

MINUTES FOR THE 93RD MEETING OF THE ENGLISH UK BOARD OF TRUSTEES (MB93)



Date: Wednesday 15 November 2023, from 13:00
Venue: Tannery Room, The Leather Market, Weston Street, London SE1 3ER and online
Present: Mark Rendell (MR) [chair], Jago Brown (JB), Tim Cooke (TC), Mary Doody (MD), Spencer Fordham (SF), Francesca Giacomini (FG), Neil Harris (NH), Farhan Quraishi (FQ), Stephan Roussounis (SR), Richard Simpson (RS) and Leon Zhang (LZ)
Attending: Jodie Gray (JG), Huan Japes (HJ), Annie Wright (AW), Nuria Felip Puignou (NFP) and Susan Young (SY) [minutes]

CONSTITUTIONAL BUSINESS

1. Apologies for absence

None

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

None

3. Draft minutes of the 92nd meeting of the English UK Board of Trustees held on Wednesday 7 June 2023

There were no points of accuracy#

Action points:

- a) (membership strategy update) – discussed at the board’s extraordinary meeting
- b) (resource pack for members on VAT) – also discussed at the extraordinary meeting with an update later today
- c) (agent-supporting events) - the Enterprises board had discussed market development for the rest of the year
- d) (advancing member direct debts, as last year, to help cashflow) – also discussed in the extraordinary meeting
- e) (Parliamentary reception) - HJ said this was planned for 16 May and Paul Blomfield would be asked to host. If an election intervened, English UK would be credited and hold the event later in the year.

4. Draft minutes of extraordinary meeting (MB92a) of the English UK Board of Trustees held on Wednesday 27 September 2023

There were no points of accuracy.

Action points:

- a) (online seminar about changes to collecting stats) – JG says this might still be considered.
- b) (putting part-time student weeks in the English UK Rules) - HJ said wording for this would be presented later in the meeting.
- c) and d) – (new associate membership category and its rules to go to the board) both proposals coming back to this meeting.

5. Matters arising and updates

There were no matters arising from either board meeting. One member requested the papers be sent earlier: JG said the vast majority had been sent the previous week but the team would try to do this in the future.

MATTERS FOR INFORMATION AND/ OR REPORT

6. Review of the management accounts & cashflow update (English UK Ltd and English UK Enterprises Ltd)

NFP said the YTD spreadsheet showed £917K total revenue, up 25% mainly because of increased subscriptions and the China Roadshow. Total expenditure was 760K to the end of October, but figures would change before the end of the year.

Main points included:

- Cashflow was also better than 2022 because of increased subscriptions income.
- The budget had anticipated a loss of £17K but the current forecast surplus was £3.8K, which was much better than 2022.
- High demand for training and qualifications had increased revenue and other income included higher management charges from Enterprises.
- Cashflow to the end of 2024 was positive compared to previous years.
- Membership revenue YTD was 3% lower than budget but higher than the previous year. The association was expecting to lose three more members but the team was working to recruit more. Asked for membership numbers compared to Accreditation UK numbers, HJ said it was almost 90%. JG could not think of a single private school which had left membership but not Accreditation UK.

Presenting figures for Enterprises Ltd, NFP said the dashboard should not change until end of the year. Expenditure was the total to date and would change when the China Roadshow was paid for.

- Profit was higher than both the base case and high case budget.
- Giving the financial overview, Nuria said YTD forecast showed a profit of £23-24K to the end of the year once the management charge was paid, and this was expected to be £60K.

- 48% of income came from StudyWorld London, 45% from StudyWorld China and the remainder from StudyWorld online.
- The biggest change in the reforecast was StudyWorld China where profit had moved from an anticipated £23K to around £33K. The operating margin was somewhere between the two budgets so it was possible to charge the full management fee and improve reserves.
- There was £150K in the bank account but this would drop when management charges and StudyWorld London costs were paid. This would rise again when bookings for overseas events began to come through. Two different scenarios both showed positive figures to the end of 2024.

JG wanted the board to see the accounts before looking at the budget for 2024 which had already been recommended for approval by the Finance Panel. She observed that it was the first post-pandemic year where English UK was close to a break-even budget, and this had been driven by increasing revenue from events and training to pre-pandemic levels and Enterprises being able to pay the full management charge.

At the end of the year English UK would be able to meet the reserves policy and that was the main takeaway when deciding to approve the 2024 budget.

