

## **EXECUTIVE SUMMARY**

1. The Tailored Review of the Great Britain China Centre (GBCC) found evidence that GBCC continues to perform an important function in the UK-China relationship; makes a positive contribution to UK priorities in China; and represents good value for money for the taxpayer. The Review concluded that GBCC should remain a Non Departmental Public Body (NDPB) of the Foreign and Commonwealth Office (FCO).
2. The major risks to GBCC are financial. China's potential graduation from Official Development Assistance-eligible status, possibly in 2023, would require a transformation of GBCC's current funding model. The Review Team recommended that the FCO and GBCC begin discussions now about how funding would be secured if China ceases to be eligible for ODA in 2023.
3. GBCC has posted a loss for the past two financial years. The Review Team noted that this was done in a considered way, for strategic reasons, and in the knowledge that GBCC could still meet its contingent liabilities. The decision to draw on reserves was consistent with the information available at the time, but is not sustainable. The Review Team recommended that the Board review staffing requirements following the outcome of the Prosperity Fund bidding round.
4. GBCC's current strategy is aligned with FCO and wider HMG China objectives, although there is scope for the FCO and GBCC to consider further how best to use GBCC to develop and strengthen the bilateral relationship in both the short and longer term. The Review noted that the British Embassy Beijing should be an integral part of this conversation.
5. GBCC plays a key role in developing relationships and promoting understanding between UK and China. A range of British and Chinese stakeholders told the Review Team that the Leadership Forum, Young Leaders Round Table and Judicial Dialogue complement the various government-government UK-China dialogues. Several senior stakeholders on both sides suggested that the format of the Leadership Forum enabled a "strategic" and "longer-term" discussion of UK-China bilateral relations between a wider range of participants than would be present in government dialogues. The Review judged that, in addition to the formal dialogues, GBCC's facilitation of regular exchanges between officials, practitioners, and experts on both sides, helps strengthen bilateral relations and mutual understanding.
6. The Review concluded that there remains scope to deepen the political dialogues including by ensuring they are better coordinated with the increasing number of non-governmental dialogues between the UK and China such as those led by universities; reviewing the approach used to identify potential "emerging" leaders on both sides; and better engagement with alumni. GBCC should also consider ways to continue to strengthen how it monitors and measures the impact of these events.

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7. GBCC's work on the Rule of Law continues to have an impact in China and is of importance to both sides. GBCC has developed excellent working relationships over a number of years with key British and Chinese actors in the legal field.
8. The Review found evidence to suggest that GBCC is largely an effective implementer of projects and programmes on behalf of HMG and other donors, and that the majority of these projects have had a positive and demonstrable impact in China. Evidence suggested that the key to GBCC's ability to deliver results has been its convening power in both countries; its arm's-length status as an NDPB; the expertise of its staff; and relationships built-up over time with institutions in the UK and China. This has enabled GBCC to operate in politically and diplomatically sensitive areas, including on human rights.
9. The Review concluded that much of GBCC's work on the Prosperity Fund has delivered on its objectives and contributed to planned outcomes. However, there have been some challenges around the implementation of the Prosperity Fund. GBCC and British Embassy Beijing have identified areas for improvement on Prosperity Fund projects, including aspects of communication, project delivery and the working relationship between Embassy as donor and GBCC as implementer.
10. GBCC is a lean organisation, which manages to leverage its Grant in Aid (GIA) to have a disproportionate impact on UK-China relations relative to the size of the expenditure. The Review identified some areas for potential efficiency savings, including exploring options for moving to a more cost effective location and considering further shared services.
11. GBCC attributes some of its financial challenges to uncertainty over the funding model to be used by the Prosperity Fund. These challenges have driven GBCC to look for new sources of funding and sponsorship. The organisation's objectives are intentionally broad to ensure the flexibility to bid for funding from a wide range of potential donors and funding streams. GBCC is conscious that this should be kept under review, as it carries the risk of diverting attention from core activities and stretching limited resources.
12. Given its small size, the GBCC does an impressive job in meeting most of the considerable governance requirements inherent in its status as an NDPB, particularly its strong showing on the requirements for 'accountability for public money' and 'effective financial management'. The Review found some issues to address around the diversity of Board membership, freedom of information and data protection. The Review also recommended some steps that GBCC and the FCO (as its sponsoring department) might take to improve their joint working practices. Reconsideration of the central support the FCO offers to its teams managing ALB relationships was also considered key to improving operational aspects of the relationship.

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## **CHAPTER ONE: INTRODUCTION**

### **The Aims of the Review**

- 1.1 Good government requires public bodies that are efficient, effective and accountable. The government's approach to public bodies' reform for 2015 to 2020 is based on a two-tier approach to transformation: a programme of cross-departmental, functional reviews coordinated by the Cabinet Office, coupled with ongoing, robust 'tailored reviews' led by departments with Cabinet Office oversight and challenge. The aim of all such reviews is to provide a robust challenge to, and assurance of, the continuing need for the organisation in question - both in function and form.
- 1.2 The Review Team carried out this Review of the Great Britain China Centre (GBCC) in accordance with Cabinet Office guidelines set out in '[Tailored Reviews: Guidance on Reviews of Public Bodies](#)'. The Review has been categorised by the Cabinet Office as a Tier 3 Review, reflecting GBCC's relatively small size and level of funding. The Review took a suitably proportionate approach.
- 1.3 The Terms of Reference for the Tailored Review of the GBCC can be found at Annex I The Review considered in particular:
  - whether functions of the GBCC continue to be relevant and necessary in terms of delivering the Government's objectives, and whether these functions are delivered effectively and efficiently.
  - whether GBCC is governed effectively and how the sponsoring Department is fulfilling its responsibilities in this regard.

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### **Process and Methodology**

- 1.4 Two FCO officers conducted the Review over the period November 2018 - January 2019. As per Cabinet Office guidance, the team were independent of East Asia Department (EAD), the FCO sponsor for GBCC. One of the team members had previously served at the British Embassy Beijing and speaks Mandarin Chinese. Other FCO colleagues with relevant experience and expertise on specific governance issues provided additional input.
- 1.5 As a part of the 2010 to 2015 Public Bodies Reform Programme, the FCO conducted a Triennial Review of the GBCC in 2013. A summary of the main findings of the Triennial Review and follow-up action is included at Annex III. The Review Team considered the recommendations of that review as part of its work, but also recognised that the organisation had evolved considerably since 2013.
- 1.6 The main elements of the Review's methodology were:

- **Stakeholder interviews:** a stakeholder mapping exercise was carried out with input from the GBCC, FCO and BE Beijing. Over 40 stakeholders were interviewed in the UK, and a Review Team member visited Beijing to meet key the British Embassy and Chinese stakeholders. An indicative list of stakeholders interviewed is available at Annex VI.
- **Online survey:** the Review Team sent a short survey to over 100 individuals and organisations that GBCC interacts with; a summary of the survey results is available at Annex IV.
- **A desk-based review of key internal and external documentation** including the Management Statement, GBCC's annual reports, Board minutes and accounts and the 2018- 2023 Strategic Framework. An indicative list of documentation reviewed is provided in Annex VII.
- **Discussions with FCO corporate experts,** particularly policy and corporate service departments in the FCO who work closely with GBCC who helped the Review Team with specific enquiries on financial and governance issues.

The Review Team worked closely with GBCC, giving its management the opportunity to comment on both the emerging findings and the draft report.

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## Follow-up

- 1.7 The conclusions and recommendations in this review are based on an assessment of evidence drawn from the sources mentioned above. This review does not include a plan for implementation, or timelines for delivery of the recommendations. Following discussion by the Board of Governors, GBCC Management and the sponsor department should meet to agree a clear timeline for delivery in the first quarter of FY 2019/20, aiming to complete implementation by the end of the year.

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## Acknowledgements

- 1.8 The Review Team would like to thank all those who took time to contribute to the Review. Throughout the process, the Team worked closely with East Asia Department (EAD), and was grateful for their full and active engagement.

