINUTES OF THE 90TH MEETING OF THE ENGLISH UK BOARD OF TRUSTEES (MB90)



Date: Tuesday 7 February 2023
Time: 12:30 - 16:15 GMT (lunch 12:30 - 13:00)
Venue: Hybrid meeting: online via Zoom and Tannery Room, The Leather Market, Weston Street, London SE1 3ER
Present: Mark Rendell (MR) [chair], Jago Brown (JB), Tim Cooke (TC), Catrin Diamantino (CD), Shoko Doherty (SD), Mary Doody (MD), Francesca Giacomini (FG), Neil Harris (NH), Farhan Quraishi (FQ), Stephan Roussounis (SR), Leon Zhang (LZ) and Richard Simpson (RS) [observing]
Attending: Jodie Gray (JG), Huan Japes (HJ), Annie Wright (AW), Nuria Felip Puignou (NFP) [agenda item 9 only] and Susan Young (SY) [minutes]

CONSTITUTIONAL BUSINESS

1. Apologies for absence

Spencer Fordham.

2. Declarations of interest in any item of business on the agenda

None

3. Draft minutes of the 89th meeting of the English UK Board of Trustees held on 9 November 2022

The minutes were approved.

Action points

- a. (to flesh out sustainability in English UK's mission, vision and values) - will come to next board meeting.
- b. (executive to organise member ballot on subs rise) – done and passed.
- c. (to thank Timothy Blake for his work on the English UK rules) - done.
- d. (executive team to propose a process for the third English UK representative on the Accreditation UK executive board) - will be discussed in agenda item 5.
- e. (Andrew Fisher to be formally thanked for services to the Enterprises board) - done.

4. Matters arising and updates

It was requested that the Transport for London issue be added to AOB.

MATTERS FOR DISCUSSION AND/OR DECISION

5. **Proposal: terms of service for English UK members of the Accreditation UK Executive Board (paper MB90/1)**

HJ reminded the meeting that the Executive Board has three English UK and three British Council members and is jointly responsible for the scheme's strategic direction and issues such as debts and withdrawals. Traditionally the three English UK members were the chief executive, the chair and the chair of the now-disbanded English UK Accreditation & Professional Services Board (APSB). When the APSB was disbanded its chair had remained on the executive board. The proposal, said HJ, was to stick to the status quo for the chief executive and main board chair – both could delegate their place if they wished – and for the third member to be drawn from the wider membership. This would be offered to members, chosen by the main board, and the post could be held for up to three three-year periods of service.

2023 could either be the first of a three-year term for the current post holder, with an election process in 2025, or treated as an anomaly year with expressions of interest requested in autumn. The current post holder would be free to apply.

MR agreed the members should be the chief executive, chair and one other.

An amendment that the third person should also be from the main board and not the wider membership was suggested.

- JG said the current English UK members on the Accreditation UK board had a complementary skillset and limiting the third member to the board might mean not getting the right person.
- Main board members tended to have business rather than academic expertise so it would be better to draw the third member from the wider membership.
- HJ said there were already two board members involved – it would be good to have someone with different or complementary skills from the wider membership.
- Could the post be offered for specified skillsets? These could change depending on the experience of the English UK chief executive and chair.

Comments about the wider proposal included:

- The Accreditation UK scheme was being refreshed in 2024 – was that an argument to delay changes to the way the third member was appointed? Accreditation UK Executive Board members would need to participate fully in the refresh.
- Inspections put a lot of weight on the academic side rather than the social and activity elements which affected summer schools – did this need to be represented?
- It was important to cater for the wider membership of year-round schools.

The board took two votes:

- Whether to recruit from within main board or the wider membership including the board. It was agreed 9-2 to recruit from the wider membership.
- Whether to make the change in 2023 or in 2026. It was agreed 7-4 to make the change this year.

Action point/s:

- a. Executive team to create a process to invite applications for the Accreditation UK board post by October 2023, including a required skillset.

6. Saudi Arabia and SACB sponsored students (oral update)

HJ said there had been a largely positive meeting the previous week with the Saudi Cultural Bureau and Sam Dixon and Mark Henebury of the DIT. He had explained that £2m was owed to 20 providers.

A process had been outlined to improve this with a procedure involving an eight-week payment time frame and a single point of contact at the SACB. English UK would now send instructions to members on how to approach SACB and HJ had one contact to pursue if necessary.