MR asked if the £22K profit was taxable. JG said it would usually be gifted to English UK but would not because of accumulated losses. The management fee would be increased next year.

MATTERS FOR DISCUSSION AND/ OR DECISION

7. English UK 2024 budget

JG said the budget had been presented to the Finance Panel which had requested some revisions. This version had come to the board for approval but there were also two scenarios – snipped and growth – to look at.

NFP outlined assumptions made in the budget, including a decline in member loss, increased fees and activities in 2024, higher income and expenditure and staff costs than 2023 but no significant change in student weeks. There was an 80% per cent recovery rate on 2019, a 5% increase in subs and the new use of part-time student data so there was an overall increase of revenue in membership compared to last year.

- The member conference would run at a loss and the parliamentary reception should break even.
- It was hoped to recruit more corporate members while events and training would run a similar programme to 2023.
- The partner agency scheme budget anticipated an increased income.

- The QUIC scheme budget was based on the current number of members but BONARD would not be able to give a discount as it had during the pandemic.
- There would be four StudyWorld events rather than three and the management charge would increase
- Office desk rental was expected to continue throughout 2024.
- There would be higher costs for non-earning activities.
- Overhead expenditure would increase, including salaries as staff moved to full time.
- A small surplus of 8.5% was anticipated in the budget.

Outlining two scenarios – one for growth and one snipped – NFP said the first would allow English UK to proceed with projects which had been on hold including the development of a new website.

MR asked if there would be any additional staff roles and which projects had been paused. JG said staff were moving from part-time to fuller hours. NFP said the paused projects included moving from a physical server to the cloud, making CBILS payments and more funding for the capacity challenge. CBILS was a five-year loan and the Finance Panel was keen to start paying it down.

The board approved the budget and NFP was thanked for her work.

8. HE/FE associate membership offer and engagement

HJ said these members would be known as HE or FE associate members and would have a new logo similar to that of corporate members. Technically, they would not be full English UK member centres and would have separate terms and conditions.

Membership was open to all HE/ FE institutions with appropriate accreditation at a fixed fee of £650. The value proposition was the provision of sector-specific market intelligence. State sector data in QUIC and the annual statistics would be more representative of what was actually happening and help ELT centres in the state sector to promote themselves within their wider institution, providing them with access to established ELT communities and amplifying their voices.

The proposed offer was: QUIC for each calendar year, 50% member conference discount and access to password-protected content on the English UK website. Associates would have opportunities to join a national or regional subgroup, be included in the student statistics and on an associate members page. They would not have voting rights, discounts on training or events or inclusion in the course finder or language centre directory. They would not need to be accredited by the Accreditation UK scheme.

The scheme would be reviewed for effectiveness after two years, and the aim was to convert as many associates as possible to full membership. Documents including the terms and conditions would be produced next week.

HJ said the membership team was working on a database of contacts including Accreditation UK non-members and ex-English UK members; ten who had said they would like English UK membership had been identified. The team was identifying contacts from a wider range of universities and FE colleges. An initial promotional email would go out in December with follow-up calls and the scheme would also be publicised in other ways including through the Accreditation UK newswire and promotional webinars.

There were 119 potential members and English UK was hoping to enlist 10% of them. The target did not include FE colleges which were unlikely to join if they only offered local ESOL but it would become very appropriate for them if they revitalised their offer in future.

Questions included:

- Was there a worry that current members would downgrade? HJ said not the ones he had spoken to and he didn't see it as a big downside. Working party member NH said he thought there was a strong move to bring them into the wider organisation while RS thought it was good and full membership would continue to be attractive to the state sector. Other members thought it was politically a good move so that English UK represented the whole sector. HJ said there was a big gap in English UK's statistics as state sector data was not typical of the sector as a whole.
- Marketing suggestions included a testimonial from RS and approaches from regional groups.
- MR wondered whether the members' conference should be free but HJ was cautious of offering too much. He suggested looking at it again if demand was high.

9. Amendments to the English UK Rules

- a) HJ said this was about embedding the associate category in the rules. Changes 2.3.3 and 2.3.4 on the term associate members and the wording change were passed unanimously.
- b) Subscription changes on part-time student weeks.

A trustee noted that one centre – with an unusual business model - was unhappy about the decision to include part-time weeks in member subscriptions calculations and thought it should have been decided by a member vote. He wondered if there should be some way of acknowledging a difference if large numbers of members had students doing nine hours a week and an equally large number 90 minutes. HJ was aware of this centre and said doing the sums had shown they would move from under 250 student weeks to under 500, so a very small increase. Discussions ensued around changes to subscriptions being in the gift of the board and fee changes being voted on

by the membership. HJ pointed out that it was highly unusual to have a member vote on this.