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## **CHAPTER TWO: THE GBCC - AN OVERVIEW**

- 2.1 The Great Britain China Centre was established in 1974 in order to promote “understanding between... the UK and China by fostering closer cultural, economic, social and other contacts between [the] peoples”.<sup>1</sup> This mission reflected the need to broaden and strengthen dialogue between two countries with competing ideologies and different political and social systems, and the need to establish organisations on the British side that could engage with Communist Party bodies without direct counterparts in the UK. In the wider context of UK-China relations and the political environment in China in the mid-1970s, GBCC was able to supplement the work of other UK institutions, such as the British Council, whose activities were restricted in China.
- 2.2 GBCC has retained aspects of its original purpose and function. Its overall mission remains to promote understanding between Britain and China. However, the organisation has also changed substantively over time. Its objectives, status and activities have altered to reflect changes in China; evolving British and Chinese priorities; shifts in the wider bilateral relationship; and the emergence of new actors on both sides. In its early decades the GBCC facilitated exchanges and contacts across a wide range of social, cultural and scientific issues, as well as encouraging city twinning and work placements for young Chinese professionals. From 1991, its activities have increasingly targeted issues of legal reform, rule of law and good governance. This remains GBCC’s core area of expertise, together with its flagship political dialogues that bring together members of UK political parties and the Chinese Communist Party.
- 2.3 The GBCC is the smallest of the FCO’s Non Departmental Public Bodies (NDPB). The Foreign Secretary approves GBCC’s strategic objectives and the policy and performance framework within which GBCC operates and approves the Grant-in-Aid (GIA). East Asia Department (EAD) are the sponsoring department within the FCO. Their role is examined in Chapters 8 and 9.
- 2.4 GBCC and FCO have agreed a ‘Management Statement’, which sets out the broad framework within which the GBCC operates. This includes GBCC’s overall aims, objectives and targets in support of the FCO’s wider strategic priorities; the conditions under which it receives public funds and how it is accountable for its performance.
- 2.5 As a Non-Departmental Public Body (NDPB), the GBCC has a separate legal identity (it is a not-for-profit company limited by guarantee) and is operationally independent of its sponsoring department. It is governed by a voluntary Board of Directors. The Chair, Sir Martin Davidson, is a former chief executive of the British Council. Board members include MPs and representatives with legal, academic and business experience plus knowledge and experience of China. Further support is provided by the GBCC’s Honorary President (currently Lord Mandelson) and six Vice Presidents.

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<sup>1</sup> Quotation from ‘*The Memorandum of Association of the Great Britain-China Centre*’ dated 04/10/1974

- 2.6 GBCC staff comprises an Executive Director and eight further staff members with legal, political and development expertise in China. All staff are bilingual or can operate effectively in both English and Chinese. Since September 2018, the China Britain Business Council (CBBC) has provided financial, human resources and administrative support to GBCC under a shared services agreement.
- 2.7 As an NDPB, GBCC receives funding from the FCO in order to achieve the purpose set out in its Management Statement. GBCC also generates funds by competing for and running projects, and receives commercial sponsorship for some of its programmes. The economic sustainability and efficiency sections of this report will consider further the organisation's finances.
- 2.8 In January 2018, the FCO and GBCC Board approved a new 5-year Strategy for 2018 – 2023. The Strategy identifies an overarching planned impact, and three priority outcomes.

*Planned Impact: Strengthened UK-China partnerships to advance rule of law and political dialogue.*

*Outcome 1: UK and Chinese political and policy-making actors are engaged in a robust and progressive relationship.*

*Outcome 2: Partnerships and shared best practice in support of China's legal and judicial reform for a fair, transparent and accessible legal system across criminal, civil and commercial law.*

*Outcome 3: UK and Chinese cooperation to strengthen the Rules-based International System that underpins international trade and respect for human rights.*

- 2.9 The main activities GBCC undertakes to deliver these outcomes include:
- the facilitation of political and economic dialogues bringing together both well-established and up-and-coming members of British political parties with members of the Chinese Communist party and the Communist Youth League;
  - judicial dialogues and cooperation including an annual round table which brings together senior judges from both countries to share experience and best practice;
  - work with the Supreme People's Court and local courts in China to, amongst other things, strengthen the professionalism and independence of judges.
  - rule of law exchanges: bringing together incoming Chinese delegations and leading UK legal practitioners, officials and academics to discuss major rule of law issues.

A full list of projects are included at Annex V.

## **CHAPTER THREE: RELEVANCE AND STRATEGIC ALIGNMENT**

- 3.1 The Terms of Reference asked the Review to consider whether the functions of the GBCC as set out in its Management Statement are still required, whether they align with FCO and wider government objectives, and whether GBCC's activities are consistent with these functions.

### **Relevance**

- 3.2 During President Xi Jinping's State Visit to the UK in 2015, the two countries agreed to establish a "Global Comprehensive Strategic Partnership for the 21st Century". This commitment to a "global partnership" reflects the fact that the UK and China are two of the world's largest economies, and are permanent members of the UN Security Council with global interests. The partnership demonstrated the importance attached by both sides to the relationship, and to the increased scope and range of bilateral cooperation.
- 3.3 UK-China relations are increasingly complex and global, and carried out through a variety of government-government, people-people, and business-business contacts. Despite these increased contacts, there remain areas of divergence between the two countries. These are partly the consequence of different traditions, different political systems, and in some cases different values and competing national interests. In this context, it is vitally important for each side to understand the other and to maintain dialogue not only on areas where there is potential for new and strengthened cooperation, but also on areas where there are disagreements and diverging views.
- 3.4 The Review Team found that both UK and Chinese interlocutors believed there was a clear requirement for GBCC's work to promote trust and understanding and build relationships between British and Chinese government, judiciary and policy makers. Evidence from British stakeholders, including former Ministers, academics, civil servants and legal experts, noted that the UK's understanding of China is at a very different level to the UK's understanding of key western partners. These stakeholders emphasised the importance of a cross-party body to bring together MPs and political figures from a range of parties and backgrounds and at various stages in their careers, and facilitate their engagement with key Chinese institutions, in particular the Chinese Communist Party.
- 3.5 One senior UK stakeholder commented that "if we wish to have a more diverse and durable relationship with the Chinese political system, we need to equip more of our politicians and wider leaders with the knowledge and experience to engage with a superpower which differs fundamentally from our relationships with other big powers". GBCC's overarching objectives, to build understanding and strengthen partnerships, and their efforts to ensure politicians and policy makers are "engaged in a robust and progressive relationship" (Outcome One) directly address this need.
- 3.6 Chinese Communist Party officials interviewed by the Review Team emphasised the importance and relevance of GBCC's role in bilateral relations.

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They welcomed the opportunity for more “strategic”, “long-term” and less formal interaction than is possible in government-government dialogues. Several noted a desire for an even greater level of activity than GBCC’s current size and budget allows.

- 3.7 GBCC’s work to “share best practice in support of China’s legal and judicial reform” (Outcome Two) was also recognised as relevant and important. In particular because work in some areas of criminal justice reform, including around torture and use of the death penalty, is politically sensitive in China, and there are limits to the activities of foreign organisations in these areas. Engaging on these issues in China is important to the wider UK values agenda.
- 3.8 Since coming to office, President Xi has emphasised the importance of Rule *by* Law. This concept is not identical to Rule *of* Law as understood in the UK. There is an appreciation amongst Chinese officials that a stable and more predictable legal environment will support inward investment and sustainable economic reform. In this context, Chinese institutions have been keen to explore examples of best practise from around the world, providing opportunities for British engagement and progress on UK commercial, political and values objectives.
- 3.9 The FCO has identified the Rules-Based International System (RBIS) as an area in which it is essential to develop cooperation and understanding with China. GBCC's inclusion of RBIS in its new objectives reflects this. As China adopts a more assertive international role, including through the Belt and Road Initiative, securing China’s continued support for the RBIS that underpins international trade and investment, respect for human rights, gender equality, and poverty alleviation is of critical importance to UK interests.
- 3.10 Stakeholders consulted by the Review Team had mixed views on GBCC’s decision to extend its objectives to include the wider issues within RBIS and rule of law for business. A number of stakeholders, including academics and members of FCO staff, suggested that the predominance of English law for international commerce, the use of highly specialised world-renowned English legal services, and the UK’s position as a global leader in commercial dispute resolution courts and arbitration provided a natural entry point for mutually beneficial cooperation and for discussing the wider RBIS.
- 3.11 Other stakeholders disagreed with this assessment, and felt that GBCC should instead focus on areas where it had had a “unique” offer and a proven ability to deliver impact over the longer-term, for example on criminal justice reform. One academic stakeholder suggested that FCO was too directive in its relationship with GBCC including by asking the organisation to work on RBIS and Rule of Law for Business, and this had the potential to divert GBCC’s focus away from its core strengths on areas such as criminal justice reform and from its key relationships in China.
- 3.12 The Review Team judged that including RBIS in GBCC’s strategy was a logical decision given its importance to FCO and HMG objectives, and reflected the importance attached by both British and Chinese governments to exploring

cooperation under the Belt and Road Initiative. The Review Team also noted a synergy between GBCC's work in these areas and work with the legal community on judicial reform.

