

CCB/UP



Foreign and Commonwealth Office

London SW1A 2AH

4 March 1986

Prime Minister
CDP 4/3

Dear Charles,

Call on the Prime Minister by Sir David Orr,
Chairman of the British Council: 5 March

You asked for a brief covering the topics that may arise at Sir David Orr's call on the Prime Minister tomorrow. This will be Sir David Orr's report to the Prime Minister after one year of his stewardship of the British Council.

He has called on the Foreign Secretary; this will be his first formal call in his present capacity on the Prime Minister. This letter has not been seen by the Foreign Secretary but will be submitted to him in parallel tonight.

Sir David will probably start by referring to his recent visit to India, where the Council does an excellent job. He may mention the need for a new building for the Council in Delhi. This would be desirable and we hope the Council can give it priority in their limited capital expenditure programme. He may also refer to the idea of a Festival of Britain in India, which he accepts could not be until 1990 or 1992. (We need to be sure that resources will be available and that the Indians will cooperate. We suggest the Prime Minister should be non-committal.)

Sir David Orr will then probably go on to talk about the good work the British Council is doing around the world in various fields, on which the Prime Minister will wish to express satisfaction and give encouragement. They have opened one or two posts recently such as Shanghai, Brunei (with the help of commercial sponsorship) and Penang (thanks to the earnings from their English language teaching operations in Kuala Lumpur).

On resources Sir David will be aware that British Ministers have criticised the Council for its habit in recent years of complaining publicly about not receiving enough money from the Government; indeed Sir Geoffrey Howe made this point firmly when Sir David called on him. They seem at the moment to be pursuing their aims more tactfully within the Government machine. The Prime Minister may wish to stress that this is the best way to proceed. Although the Council

/has



have suffered cuts over a period of years, their current position is not too bad. For the next few years their total income is likely to remain stable, though there will be a shift away from the 'mixed money' element which is at the disposal of the Council Board towards contract work for the ODA and earnings from English language teaching etc.

Sir David is likely to stress the importance of new money for the Council, however, for essential security work on their buildings. They will be putting in a bid for about sterling £2.5 m. The Prime Minister might simply take note of this request which will be dealt with in the normal PESC process.

Sir David may then talk about the steady squeeze on the 'mixed money' element of the Council's activities, which could amount to sterling £3.3 m over the next 3 years depending on how inflation goes etc. He is likely to say that cuts and closures to meet this shortfall should be avoided. The Prime Minister may wish to remind Sir David of the beneficial arrangements for Overseas Price Effect negotiated between the Foreign Office and the Treasury, by which the Council benefit. She may wish to suggest that any other shortfalls be met by further Council efficiency savings and by increased earnings.

Finally Sir David is likely to report that the Council Board have agreed they should also put forward a case for new money, amounting to some sterling £17 m over three years, for new activity in many areas where there are needs and opportunities to project the British way of life. The Prime Minister will presumably not wish to pre-empt the Public Expenditure Survey, but take note. She may wish to point out that there are many worthy organisations who could make use of extra funds at this time but that such proposals have to be seen in the context of the Government's overall economic policy.

I attach a note on three other points which may come up: the current management review of the British Council, the appointment of a new Director-General, and UNESCO.

Ireland

You will be aware that Sir David is also the Chairman of the Anglo-Irish Encounter, which has done good work in fostering relations with the Republic in cultural, academic, youth exchange and other such fields. Sir David has let it be known that he would like to hand over this responsibility before the end of the year. Thought is now being given to a possible successor.

Yours ever,

R N Culshaw

(R N Culshaw)
Private Secretary

C D Powell Esq
PS/10 Downing Street



Policy and Financial Management Reviews of the British Council

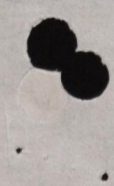
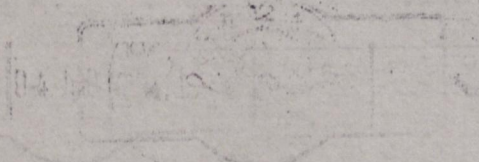
The FCO and ODA, as sponsoring Departments, have now begun a policy review and financial management review of the Council in accordance with the Government's policy of keeping non-departmental public bodies under regular scrutiny to ensure that they and their programmes give value for money. The two reviews will be presented as one report, which the team carrying out the reviews hope to submit by the end of April. The question of adequacy of the Council's funding will also be examined.