Action point/s:

- a) **Amendment on part-time student weeks accepted pending minor revision to clarify the exclusion for non-commercial weeks.**

10. Accreditation UK Executive Board – English UK representative | ToRs

JG reminded the board it had agreed that draft terms of reference (ToR) for this post, once approved, would be used to advertise and recruit for the position which would be available to an English UK member. In April the board had agreed three positions for English UK representatives – one each for the chief executive and chair or their designates, and one to anyone who was a member of English UK. That seat would have a six-year tenure, nine if approved by the board. This would be shared with the membership to recruit. The paper before the board was the ToR for this, created from the agreement between English UK and the British Council. JG said she would also move forwards the conversation with the current post holder. Points made included:

- Should the ToR state ‘officer of’ rather than ‘employed by’?
- Was the length of service too long or was that useful for continuity? Should it be 3 + 3 years like the board? JG said the accreditation cycle was four years and ideally the postholder would see that through including the criteria and rules review plus implementation. Three years wasn’t even a full cycle. A trustee thought six years was too long – this post should reflect the mood of the moment with appointment or reappointment yearly. Another suggested 4-5 years for continuity. JG noted there was a lot of work involved in the Accreditation UK board.
- Could the current post holder apply? JG said yes, this had been agreed in April.
- Awareness that any one member organisation didn’t have too many co-opted roles on the various different boards. MR said this was really about finding people who were interested with the time to take part.

There were a series of votes which agreed that each term of office should be three years, with six as a maximum term.

11. English UK finance panel | new member

JG said the procedure was for the chief executive to propose a candidate for approval by the board of trustees and that was what she was doing now, proposing Nicki Tinniswood. Nicki had a financial background and commercial experience in the UK ELT sector.

There was no set number of members for the finance panel – there were currently six - but it was a struggle sometime to find meeting dates to suit everyone although a good number with a range of views usually attended.

JG wanted to recruit a new member as Karen Smith-Watson had stood down. Nicki had observed the last financial panel meeting and met JG, Judith Haste (chair of finance panel) and Nuria who thought she was a great fit.

It was asked how this had been advertised to the membership. JG said through the member news – some boards and committees were more popular than others so they sometimes sought personal recommendations. This was historically a difficult panel to recruit for. JG said due process had been followed and there were no candidates, which MR said was pretty typical. The board voted to approve Nicki's candidature to the panel.

Action point/s:

b) The board thanked Karen Smith-Watson and the other members of the finance panel for giving up their time.

12. English UK position paper | next steps

HJ said there had been some success with the nine asks on the position paper and we're planning to put out a statement on this by the end of the year. Additionally, asks 8 and 9 aligned with the DBT's schedule of activity and the ELTAG would be looking at these. The paper would need revision in the light of a likely Labour government, addressing their policies on VAT, business rates and zero hours contracts. Possible reasons for visa reforms should also be included. The position paper might become either a manifesto paper or a 2024 position paper.

JG added that the ELTAG's first meeting had been positive and there were likely to be practical outcomes including DBT funding to support a bigger UK presence at ICEF Berlin in 2024.

MATTERS FOR INFORMATION AND/ OR REPORT

13. Membership update

HJ said the current membership was 327, 33 down on last year, but the rate of loss had slowed considerably. English UK had lost FE colleges in particular but new members were arriving to balance leavers. He outlined contact English UK was having with some centres and added that there were two new corporate members plus a couple undertaking the ACS.

14. Public affairs update

HJ said it was exciting times for public affairs as many MPs were planning to stand down and had become useful allies. English UK was going to approach Paul Blomfield on Labour's VAT policy.

Successes including French school groups being allowed to travel on ID cards from 2024 with third country nationals living in France allowed to travel with the group on their passports. Additionally, there was a new agreement with Japan on youth mobility which would allow 6K young people to travel to the UK and a likely similar rise in South Koreans. HJ suggested thinking about how members could take advantage of this from the training point of view.

Educational Oversight's review process had ended and there would be a call for new tenders which English UK and the British Council needed to be ready for although there was no date yet.