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## Strategic Alignment

- 3.13 HMG's current priorities in China include developing a strong and effective political relationship, supporting Chinese reform and modernisation, increasing trade and investment and engaging with China on international issues of mutual concern and in support of the Rules Based International System. The UK delivers this through a range of activities, including regular diplomatic engagement and projects, and annual Ministerial-led dialogues, notably between the Prime Minister and Chinese Premier, and the Chancellor, Foreign Secretary, and Trade Secretaries with their Chinese counterparts.
- 3.14 GBCC's Management Statement makes clear that the organisation needs to align its activities and priorities with the FCO's priorities, and by extension HMG's wider China policy. The FCO's Permanent under Secretary is responsible for ensuring that GBCC delivers on this objective, although he delegates day-to-day management and oversight of the relationship with GBCC to FCO's East Asia Department (EAD).
- 3.15 GBCC's activities take forward a range of objectives in the FCO's Single Departmental Plan. For example Sections 2.2 and 3.2 of the latter refers to: (i) championing human rights and the rule of law; (ii) deepening relationships between states and peoples..."; (iii) Reinforcing the WTO and (iv) Promoting economic development and security, clean and sustainable growth and better business environments in key markets. The Review Team judge that GBCC's current strategy, which covers the period 2018-2023, aligns with FCO's current priorities in China.
- 3.16 GBCC's priorities are also consistent with elements of other British government strategy documents. These include the National Security Capability Review, in particular the sections on '*Global Britain*' values, and *Economic Security, Prosperity, and Trade*; and the 2015 international development strategy 'UK Aid: tackling global challenges in the national interest', which states that HMG will: "use Official Development Assistance (ODA) to promote economic development and prosperity".
- 3.17 GBCC discussed the development of their 2018 Strategy with members of the FCO's East Asia Department. The Head of EAD was also involved through his position on the Board. Opportunities for senior officials from the British Embassy Beijing to feed in were more limited. Embassy officials told the Review team that they would welcome the opportunity to contribute to discussion of GBCC's strategy. The Embassy includes representatives from departments that operate in China in similar areas to GBCC, such as DIT, DFID, and HMT, so their input would be additionally valuable. The devolved administrations were also not consulted on the strategy.

3.18 The Review Team felt that it would be beneficial for the GBCC to seek views from a wider range of HMG stakeholders on its strategy. However, given pressure on its resources, it is essential that GBCC and the FCO carefully prioritise which areas the organisation should focus on. HMG's China objectives are wide ranging. GBCC's objectives should focus on a narrower range of issues where they can add value to work of FCO and others.

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### **Alignment of GBCC's Activities with its Function**

3.19 The Review Team confirmed that the outputs of the activities undertaken by the GBCC (see list at Annex V) are closely aligned with the organisation's function and stated objectives. Activities undertaken by the GBCC to "support UK and Chinese politicians and policy makers engaging in a robust and progressive relationship" include political and judicial dialogues (the UK-China Leadership Forum, the Young Leaders Round Table and the UK-China Judicial Round Table) as well as numerous ad hoc visits, meetings and interactions. In 2018, GBCC piloted a cross-Whitehall training course for officials new to working on China, and hopes to extend this model further, possibly including a cohort that brings together emerging UK leaders in the civil service, politics, business, and academia.

3.20 The Judicial Round Table, judicial exchanges, provision of training for Chinese judges and GBCC's projects in areas such as detainee rights, death penalty reform and strengthening legal defence are consistent with the strategic objective of "developing partnerships and shared best practice in support of China's legal and judicial reform". These projects have been funded through UK government programmes (such as the Magna Carta Fund) and funds from the EU and other governments.

3.21 Supporting UK and Chinese "cooperation to strengthen the Rules Based International System" is the newest of GBCC's objectives. Activity in this area includes the expert working group on commercial dispute resolution and the annual rule of law roundtable with the China Law Society under the Prosperity Fund.

**Finding:** the Review Team found that the functions of the GBCC as set out in its Management Statement are still required, are aligned to FCO and wider government objectives, and that the GBCC's activities are consistent with these functions.

**Recommendation 1:** The Review Team recommends that when updating its strategy GBCC seeks views from a wider range of HMG stakeholders, whilst continuing to ensure alignment with the priorities agreed with the FCO in its Management Statement. These priorities should continue to be targeted in areas where the GBCC has a strategic advantage.

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## **CHAPTER FOUR: EFFECTIVENESS**

- 4.1 As discussed in Chapter 3, the Review Team concluded that GBCC's strategy aligns with FCO and wider HMG objectives. This section looks at the effectiveness of this strategy, and the methods GBCC uses to measure and evaluate its impact.
- 4.2 GBCC delivers its strategy through various activities, divided into two broad categories: political, economic and judicial dialogues, and project and programme work.
- 4.3 These activities cover a range of areas. GBCC staff told the Review Team that its overarching objectives were intentionally broad in order to help access a wide range of potential funding streams and avoid over-reliance on a narrow set of activities or donors, which could make it vulnerable to either a change in priorities or a shift in the political environment in China. This approach to strategy formulation points to a central challenge facing the organisation: the need to achieve a sustainable financial basis, an issue that is covered in Chapter 5 of this Report.

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### **Methods of Evaluation**

- 4.4 GBCC's Management Statement requires it to "operate management information... systems which enable it to review in a timely and effective manner its... performance against... targets set out in its agreed corporate and business plans". It also needs to report regularly to the FCO on "its performance in helping to deliver Ministers' policies, including the achievement of key objectives". The FCO is required to keep this under regular review.
- 4.5 GBCC undertakes evaluation in two main ways: project evaluation and its Results and Evaluation Framework. All programmes and projects implemented on behalf of FCO apply a standard approach to project management and evaluation. This involves setting objectives, monitoring performance, and evaluating impact against the objectives. The Review found good evidence to suggest that GBCC is following these procedures correctly, and providing sufficiently detailed evidence to enable FCO to assess the impact of projects.
- 4.6 Projects implemented on behalf of the EU require a similar assessment framework, although the EU uses external consultants more frequently than FCO to assess the impact of projects. This means that evaluation of EU-funded GBCC projects is sometimes more comprehensive than for those funded by the FCO.
- 4.7 Grant in Aid (GIA) is subject to different rules. GIA is paid where the government has decided that, subject to Parliamentary controls, the recipient body should operate at arm's length. The sponsor department does not seek to impose the same detailed controls over day-to-day expenditure as it would over

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a grant. This means that the FCO does not require GBCC to provide it with detailed financial reports for GIA expenditure. The terms of the FCO's Grant in Aid to GBCC specify that the funding provided is Official Development Assistance (ODA), implying a responsibility on the part of the GBCC to ensure that any activities funded through GIA comply with the definitions of the OECD Development Assistance Committee's ODA Directives. EAD told the Review Team that it would welcome more detail from GBCC about the use and impact of GIA, and noted that this could help justify GIA expenditure and also secure further resources for GBCC. This issue has been raised by EAD in GBCC Board meetings.

- 4.8 The Review Team noted that GBCC has taken a proactive approach to measuring impact. In particular, in 2018 it developed a "Results and Evaluation Framework" to measure the impact of its activities over time. This includes using the Framework to assess activities funded by GIA, such as the judicial dialogues, and by sponsorship, such as the Leadership Forum and Young Leaders Round Table. (The sponsors of these events do not require GBCC to provide detailed impact assessments.) GBCC publishes details of major activities on its website, and includes a narrative summary of its activities in its Annual Report. It also meets regularly with FCO to update on progress.
- 4.9 This process is not as rigorous as the process used for evaluating project and programme activities. The Review Team noted that some of the metrics used in the Framework were vague, and could be refined further. GBCC staff explained that the benefits and impacts derived from many of these events were intangible and indirect and therefore difficult to measure. GBCC told the Review Team that it would continue to consider how better to capture activities, outcomes and impact, and that it would welcome further discussion with FCO on this point.
- 4.10 The Review recognised that measuring this type of impact is challenging. However, in line with increasing FCO efforts to capture the outputs of Posts' influencing and core diplomatic business, it is important that GBCC continues to develop metrics that can capture the development and utility of long-term partnerships, including by monitoring the career progression of alumni.
- 4.11 The Review Team noted that the Results and Evaluation Framework does not constitute a fully developed theory of change model linking together GBCC's objectives, activities, and outcomes. GBCC might consider discussing with HMG experts (including DFID and soft power experts who manage long-term relationships such as the British Council and FCO scholarships teams) about how to improve the Framework.