There would be a further meeting with the cultural attaché and her deputy to discuss more specific ELT issues. The SACB had concerns about the variable quality of the programmes sponsored students were taking, with some schools having much better outcomes than others. Possible solutions would be discussed and HJ might share some concerns with the wider membership.

Other issues raised by the SACB included the deposits suggested by the DIT which had helped to unblock this process, concerns around Saudi Arabian students placed with other Arabic speakers (although this could be tricky at some times of the year) and being in mixed-level groups. The SACB was also unhappy about members sending invoices when the financial guarantee had not been issued.

Other positive news included that the financial guarantee process would continue. Asked whether the scheme was secure, HJ said the financial guarantee and sponsored students would continue but probably only a few under the King Abdullah scholarship – English UK would need to follow up. JG said one issue was that the SACB might not know about students until they arrived.

In a general discussion, MR asked if the UK was treated the same as everywhere else: JG said we were. HJ said he would ask about the situation of not letting students continue unless a financial guarantee was in place. It was pointed out that accommodation could be a problem for Saudi Arabian students who often arrived with short notice.

Action point/s:

- b. HJ to update the board after the next SACB meeting and raise the issue of accommodation and lack of financial guarantees there.
- c. Members to be encouraged to flag up issues with English UK staff team.

7. Turkey and visa refusals (oral update)

HJ said this issue had arisen in 2019 and we had provided a list of active Turkish agents to UKVI which was keen to train them, though they abandoned this scheme. In 2021 there had been a session with UKVI on study visas and improving access and information was shared with agents in Turkey and the Gulf via English with Confidence on how to avoid visa refusals.

2022 had seen a rise in visa refusals, often on the grounds that it was possible to study English locally. English UK had pushed back on this via the DIT and UKVI had instructed officials not to base consideration on the local study issue, reviewing the refusals to see if other issues were involved. There was evidence of a surge of fraudulent applications, now abated, but we were still dealing with the legacy.

There was some progress in that refusals needed to be based on very clear reasons and some positive changes had been made but HJ welcomed any other thoughts from the board. He was happy to run a session on how to avoid refusals.

A delegation to Turkey was suggested as agents in the region still talked about Steve Phillips' visit and asked for similar action. Turkish agencies wanted to see something happening. HJ said if a date and delegation was arranged he would inform DIT. It was likely there were many new staff in position since the previous action: agents said high-quality applications were being refused and this was an anomaly in the Turkish market. Sometimes the students did get visas but it took so long that accommodation was full and the summer over.

JG said it would also be useful to get figures from agents on lost business and provide these to the DIT and trade commissioner to make the argument.

It was agreed that a small delegation would be a powerful message to the Turkish market that English UK members were keen to have their business and this should happen early.

MR asked if reliable agent training would be useful: HJ said this had not been done since 2021.

Action point/s:

- d. English UK executive to explore feasibility of a delegation/ PR mission to Turkey.
- e. HJ to ask members how much Turkish business had been lost and arrange agent training.

8. VAT, ETOs and the reverse charge rule (MB90/2)

HJ said Mike Payne (MP) had won a VAT case in 1994 with James Dixey to avoid the reverse charge rule. His advice was rather than paying commission to agents on which VAT was liable, to instead work with Educational Tour Operators, sell the service to them at discount and they could sell on at a higher rate to students. The terms agent and commission had often remained in use even though they were not necessarily accurate.

Mike Payne now had a client who was being pursued for VAT on the grounds that courses were not being sold direct to the student and were therefore liable to VAT as “a ticket for admission to an event”. MP thought this was wrong and was going through a dispute procedure.

His argument was that an education service was still being provided and should not be VATable. If this failed, MP and his client had the option of going to the VAT tribunal with a barrister but this would involve large fees and the client might decide to pay.

If the dispute resolution did not find for the client, should English UK have any role? Should we get involved with the tribunal, possibly through a levy of members? There were very serious implications: if selling courses to an ETO was VATable the precedent could be made retrospective. The finance panel had agreed to decide next steps after the judgement was heard.

MR asked what MP’s recommendation had been: HJ said he was happy with the finance panel’s view but thought English UK should then hire a specialist VAT barrister if the decision was unfavourable.