There was no progress on work rights – Robert Jenrick had told Stephen Hammond after the English UK parliamentary reception this would not change within this Parliament. The other major concern was VAT – there was a need to talk to prospective parliamentary candidates in areas where Labour was likely to win the seat. It would also be useful to talk to them about Labour's plans on zero hour contracts and reform of business rates, and ask them to take forward YMS, work rights and ID cards.

SD was praised for her work on the Japanese YMS and it was asked whether it was worth organising a mini conference with Japanese agents. JG said the team was considering hosting a webinar.

It was mentioned that Bournemouth ran a campaign for YMS countries with hoteliers which guaranteed work placements for students on YMS and this had worked well. HJ said he could contact Kate Nicholls at UK Hospitality about that and also the Tourism Alliance and UKinbound.

Action point/s:

- c) Executive team to consider member webinar on making the most of YMS opportunities.
- d) English UK and British Council to consider preparing for a possible Education Oversight tender.
- e) Huan to contact tourism organisations about the possibility of language centres and other organisations working together on YMS.

15. Capacity challenge update

HR said recruitment materials were on the English UK website for use.

- 600 leaflets were given away at careers fairs and the team had spoken to more jobseekers on top of that.
- English UK wanted to engage more awarding bodies in the campaign.
- Also working with Labour on Advanced Learner Loans.
- Getting more YMS agreements and places might help with capacity and a way to promote employment opportunities.

- Surveys on staff and accommodation capacity were planned to provide hard data for lobbying activities and potentially generate ideas for recruiting hosts.

Board members asked whether CELTA and Trinity CertTESOL numbers were rising and about the difficulties of recruiting newly-trained teachers. HJ said the exam boards were reluctant to share numbers. Anecdotally most people taking the courses online did not have UK work rights. It was a challenge for people to consider doing CELTA or CertTESOL when that cost was correlated with pay rates, and that was something for the sector to think about.

16. English UK risk register | updates in 2023

JG reminded the board that the risk register was updated by the finance panel yearly and was a point of information for the board of trustees. Since the board last reviewed the register a year ago the risk around the website had changed from medium to high as NFP had said, due to issues with the hosting company. There was now £20K in the cash flow but not the budget because the plan was to capitalise costs once development began. Proposals would come to the board in the latter half of 2024.

The risks of failure of StudyWorld and loss of key staff had moved from red to amber.

There was a broad discussion on the length of time it might take to build a full or emergency website and whether it might incorporate English UK regional or specialist group sites as well.

17. VAT & UK ELT – next steps

HJ said Deloitte had been contracted and had already advised on how to charge members – VAT had to be applied if there was an opt-out process so costs per head might rise. They would produce technical advice in the next couple of months: they had been given contracts showing how ELT worked and could be used anonymously. There would be a webinar for members and although we could not publish their guidance on the English UK website we intended to quote from their guidance notes. JG clarified that the advice outside the webinar had to be seen to be coming from English UK rather than Deloitte.

DRAFT MINUTES & RECENT PUBLICATIONS FOR INFORMATION

18. QUIC Q2 2023 report | executive summary edition

JG said all the publications in this section had been shared. QUIC Q3 was now being edited and showed an 82% recovery on pre-pandemic (2019) business.

19. Draft minutes of the English UK Enterprises Board meeting held on 05 October 2023

SD said the Enterprises Board was very happy with the budget and the performance of StudyWorld.

20. Draft minutes of the English UK Finance Panel meeting held on 01 November 2023

The board noted the minutes.

21. Global ELT overview: 2022 statistics, published September 2023

JG said there had been a really interesting slide presented at the marketing conference comparing the top 20 global markets with the UK's top 20 source markets and share. It was an interesting comparison of where the UK was underperforming or doing quite well and where members might want to focus efforts.

OTHER BUSINESS

22. AOB

None

23. Dates of meetings in 2024:

Wednesday 21 February, 13:00 – 16:00

Wednesday 17 April, 13:00 – 16:00

Wednesday 05 June, 13:00 – 16:00

(Wednesday 18 OR 25 September?)

Wednesday 13 November, 13:00 – 16:00

MR said two face-to-face meetings were proposed and asked if TC would be in the country for one of them. JG said days could be tweaked but it was not possible to deviate much on the weeks suggested as they fit round the finance panel, signing-off of accounts, English UK events and school holidays.

Action point/s:

- f) Outlook calendar appointments for 2024 dates to be circulated and meeting venues and formats (online/ hybrid/ in person) to be confirmed.

The meeting closed at 16:08