**Finding:** The evidence demonstrates that GBCC is a largely effective implementer of projects and programmes and that it applies the required evaluation procedures appropriately. FCO, in line with government-wide rules for Grant in Aid, does not set GBCC detailed reporting requirements for Grant in Aid expenditure. GBCC has developed a Results and Evaluation Framework, which it uses to monitor and evaluate its activity, but this could be refined further.

**Recommendation 2:** GBCC should consider ways to better measure and capture the impact of its activity funded by Grant in Aid and Corporate Sponsorship. GBCC should also consider further refining and adding to the qualitative and quantitative metrics contained within its Results and Evaluation Framework, including potentially by applying a theory of change model linking all its activities to outputs and outcomes.

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## Political Dialogues

- 4.12 Bearing in mind some of the challenges with evaluation identified in the preceding paragraphs, the Review conducted a light-touch assessment of GBCC's effectiveness in delivering its strategy.
- 4.13 During the period covered by the Review, GBCC led two series of annual bilateral political dialogues: the UK-China Leadership Forum, and the Young Leaders Round Table. Both events are funded through sponsorship from the private sector. The Leadership Forum tends to cover UK-China relations, a domestic challenge facing each country, and topical international issues; the Young Leaders Roundtable tends to focus on emerging trends in both societies, for example the opportunities and risks associated with technological advances in areas such as Artificial Intelligence. GBCC also supported a wide range of related visits and events in UK and China between the annual dialogues.
- 4.14 GBCC describes the dialogues as providing "non-state, non-partisan platforms for leaders to engage in substantive discussions on the political and socio-economic issues of the day and to build lasting professional relationships"<sup>2</sup>. GBCC's Chinese partner for the Leadership Forum is the International Liaison Department of the Communist Party of China (IDCPC) and for the Young Leaders' Round Table the All China Youth Federation (ACYF), a Communist Party body.
- 4.15 The Review found evidence to suggest that both the Leadership Forum and the Young Leaders Round Table add value in terms of wider UK-China objectives. As a "Party to Parties" dialogue, the Leadership Forum is not subject to the same pressures as government-government dialogues. Both Chinese and British stakeholders commented that this has an effect on the form, content, and tone of discussions. Participants felt the Forum allowed time for detailed discussions, including of "more strategic" issues affecting the bilateral relationship, whereas government-government dialogues focussed more on "short term diplomatic outcomes". Some UK participants felt they were able to express views in a way they could not if they were participating as representative of HMG.

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<sup>2</sup> 'The Great Britain China Centre Annual Report and Accounts: 2017-18', p. 9.  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/726409/The\\_GB\\_China\\_Centre\\_ARA\\_2017-18.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/726409/The_GB_China_Centre_ARA_2017-18.pdf)

- 4.16 Evidence from British and Chinese stakeholders suggests that the GBCC-facilitated Party-Parties dialogues fill a niche that is substantively different from other UK-China government-government dialogues, including for the Strategic Dialogue led by the Foreign Secretary, and the Economic and Financial Dialogue led by the Chancellor. Several British interlocutors highlighted other leadership exchanges run outside government efforts, including those by British Universities and by the British Council, and suggested that HMG should take a strategic approach to mapping these interactions between various parts of the British and Chinese systems.
- 4.17 The Leadership Forum has provided continuity in the UK-China relationship. One senior Chinese stakeholder commented that the Forum had continued throughout difficult periods in UK-China relations, including when government-government dialogues were suspended. He argued that this showed its value as a "bridge" between the two sides, which had "paved the way for the improvement of relations".
- 4.18 Other stakeholders commented that the Leadership Forum and Young Leaders Round Table had helped British politicians develop an improved understanding of China, and enabled Chinese officials to develop a better understanding of the UK and of how the West perceives China. An MP suggested that GBCC should deliver "a thorough debriefing that captures the lessons from the sessions".
- 4.19 The Review Team judged that GBCC brings several key strengths to these dialogues. These include:
- Convening power. A senior British official remarked that GBCC was able to bring in "heavy hitters" on the UK side who had built relations in China over a number of years;
  - Well-established relationships with Chinese partners. A Chinese official told the Review Team that GBCC and IDCPC: "treat each other as partners", and have a relationship built on "trust".
- 4.20 The Review Team identified areas for improvement in the dialogues. In particular, GBCC could develop a strategic and longer-term approach to developing UK leaders to engage on China, especially on the Young Leaders Round Table. A senior official commented: "we need to be asking questions about the future: who do we want on board for Leadership Forum? How do we deploy them?" Some British officials raised questions about how both sides select participants and suggested that GBCC needs a better approach to tracking alumni, including clear targets for the future career progression of individuals selected for the Young Leaders Round Table.
- 4.21 Another stakeholder commented that GBCC should ensure participation from the devolved administrations. GBCC has involved SNP MPs in the Leadership Forum, but not MPs from either Northern Ireland, or from Plaid Cymru.

4.22 The Review Team saw evidence to suggest that GBCC sometimes does not have sufficient resource to meet the Chinese level of ambition. In 2018, both ACYF and IDCPC invited UK delegations to travel to China, but GBCC was unable to provide funding as it is reliant on private sector sponsorship for the dialogues and none was available for these particular activities. This meant that the 2018 Young Leaders Round Table took place in London, in the margins of an ACYF-funded visit to the UK, rather than in Beijing. GBCC staff commented that reciprocity and equal sharing of funding was an important part of their relationship with Chinese partners, and failure to deliver this could have a negative reputational impact.

**Finding:** The political and economic dialogues play an important role in the bilateral relationship, including developing connections with a range of key Communist Party institutions, and allowing substantive discussion of a wide range of issues.

**Recommendation 3:** With regard to the Leadership Forum and Young Leaders Roundtable, GBCC should consider how to improve the processes around identification of participants, and of tracking their career progression as alumni.

**Recommendation 4:** GBCC should work with FCO and other comparator organisations who are mapping the range of UK leadership development and related activities in China, in order to ensure a complementary and aligned approach.

**Recommendation 5:** The Review Team believes that the political and economic dialogues are important to UK-China relations and UK national interests and recommends that the FCO consider funding through additional GIA if sponsorship money cannot be secured.

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## **Judicial Dialogues and Exchanges**

4.23 GBCC established the UK China Judicial Round Table in 2014 in partnership with the UK Supreme Court and the Chinese Supreme People's Court (SPC). The Roundtable is funded through Grant in Aid. In recent years, judges have compared approaches to topical issues such as environmental protection, cross border judicial cooperation, judicial impartiality, and alternative dispute resolution.

4.24 As with the political dialogues, GBCC also facilitates other judicial visits and exchanges throughout the year including study visits to the UK for Chinese judges and legal experts and scoping visits to the UK for UK experts and senior members of the judiciary.

4.25 The Review Team received very positive feedback on the dialogue from senior judicial figures in the UK. An SPC official with responsibility for managing the relationship with GBCC described a high level of trust between GBCC and SPC and said the organisation functioned as a "bridge" between the British and Chinese legal systems.

- 4.26 Several British stakeholders noted that it was not possible to demonstrate a causal link between the judicial dialogue and legal reform in China but participants felt it was a contributory factor to ongoing change. GBCC described to the Review Team how the dialogues had helped create a conducive political environment for further engagement on sensitive areas, such as combatting modern slavery and human trafficking.
- 4.27 The Review found evidence to suggest that the Round Table reflects the interests of both the UK and China, and includes topics across GBCC's two law-related priority outcomes. There is high-level buy-in on both sides, including through the participation of the heads of the respective Supreme Courts.
- 4.28 British participants also told the Review Team that they valued GBCC's expertise and understanding of China, and advice on how to approach meetings. A stakeholder at the British Embassy in Beijing indicated that: "GBCC is of "huge value" in the judicial sphere: the Judicial Round Table got senior UK stakeholders involved, GBCC has "great access" into the Supreme People's Court, and "could get the right people around the table".
- 4.29 The Review judged that the Round Table adds value in terms of taking forward Rule of Law objectives in China, and contributes positively to the wider bilateral relationship and the promotion of reform. The Review found limited evidence to suggest that an alternative organisation in the UK could replicate GBCC's role. For example, the Ministry of Justice confirmed that it has insufficient resources to engage in this long-term work in China.
- 4.30 Both British and Chinese judicial stakeholders commented that GBCC's resources are sometimes "stretched", and the organisation would benefit from greater finance and personnel to carry out this work, including a permanent presence in Beijing.