The Director-General's term of office

Sir John Burgh was due to retire in December 1985 (age 60). His appointment, with the Foreign Secretary's approval, was extended by 18 months. The Director-General is now due to give up his post in July 1987, after the Council's Annual General Meeting. The process of selecting his successor has begun. Final interviews by the selection committee will take place in July this year. Approval by the Foreign Secretary will be sought in August/September, and it is customary for the Prime Minister to be consulted beforehand.

UNESCO

Details of the allocation of ex-UNESCO funds are now being finalised and an announcement is expected shortly. The British Council will be involved in administration of most of the schemes involved.





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10 DOWNING STREET

From the Private Secretary

24 January, 1986.

The Prime Minister has asked me to thank you for your letter of 22 January and say that she would be delighted to see you following your tour of the British Council's activities in India in February. Could you manage 0900 on Wednesday, 5 March? Perhaps your secretary could telephone Mrs. Ryder in this office to confirm that.

(C.D. Powell)

Sir David Orr, MC, LLD.

A handwritten signature in blue ink, appearing to be 'C.D. Powell'.

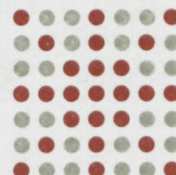
Date . 22nd January, 1986.

Our ref .

Your ref .

Tel ext .

The British Council



Promoting cultural, educational
and technical co-operation between
Britain and other countries

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London SW1A 2BN
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From the Chairman
Sir David Orr MC LLD

CR
Can we please
find a slot, she
ought to see me
CR 23/1

Dear Prime Minister

CR 23/1

It is over a year now since I took over the Chairmanship of the British Council from Dick Troughton. It has been a fascinating year and I am convinced the Council is doing great work for Britain. I am very conscious of the tremendous support which you personally give us, particularly the encouragement of your visits to posts abroad.

I am making a comprehensive tour of the Council's activities in India in February. On my return I would like to bring you up-to-date on this visit and on other Council activities. Could you spare me a few minutes? I promise I will not "bang on" about finance - indeed it will be a meeting concerned solely to keep you informed. May I ring Charles Powell to try to find a date in March?

With best wishes.

Yours sincerely
David

CR
0900 on
Wed 5 March
for 1/2 hr.
CR

The Rt.Hon. Margaret Thatcher,
10 Downing Street,
London SW1



DA

10 DOWNING STREET

From the Private Secretary

SIR ROBERT ARMSTRONG
CABINET OFFICE

Thank you for your minute of 16 December about Sir David Orr. The Prime Minister has agreed to see him and we await his call to fix a time.

(Charles Powell)

18 December 1985

DA



Prime Minister

8

Ref. A085/3278

Yes not

Agree to see

Sir David Orr,
Chairman of the British
Council? CDP

MR POWELL

17/xii

Sir David Orr came to see me today, to give notice that he did not feel able to continue indefinitely as joint chairman of the Anglo-Irish Encounter, now that he had taken over as chairman of the British Council. He proposes to retire about the middle of 1986.

2. We shall be considering, and making proposals about, a possible successor in due course.

3. Sir David Orr also said that he was aware that his predecessor as chairman of the British Council, Sir Charles Troughton, had been to see the Prime Minister from time to time to tell her about the Council's activities and plans. He thought that it might be useful for him to continue this practice. Accordingly he has it in mind to propose himself to come to see the Prime Minister during the latter part of next month. He emphasised that he would not be coming cap in hand: he would not be wishing to ask for anything but simply to bring the Prime Minister up to date.

RA

ROBERT ARMSTRONG

16 December 1985