Points made during the discussion included:

- The terms agent and commission were still used by many in the industry. Could we influence the wider industry to stop?
- We should go to a specialist VAT expert for advice: HJ pointed out this had been done a decade ago.
- Should we use a standard representative agreement and terminology? HJ suggested waiting for the outcome of the dispute resolution.
- More and more schools were online: HJ said asynchronous teaching might be an educational product rather than a service and therefore VATable.
- Were all members compliant? HJ said some had decided to pay commission, have agents and pay the reverse charge.

Action point/s:

- f. Engage VAT experts (including from the major firms), find out costs and benefits.
- g. Monitor outcome of alternative dispute resolution.
- h. Check whether Accreditation UK publicity requirements are causing issues.

MATTERS FOR INFORMATION AND/ OR REPORT

NFP joined the meeting for agenda item no. 9.

9. Review of the end-of-year management accounts & cashflow update (Ltd and Enterprises Ltd) (paper MB90/3)

NFP ran through the final results of 2022. Total income was as anticipated which was a good result, and the loss of £93k was lower than budgeted. In reality, 2022 was a better year than the previous one because English UK had been supported with some extra funding in 2021.

The main source of income had been membership revenue, followed by events and training and Enterprises. Administrative costs had been reduced as much as possible, for instance by staff members working from home.

Events and training had performed very well, particularly around safeguarding, and conferences had made more revenue than anticipated in the budget, and so the year had finished with a loss lower than that predicted in the budget. Raising subscriptions had made revenue higher than expenditure, and changing the time at which they were first taken had helped with cash flow. Cash was expected to be low again at the beginning of 2024 but that could be corrected if direct debits were advanced again.

English UK had been able to charge Enterprises the full management charges so the year ended in a break-even position. Both the high and low case scenario cashflows for Enterprises were positive to the end of 2023.

There was a short discussion about StudyWorld, which was not currently expected to meet the budgeted figures. AW said it was challenging for many reasons, not least that members did not have enough staff available to attend. The sponsorship from DIT had not yet arrived and people often booked late, but she thought it would be a good event. Running StudyWorld online raised more revenue as overheads were so low, but we needed to bring agents back to an in-person event.

MR said it was great to have halved the loss anticipated in the budget.

10. Membership update (paper MB90/4)

HJ said there were a couple of new members and we now had 329 compared to 343 a year ago. Losses of state members were much higher with encouraging trends among private schools. New members were International Language College Newcastle and Bayswater Liverpool. Penningtons had left corporate membership but was still providing preferential rates to English UK members.

MR congratulated the team on the ELT conference.

HJ was asked how long before the working group on membership criteria would be able to come up with ideas to stop withdrawals. He said they were preparing more data but most had wanted to leave Accreditation UK: HEIs were not running pre-sessional courses and did not require much support, FE colleges were running ESOL not ELT. There were six organisations which would like to be members if the criteria agreed at the last meeting changed but others did not need English UK's services.

RS said colleagues in his position asked why the University of Sheffield used Accreditation UK when it didn't need to: he said there was a value in the scheme as a good kitemark and quality standard and it could be used for promotional purposes. It was easy to agree they had made the right decision to stick with Accreditation UK but harder convincing others to join.

HJ said for some BALEAP was better and this was another avenue to pursue.

MR suggested simple things could be done to nuance the messaging around the Accreditation UK scheme to convey the message that it was capable of looking at EAP courses: he was reminded that BALEAP accredits individual courses rather than the institution. MR asked if there could be co-operation with BALEAP and revenue-raising joint events.

Action point/s:

- i. HJ to investigate closer working with BALEAP.

11. Public affairs update (paper MB90/5)

HJ ran through the grid, including a recent Budget submission for retail and hospitality grants, the latest on the ID card campaign and the working group on YMS which he currently saw as the main way of addressing the capacity challenge. One of the group's aims was to get more transparent updates from the Home Office for which this was a back-burner issue.

The APPG had run an event on work rights and internships two weeks previously and government officials present would have taken away the key point of the need for internships. We were also working on getting loan facilities for people who wanted to study CELTA or CertTESOL at a private college. Work rights were also a key priority – we had asked for this to be on the ESAG agenda and thought there was a new appetite for the government to look at this.

Other issues raised included:

- Erasmus – EU nationals still wanted to come on work placements. HJ said we would be working with Labour on this issue.
- The government had apparently floated the idea of more work rights for university students – was it worth us putting a proposal together that work rights for 11-month visa students would be a way of getting workers with no access to public funds? HJ said work rights were on the agenda for the upcoming Tourism Alliance board

meeting. It was suggested that we create a proposal outlining how many of hours of labour could be brought to the UK in this way and show what Canada and Australia do. MR said it might be worth presenting this to a think tank and push this message.