**Finding:** The Judicial Round Table is an effective use of Grant in Aid, helping to meet a range of UK bilateral and Rule of Law objectives. It should continue in its current form.

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### **Project Work – Rule of Law and Criminal Justice Reform**

- 4.31 GBCC has implemented a range of Rule of Law and criminal justice reform related programmes on behalf of HMG, and other international donors. At present GBCC is implementing projects for FCO under the 'Magna Carta Fund' and the Prosperity Fund 'Rule of Law for Business Stream'. A full list of projects is available at Annex V.
- 4.32 The Review found evidence to suggest that GBCC is an effective implementer of projects, often operating in sensitive environments in China, such on the death penalty and torture. A range of projects received positive feedback from donors in Beijing (British, and Dutch Embassies) covering both efficiency of GBCC's project management and the projects' impact over time.

- 4.33 There is evidence to suggest that GBCC projects on Rule of Law reform (current outcome two) have had a positive impact. For example an independent reviewer of an EU-funded project entitled "Promoting Effective Safeguards during Criminal Pre-Trial detention" commented that "a great deal has been done in an extraordinarily short time and without violating any existing procedural norms, to create a more rights-respecting culture within the first 24 hours after arrest in a major city". GBCC attributed this success to: (i) working with the right partner in China, (ii) a positive political environment created through high-level engagement such as the Judicial Round Table.
- 4.34 Several Chinese stakeholders said that GBCC's impact in these areas was a result of "trust" built-up over many years, and an understanding of how the Chinese system functions".
- 4.35 GBCC works as a partner with Chinese institutions and "with the grain" of reform efforts in China. An example of this is the establishment of the Centre for Common Law - a partnership between Renmin and Oxford Universities, and GBCC. Chinese academics described to the review team how Chinese interest in learning about different approaches to law drove the establishment of the Centre. GBCC has since implemented a Prosperity Fund project to help establish the Centre as a partner for future Rule of Law for Business work.

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### **Prosperity Fund**

- 4.36 GBCC has been a principle implementer to date of the Rule of Law for Business element of the Prosperity Fund in China. GBCC has in part played this role because of its experience in engaging on legal issues in China, although this previous experience was more in Rule of Law and legal reform than on business environment per se.
- 4.37 The Review Team has seen examples of positive impact, including that GBCC has established good working relations with a range of new Chinese partners, and delivered high-level British participants at UK-China conferences. Areas for improvement noted in Prosperity Fund evaluation reports include the need to clarify the relationship between GBCC as an implementer and the Embassy as the donor to avoid confusion amongst Chinese stakeholders; improvements in mutual communication, including around reporting requirements and deadlines; and, in one case, GBCC needing to improve the presentation and clarity of a final report.
- 4.38 Prosperity Fund procurement rules around the size of the implementing entity mean that GBCC is not eligible to bid to be the "service manager" for the overall implementation of the Rule of Law for Business strand. This has potential financial implications for GBCC, which has taken difficult resourcing decisions over recent years in order to maintain the staff and knowledge needed to be competitive for Prosperity Fund work (see Chapter 5 of this report). It is now clear that GBCC needs to bid for funding either as part of a consortium or as a

sub-contractor. GBCC, and other comparable British organisations working on rule of law-related issues in China, have written to Ministers to express concern about the implications of this procurement model, in particular that it could exclude “experienced and specialist organisations” like themselves from access to funding.

- 4.39 These organisations have also indicated that there could be wider implications for some of their activities in China. For example, GBCC told the Review Team that it had invested considerable political capital in developing relationships with various Chinese institutions on rule of law for business. It was unclear what the implications would be for GBCC should another implementer take over responsibility for these relationships under the Prosperity Fund.

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### **Civil Service Training**

- 4.40 In recognition of the importance of developing China expertise across all sectors of government, in 2018, GBCC developed and ran a training course for civil servants working on China, charging participating departments. GBCC developed this in consultation with academics and FCO Research Analysts, who have run a comparable course for FCO staff. The Review Team found evidence to suggest the training was well judged, useful, and received positive feedback from stakeholders. GBCC plans to extend this model further. The Review encouraged GBCC and the FCO, including FCO Research Analysts, to seek further collaboration and synergies on this programme.

**Finding:** The evidence demonstrates that GBCC is an effective implementer of projects and programmes, in particular of projects related to criminal justice reform in China. GBCC has built trust with Chinese partners over a sustained period, and projects have had an impact. However, the Review Team has seen evidence of some challenges around the implementation of Prosperity Fund projects, including on communication, and stakeholder management.

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**CHAPTER FIVE: ECONOMIC MODEL AND SUSTAINABILITY**

- 5.1 GBCC receives funding from a range of different sources: the FCO provides Grant in Aid; it receives commercial sponsorship for specific events; it competes for project funds from both the FCO and other donors; and it generates revenue by providing services such as the training course on China for Whitehall Departments. All its activities, including projects funded by other donors, are in line with GBCC's objectives. The mixed funding model enables GBCC to employ more staff with a wider range of expertise and experience, and to have a greater impact than it could with GIA funding alone.
- 5.2 GBCC's Annual report for Financial Year 2017-18 indicated that: "funding is the main risk to GBCC's operations" (p11). This judgement was echoed in interviews with members of staff and other stakeholders including Chinese partners. GBCC's Board keeps under regular review the question of whether the organisation remains a "going concern".
- 5.3 Grant in Aid has been fixed at £500,000 per annum for Financial Years 2018-19 and 2019-20, an increase from £470,000 in Financial Year 2017-18. GBCC has welcomed this decision as an improvement on the previous approach whereby Grant in Aid allocations were agreed on a year-by-year basis. A longer-term guarantee of core funding allows the organisation to plan more effectively, and potentially to secure a longer-term lease on a property at a preferential rate.
- 5.4 GBCC has posted a loss for financial years 2017-18 and 2016-17. A loss of £75,098 is also planned for Financial Year 2018-19. This was a calculated risk by the Board to maintain staff and knowledge in order to be competitive for Prosperity Fund work and other opportunities. The Board took the decision only after checking that they had sufficient reserves and could still meet their contingent liabilities. The 2017-18 Annual Report (p.16) explains this as the "need to maintain staffing levels for the multi-year [Prosperity Fund] Rule of Law for Business Programme, and to guard against the potential risks associated with Brexit, requiring extensive bidding and consortium building work".
- 5.5 GBCC's predicted reserves as of March 31, 2019 are £372,903, with free reserves of £146,071 after taking into consideration contingent liabilities. The Review Team noted that the decision to draw on reserves for the last three Financial Years was consistent with information available at the time, but is not sustainable in the long term.
- 5.6 Many donors fund projects on an annual basis, including the Prosperity Fund Transitional Programme, and the Magna Carta Fund. This can create long-term uncertainty over funding for implementer organisations. Delays to decisions about the future of the Prosperity Fund have caused uncertainty for GBCC. GBCC aims to recover staff costs plus 7% running costs for its work on projects, but this is often subject to negotiation between GBCC and donors.
- 5.7 GBCC has been seeking to diversify its sources of funding, including a drive for further sponsorship and bidding to implement projects (in line with its agreed

objectives) on behalf of the EU, Swiss, Dutch and German Embassies in Beijing, and a private law firm. This builds on GBCC's good reputation and track-record in China, and its status as an NDPB.

- 5.8 GBCC's Executive Director spends a considerable proportion of her time dealing with matters related to finance, and identifying potential sponsorship opportunities. The time spent on financial administration has reduced since the service sharing agreement with CBBC, and looks likely to reduce further as this new system matures. The recent appointment of a Deputy Director with experience of corporate and NGO sector fundraising, and of identifying a pipeline of projects, should also reduce some of the pressure on the Executive Director enabling her to focus on her strategic functions.

**Recommendation 6:** GBCC Board should review staffing requirements following the outcome of the Prosperity Fund bidding round with a view to ensuring reserves are not further depleted and that GBCC can meet its contingent liabilities and maintain a sufficient buffer for unforeseen risks.

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### **Implications of China's ODA status**

- 5.9 GBCC's Grant in Aid is classed by the FCO as Official Development Assistance (ODA). FCO provides GBCC with guidelines for the use of ODA money. In FY17-18, the majority of GBCC's non-Grant in Aid income was also from ODA-eligible projects delivered on behalf of the FCO and other donors.
- 5.10 It is possible that China will cease to be an ODA-eligible country in 2023. (Interlocutors expressed different opinions on the likelihood of this happening.) If confirmed, it would have severe consequences for GBCC, impacting the GIA and project funds received from the FCO and project funds from other donors such as the EU. An alternative approach to funding would be required to ensure the organisation's viability. The Review Team found evidence that both GBCC and EAD are aware of this potential risk, but neither has yet engaged in detailed thinking about the implications for GBCC's long-term sustainability.
- 5.11 One option to consider could be an ambitious campaign, with Ministerial backing, for funding through a combination of significantly enhanced private sector sponsorship from a range of companies matched by government funding. This would be a demonstration of the broad UK national interest in a strong relationship with China on political and economic issues, but would need careful managing in order to maintain GBCC's impartiality.

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### **Funding Risks of EU Exit**

- 5.11 In previous years, GBCC has successfully bid for EU European Instrument for Human Rights and Democracy (EIDHR) funds, for projects that are consistent with its core purpose and with HMG objectives. It has leveraged this EIDHR

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work to add value to, and build on previous FCO-funded project work. It is not certain whether GBCC will have access to EIDHR funds following the UK's exit from the EU. At present non-EU implementers are eligible to bid for EIDHR funding but it is not clear if this policy will continue.

**Finding:** GBCC's long-term financial viability remains uncertain. China's potential graduation from ODA eligibility in 2023 would require a radical overhaul of the organisation's funding model. Lack of clarity about access by UK organisations to EIDHR funds once the UK has left the EU adds further uncertainty.

**Recommendation 7:** GBCC and FCO should closely monitor the situation regarding access to EIDHR funds, and should immediately begin discussions about the funding implications of China potentially ceasing to be an ODA eligible country in 2023, including consideration of a Ministerially- backed sponsorship campaign.

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## **CHAPTER SIX: EFFICIENCY**

6.1 This section will examine whether the GBCC provides good value for money for British taxpayers. It will assess the efficiency of GBCC's management and identify issues for potential improvement, including in areas such as the use of shared services, and the suitability of GBCC's current property.

### **Value for Money**

6.2 Chapter 4 "Effectiveness" outlined the impact of some of GBCC's activities during the period covered by this Review. This demonstrated that the organisation is able to generate considerable impact with a relatively small amount of Grant in Aid (GIA). GIA is currently set at £500,000. By way of comparison, the operating costs for the British Embassy in Beijing were £18.4 million in Financial Year 2015-16, and the China Britain Business Council has a contract with DIT to deliver services up to a likely maximum contract value of approximately £3.1 million per annum in 2018/19 and 2019/20.

6.3 GBCC is able to increase the impact it achieves against its strategic objectives by using its GIA to leverage further income from sponsorship, and by bidding competitively to win programme funding from the FCO and from other donors, private sector organisations and governments, including the Dutch and EU Embassies in Beijing. In FY 2017-18 GBCC received £470,000 in core funding and generated £603,000 in additional revenue.

### **Shared Services**

6.4 The review explored whether (i) any of the functions performed by GBCC could be better delivered in collaboration with other parts of the public or private sectors; and (ii) whether any similar functions were carried out in other parts of the public or private sectors.

6.5 Given the breadth of GBCC's activities, there are a range of public and private sector organisations operating in a similar space, including the FCO, British Council, CBBC, the Law Society, the Bar Council, and the All Party Parliamentary China Group. The Review found evidence to suggest that, although GBCC fills a niche that is substantively different from others working in this field (see Chapter 3), there would be benefit from GBCC working closely with other entities in pursuit of shared objectives, including pooling resources and coordinating activities. For example, at the time of writing GBCC has joined a consortium to bid for Prosperity Fund work.

6.6 The Review found evidence to suggest that GBCC currently struggles to recruit people in certain positions. This is a result both of restrictions on salaries in the public sector, but also the budgetary pressures GBCC is operating under. Restrictions on salary mean that for some positions there is a relatively narrow pool of suitably qualified candidates. In 2018, GBCC was not able to recruit a suitably experienced finance manager and bookkeeper within an acceptable budget, so instead moved to a shared services model with the CBBC for finance and HR, as a better value for money option.

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- 6.7 GBCC currently uses IT services provided by a private company. It keeps this under regular review with a view to finding a value for money solution that also meets its particular requirements, for example around security. Regarding procurement, GBCC is currently not making use of the Crown Commercial Service's expertise, frameworks and centralised deals.
- 6.8 GBCC has 4.5 full time employees and 3.5 contract staff. Staff costs are funded through either GIA or donor project and programme budgets, or a combination of both. As mentioned above, financial administration has been outsourced to CBBC. As part of this package, GBCC has access to an HR consultant. GBCC could consider greater use of shared services, for example communications and digital services.

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### Location

- 6.9 GBCC has been at its current property for at least 11 years. This property is in a good location, is secure, and GBCC has access to receptionists, meeting rooms (at additional cost), and other benefits including a secure waiting area for visitors. GBCC works well with FCO to ensure compliance with Office of Government Property (OGP) and Government Property Agency (GPA) policies and practices, including an annual return to Cabinet Office.
- 6.10 In 2017-18 office accommodation cost GBCC around £80,000 per annum, including a lease cost of £62 per sq. ft. According to "*Savills West End Market Watch*", the average rental price in West London (Westminster to Hammersmith) over the past year has been approximately £60 per square foot, which is comparable to the cost GBCC currently pays. However, the Savills' figure does not take account of precise location, and other factors such as the overall size of the property, fixed services charges, and other non-lease costs.
- 6.11 The Cabinet Office "State of the Estate" report for 2016-17 indicates that the total cost of GBCC's property was similar to comparable centrally located NDPBs including the Westminster Foundation for Democracy. Moving further from Central London would reduce costs, but the Review Team accepted that proximity to key stakeholders in Westminster (Parliament, FCO, the Chinese Embassy, Supreme Court) and ease of access for Chinese visitors were key factors in GBCC's operating model.
- 6.12 GBCC's current property represents reasonable value for money given its location, and the facilities it offers. However, GBCC's overall financial situation means the organisation needs to make cost savings, including moving to a new premises if a suitable location was available. It has three options:
- i) Remain where it is.
  - ii) Relocate somewhere new on its own.
  - iii) Co-locate with another suitable body.

- 6.13 All three options are potentially viable, but co-location with another similar organisation would probably represent the best value for money. GBCC could either consider co-locating with the FCO or another government department, or with a similar and related body, e.g. CBBC, or WFD.
- 6.14 Co-locating with FCO would work out at about £57,000 per annum, a cost saving of approximately £23,000 on GBCC's current expenditure. However, this option is not practical for reasons of space, security, and branding. The Review Team has not carried out a scoping exercise of other government buildings although GBCC investigated this earlier in the year without finding anywhere suitable. GBCC's status as an Arm's Length Body, and wider security considerations, severely limit its ability to co-locate within HMG premises.
- 6.15 Co-locating with another similar organisation is therefore a better option. CBBC is potentially the most viable. GBCC and CBBC have a shared support services agreement that is working well and the two organisations have complementary aims. CBBC may soon also be seeking alternative premises raising the possibility of a mutually beneficial arrangement. GBCC's Board are keeping this option under review.
- 6.16 GBCC does not have a permanent presence in Beijing, although this has been considered on several occasions. Having a staff member in Beijing could help improve GBCC's efficiency, and relations with key Chinese institutions, as well as reducing the need for London-based staff to make repeated trips. Cost is currently the biggest prohibitive factor, but when considering this issue GBCC also needs to be mindful of relevant Chinese legislation and its duty of care for its staff. The shared service agreement with CBBC, and potential future options for shared office space, open possibilities for shared staff or offices space in Beijing, which should be considered further.

**Finding:** The Review found evidence to suggest that GBCC provides good value for money for the taxpayer, and generates considerable impact for £500,000 per annum in Grant in Aid. Improvements could be made in some areas, for example, in relation to GBCC's current property.