12. Capacity challenge update (paper MB90/6)

AW said the first leaflet promoting the teaching roles in the ELT sector was available as a digital PDF and some content might be placed on a microsite rather than trying to use our unresponsive site which did not work well with mobile phones. There were thoughts of doing an equivalent for homestay hosts.

HJ talked about a meeting with Trinity College London and PSI about the CertPT and how to help overseas teachers with UK work rights qualify to teach here.

Key discussion points with the British Council had been around the possibility of adjusting current criteria for TEFLi qualifications.

NH, who had attended, said it had been a positive meeting with real understanding of the industry's challenge and need for support. There was a recognition more needed to be done for 2024, which fitted into the time frame for the refresh. Observations included:

- Young Learners UK had a working party on the issue and would feed back, and would like to see more targeted advertising to attract young adults and more qualifications.
- Was English UK having enough conversations with homestay providers which provided EFL services who weren't accredited – could they be part of the solution? Could they support with the capacity challenge and also represent a membership opportunity?
- Should we be collecting and publishing information on the gender pay gap to show that ELT was a good sector to work in?

Action point/s:

- j. AW to share the draft leaflet on teaching roles in ELT around for comment.**
- k. Executive team to look into getting information on the industry's gender pay gap.**

13. English UK boards, sub-groups and working groups in 2022-23: summary (MB90/7)

AW said this was for information on member engagement.

Action point/s:

- l. English UK to note the number of non-Board members and organisations involved in sub and working groups.**
- m. English UK to thank them at the Members' Conference in May.**

14. Accreditation UK Strategy awayday update (oral)

JG said this was attended by everybody on the Accreditation UK board, including the chief inspectors. It had been useful to lay out the scope of the discussion and the idea was to produce a strategy covering the period to the end of 2025. Mission, vision and values had been refreshed as well as key areas for the unit to expand into metrics of success and priorities. The aim was to create two sets of working documents, an internal one showing progress and the other for anyone to see. MR said the bigger picture was about seeing teaching centres in a more holistic way, and also to create a constantly live scheme rather than one where it was possible to forget about inspections for four years. It was a way of ensuring providers stayed on top of the quality requirements all the time, and grades could be fluid as areas of weakness could become strengths if providers worked on them and then requested reinspection. Developing the digital portal was crucial so that providers could upload documents – much work had already been done on this and it might go live later this year.

There would be attempts to engage the state sector, better publicity and accreditation of online courses and more flex in the criteria would make a better scheme. JG added that there was now a great deal of consensus on this. A question was asked about evaluating financial fitness: JG said this was the time to look at that and there was a process for organisations which had restructured financially.

There would be attempts to engage the FE sector, better publicity and accreditation of online courses and more flex in the criteria would make a better scheme. JG added that there was now a great deal of consensus on this. A question was asked about evaluating financial fitness: JG said this was the time to look at that and there was a process for schools which had restructured financially.

DRAFT MINUTES FOR *INFORMATION*

15. Draft minutes of the Accreditation UK Executive Board meeting held on 24 November 2022

This had arrived today and could be circulated with the next set of board papers.

Action point/s:

- n. circulate Accreditation UK Executive Board minutes with the next set of board papers.

16. Draft minutes of the English UK Finance Panel meeting held on 25 January 2023

HJ said the panel had received NFP's finance presentation and had discussed the VAT issue. They also discussed the pros and cons of working with a new auditor.

OTHER BUSINESS

17. AOB

Two items were raised by board members:

- a) The TEFL Workers' Union had been active at ST Alphe Malaga and was now picketing an English UK member and asking agents to boycott it, which risked creating a reputational risk to English UK. There was a long discussion about the background of the case and it was noted that English UK's role was as a member association.
- b) Transport for London has withdrawn paper weekly tickets, blaming the Department for Transport. London members plus HJ had a productive meeting the previous week where it was suggested pre-loading Oyster cards with a weekly Travelcard, if possible, might be a solution.

JG wanted to minute thanks to AW and HJ for everything they had done in her absence and in particular because she had to begin maternity leave unexpectedly early. She also wanted to thank the rest of the English UK team. MR added his thanks and said they had done a brilliant job.

18. Date of next meeting

Wednesday 19 April 2023.

Meeting closed 16:13