**Recommendation 8:** GBCC should work closely with other similar organisations in pursuit of shared objectives, including pooling resources and coordinating activities, building on recent experiences with CBBC. GBCC should explore using shared services such as the Crown Commercial Service to reduce procurement costs.

**Recommendation 9:** GBCC should continue to scope options for co-location or leasing from within the government estate, but should also continue discussions with CBBC on possible co-location.

**Recommendation 10:** GBCC should continue to consider a permanent presence in Beijing should this become a financially viable option. This would include scoping the possibilities of co-locating with another British organisation with a presence in the country, such as CBBC.

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## **CHAPTER 7: GBCC'S FORM AND ALTERNATIVE METHODS OF DELIVERY**

7.1 The Review Team considered two questions:

- in light of the increased number of other organisations now working in the area of UK-Chinese relations, does the FCO still need the GBCC or could its functions be performed by another body?
- if the GBCC is still needed, is an NDPB the most efficient and effective form of operation or would an alternative form be preferable?

### **Is the GBCC, as an organisation, still needed?**

7.2 Chapter 3 found that the functions of the GBCC as set out in its Management Statement are still required. The Review Team therefore considered whether the organisation itself was still needed, or whether these functions could be carried out elsewhere.

7.3 In contrast to the situation in 1974 when GBCC was founded, a large number of government ministries and non-governmental institutions on both sides now have regular contact and cooperation. For example, a number of British universities and think tanks convene dialogues with Chinese partners. The Royal United Services Institute has run a series of security-related dialogues with China at the request of HMG, and Chatham House has delivered HMG-funded projects on international law as it applies to the Rules Based International System. Project and programme work similar to that carried out by GBCC is already being done by a range of other organisations. GBCC bids competitively against other potential implementers.

7.4 However, the Review noted that GBCC has a number of attributes that make it particularly effective in its core function of promoting understanding and building relationships between British and Chinese government, judiciary and policy makers. In particular:

- its history and the long term relationships it has developed. GBCC has established itself as a trusted partner: Chinese stakeholders interviewed by the Review Team highlighted the importance of this trust-based relationship.
- its status as an arm's-length body. Both Chinese and UK participants particularly valued GBCC's operationally independent, "officially unofficial" status.

7.5 GBCC's 'arm's-length' status confers a number of advantages including enabling GBCC to maintain political neutrality and work with politicians from all parties. This ensures the maintenance of UK Parliamentary expertise on China through changes of government. The 'arms-length' separation from the executive is also welcomed by the UK judiciary participating in the Judicial Round Tables. Stakeholders (including former Ministers) noted that GBCC's operationally independent status enables a more open discussion between UK and Chinese participants. GBCC is close enough to the UK Government to

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have credibility as an interlocutor, but sufficiently distant to be able to have a conversation that goes beyond official Government positions.

- 7.6 An alternative provider would not have GBCC's history and the extensive relationships and trust it has developed. An alternative provider that was not an ALB would also lose the range of advantages outlined above. The disincentives for change are, therefore, considerable.
- 7.7 However, in line with Cabinet Office guidance, the Review Team considered whether an independent NGO or think tank could undertake the political and judicial dialogues as effectively as GBCC. The Review Team judged that this model would require FCO project funding rather than support through either sponsorship, Grant in Aid, or a cross-Whitehall Fund such as the Prosperity Fund. This would necessitate a competitive bidding process for a fixed-term contract to deliver some of the functions currently performed by GBCC. Procurement rules mean that this would need to be reviewed and re-opened for tender on a regular basis, potentially hampering the development of long-term relationships with Chinese institutions. In addition, the annual set piece dialogues are part of a wider set of ad-hoc visits and engagements that continue throughout the year. These are made possible by using a Grant in Aid funding model.
- 7.8 The Review Team considered whether it would be possible for the FCO to manage the dialogues 'in house'. However, the importance of high-level Chinese language skills and experience, and the benefits of distance from the Government of the day, suggest in house delivery would not be effective. The need for FCO officers to gain a variety of experience means that (with the exception of the Research Analyst cadre), few FCO staff at junior/middle grades in London have the very high level of China experience displayed by GBCC staff. Although in principle FCO could develop this capacity, it would not be compatible with the FCO's standard human resources model.
- 7.9 The Review Team considered whether the All Party Parliamentary China Group (APPCG) could take on part of GBCC's function. The GBCC works closely with the APPCG. One member of staff works part time for both organisations. Until recently, the Chair of the APPCG was a member of the GBCC Board. The Review Team noted that (with additional resource) the APPCG could potentially run the political dialogues, but would not be well-placed to take on the judicial dialogues. Losing the history and credibility of the GBCC 'brand' and the links with the judicial dialogues and GBCC's project work, would be disadvantageous.
- 7.10 The Review Team also considered whether merger with the CBBC was a credible option. However, the Review judged that the aims of the GBCC and CBBC, although complementing each other, are too different for a credible merger. There could be tension between GBCC's human rights and governance focus and commercial imperatives. (This is a different issue to the question of co-location and shared services, which are considered in Chapter 6 on efficiency.)

- 7.11 In light of the advantages inherent in GBCC's ALB status identified above, the Review team considered whether efficiencies could be made by another ALB taking on GBCC's role. The Westminster Foundation for Democracy (WFD) and the British Council were considered in particular. The Review Team saw no evidence that the advantages of merging outweighed the disadvantages of losing the GBCC history and 'brand' and the expertise offered by its Board. Other disincentives to merger include the particular status of the British Council in China and the difference in GBCC and WFD's objectives. The Review Team did not see a natural alignment in GBCC's objectives and WFD's work to support political parties and multiparty democracy in developing countries.
- 7.12 Since there would be less difficulty for an alternative provider to carry out GBCC's project work, the Review Team considered whether there was a case for GBCC withdrawing from this activity and focussing solely on its relationship building activities. However the Team judged that, as long as project work was targeted, and that GBCC was able to fully recoup project costs from its donors, there was no advantage in doing so. Project work directly contributes to GBCC and HMG objectives. In addition, GBCC are able to maintain a larger staff, with a greater range of expertise, and to take advantage of the synergies between project funded and other activities to maximise benefits for donors, sponsors and the FCO.

**Finding:** Despite the growing number of organisations active in in this space, GBCC still offers a unique combination of attributes that make it particularly effective at promoting trust and understanding and building relationships between British and Chinese government, judiciary and policy makers. These functions could not be done more effectively elsewhere.

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### **Should GBCC remain an NDPB?**

- 7.13 In line with Cabinet Office guidance the Review team considered whether GBCC would be more efficient and effective with an alternative model of governance.
- 7.14 The Review Team used the Cabinet Office's Three Tests to help assess whether GBCC should remain an NDPB. These tests are set out in the Cabinet Office guidance for conducting Tailored Reviews. They are: (i.) Is this a technical function, which needs external expertise to deliver? (ii) Is this a function that needs to be, and be seen to be, delivered with absolute political impartiality? (iii) Is this a function that to be delivered independently of Ministers to establish facts and/or figures with integrity?
- 7.15 The Review judged that GBCC met the first two tests (although not third - both British and Chinese Ministers regularly participate in GBCC-organised events) suggesting it should remain an NDPB. In relation to the first test, the Review judged that GBCC requires specialist language skills and expert knowledge of China and its institutions to build and maintain relationships and deliver its outcomes. On the second test, both British and Chinese stakeholders noted the

importance of having an impartial cross-party body on the UK side, in particular to engage in political and judicial dialogues with Communist Party organisations.

7.16 The advantages to NDPB status are set out in section 7.5 above. Disadvantages of the GBCC's NDPB status mentioned during the Review included confusion amongst some Chinese stakeholders between GBCC's function and that of British Embassy Beijing; the complexity of GBCC's dual role as partner and implementer; and the heavy governance burden. As an NDPB, GBCC is required to comply with many of the same governance procedures as a large government ministry. The Review Team saw evidence to suggest that this creates a significant administrative burden for an organisation as small as GBCC. The Review Team did not consider that these disadvantages outweighed the advantages set out above.

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### **Alternative Models**

7.17 In light of the administrative burdens, the Review Team looked at whether GBCC could operate more efficiently as an NGO or limited company. The Review saw evidence to suggest that although this might reduce the corporate burden slightly, weakening GBCC's arm's-length status would reduce its impact substantively. In addition, China's recently introduced legislation on foreign NGOs could make it difficult for GBCC to carry out its project work as an NGO, particularly in the more sensitive area of criminal justice reform.

7.18 The Review Team also considered three different options for GBCC's operation as an Arm's Length Body:

- i) Merging with another NDPB or other government body to achieve better economies of scale on corporate and administrative functions.
- ii) Changing status to become a different form of ALB such as an Executive Agency.
- iii) Remaining an NDPB and continuing to look for ways to reduce the administrative and governance burden.

7.19 The Review Team findings on whether there is scope to merge GBCC with an existing organisation such as the Westminster Foundation for Democracy (WFD) or British Council are set out above (section 7.11).

7.20 The Review Team considered whether the GBCC would be more efficient as an Executive Agency of the FCO. Executive Agencies (such as Wilton Park) are a business unit of the sponsoring department. As such, their staff are civil servants and the sponsoring department takes a greater degree of responsibility for their administrative functions and governance requirements. Whilst this has obvious financial and efficiency benefits, there are implications for the organisation's independence. An Executive Agency is part of the sponsoring department and the department sets its objectives. Any Board is primarily advisory. The Review Team noted that GBCC's non-executive Board and its operational independence from the FCO is a key part of its success.

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Since an NDPB is a legal entity in its own right, the political, practical and cost implications of any change could also be considerable. The Review Team judged that despite the potential efficiency savings, GBCC would be more effective remaining an NDPB than reinventing itself as an Executive Agency.

7.21 GBCC has already begun to explore option 3 through its shared services agreement with the CBBC. Initial indications are that this is proving beneficial, providing the GBCC with access to a wider range of services including financial management, human resources, technology and administration, previously carried out by a single full time officer, at a comparable overall cost.

**Finding:** GBCC should remain a Non Departmental Public Body, but should continue to seek opportunities for reducing administrative and governance burdens through outsourcing, shared services (such as with CBBC) and common sense cooperation with FCO Departments.

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## **CHAPTER EIGHT: GOVERNANCE**

8.1 The Review Team examined the robustness and transparency of GBCC's Governance including whether governance controls in place follow the principles set out in the 'Partnerships with arm's length bodies: code of good practice. In accordance with the TORs the Review focused particularly on the role of the Board in setting and monitoring the strategy of GBCC, and issues of transparency, diversity and data protection.

### **Governance Structures**

8.2 GBCC is independently managed and governed by a Board of Directors with significant relevant experience of UK-China relations plus other administrative and management skills. The Chair, Sir Martin Davidson, joined the Board in 2007 and was appointed Chair in February 2015. He is supported by three Vice Chairs and (currently) a further seven Directors and two co-opted board members. The Directors include MPs, representatives with legal, academic and business experience, the Head of the FCO's East Asia Department (EAD), and the British Council's Regional Head East Asia and South Asia. The Chief Executive of the China Britain Business Council (CBBC) and a representative of Chatham House are co-opted Board members. All Board members are voluntary, non-executive positions.

8.3 The Board is supported by the GBCC's Honorary President and six Vice Presidents whom are distinguished in their relevant fields. The President and Vice Presidents are not involved in Board decisions but have an advisory role and help promote the work of the GBCC. Several, including the current Honorary President, Lord Mandelson, have been actively involved in GBCC events and fundraising.

8.4 The Board has three sub-committees, which lead key areas of work: the Audit and Risk Assurance Committee, the People and Performance Committee, and the Business Development and Fundraising Committee. The latter has been leading work to develop a new fundraising strategy including identification of potential sponsors.

8.5 The Chair of GBCC is appointed by the Secretary of State for Foreign and Commonwealth Affairs and is responsible to him for ensuring that the GBCC's policies and actions support the wider strategic policies of the FCO; that the GBCC's affairs are conducted with probity; and that the organization fulfils the other requirements set out in the GBCC's Management Statement. The Secretary of State is accountable to Parliament for the activities and performance of the GBCC.

8.6 The Permanent Secretary (as the FCO's Principal Accounting Officer) is accountable to Parliament for the issue of Grant in Aid to the GBCC. The principal Accounting Officer designates the Director of the GBCC as the GBCC's Accounting Officer.

## Compliance

- 8.7 The Review Team carried out a light touch survey of requirements placed on GBCC and its sponsoring department as set out in in Annex C of the Cabinet Office's 'Tailored Reviews': Guidance on Reviews of Public Bodies and 'Partnerships between departments and arm's length bodies: a code of good practice'. Detailed results and suggestions for further action are set out in Annex II.
- 8.8 The Review Team noted that although the process used for appointing the current Chair was in line with the requirements of the Office of the Commissioner for Public Appointments (OCPA), the appointment procedure set out in the GBCC's Articles of Association is outdated. In addition, the procedures for appointing Board members set out in various governance documents are contradictory and unclear. The Review noted that this is part of a wider issue whereby governance documents have not been regularly reviewed and updated.
- 8.9 'Partnerships between departments and arm's length bodies' advises that the sponsoring department should carry out an appropriate assessment of the risk posed by the arm's length body. The GBCC is not currently included on EAD's risk register. The Review Team judged that, given the FCO's liability as sponsoring department, the risks to GBCC's financial security outlined in Chapter 5 warranted inclusion and regular review.
- 8.10 'Partnerships between departments and arm's length bodies' also notes that public bodies should seek to be honest, fair and considerate employers. The Review Team sought views in confidence from GBCC staff. All staff who responded said that they enjoyed working for GBCC, they were treated fairly and professionally at work and all but one thought GBCC was well managed. Most (but not all) staff had an annual appraisal that they felt was constructive and supported their development.
- 8.11 Staff raised concerns about what they felt were low levels of pay for well qualified, bilingual staff; high levels of uncertainty including on continued employment in light of funding challenges (particularly for staff on short term contracts); and lack of training and development opportunities.
- 8.12 The Review Team agreed that some GBCC salaries were probably lower than the relevant linguist skills could command in the private sector. But they recognised that the GBCC Board and Management were endeavouring to make the best possible decisions for staff and the organization within the administrative requirements and GBCC's financial circumstances. Staff job satisfaction remained high indicating that staff recognized the wider benefits of working for GBCC. Increasing training opportunities would enhance this. Greater access to FCO and civil service training opportunities should be investigated.

8.13 GBCC Executive Director noted that contract staff who have worked for the organization for more than two years have the same redundancy rights as permanent staff members. The Board has taken this into account in calculating contingent liabilities. Cabinet Office Public Bodies Team have confirmed that staffing levels are a matter for the ALB and sponsoring department and should be based on affordability. GBCC could seek to reduce staff uncertainty by converting these contract positions to permanent slots (but also need to bear in mind the financial situation outlined in Chapter 5). FCO's Human Resources Department have confirmed they are content with this proposal.

**Finding:** GBCC achieves a commendable level of compliance with relevant governance guidance given its limited resources, although with some areas for improvement. Compliance around 'Accountability for Public Money' was particularly strong.

**Recommendation 11:** GBCC and EAD should review and implement the suggestions for improved governance set out in Annex II.

**Recommendation 12:** GBCC should ensure that all governance documents are reviewed at least once every 3 years and core documents are reviewed annually.

**Recommendation 13:** The Management Statement and Articles of Association should contain updated instructions concerning the sourcing and appointment of the Chairman and new Board members that are proportionate, but consistent with the Principles of Public Appointments in the Governance Code on Public Appointments, including its advice on diversity.

**Recommendation 14:** EAD should include on their risk register the medium and long-term risks associated with GBCC potentially failing to secure Prosperity Funding, plus changes to EU funding, and the possible graduation of China from ODA-eligibility in 2023.

**Recommendation 15:** Subject to operational need (see Recommendation 6) GBCC should consider offering permanent positions to staff who have worked for more than 2 years on contract, following confirmation from GBCC's HR advisors that (as currently understood) this would not create additional legal or financial obligations.

**Recommendation 16:** EAD should investigate greater access for GBCC staff to FCO and other civil service training options including Diplomatic Academy, GLO and Civil Service Learning.

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### **The Role of the Board in Setting and Monitoring the Strategy of GBCC**

8.14 As set out in Chapter 3, the GBCC's strategy is developed in line with FCO and wider HMG strategic objectives. The Chair and Executive Director have regular contact with members of EAD and (during visits) with staff from BE Beijing. This includes an ongoing, informal discussion of strategy and direction. During the recent strategy update, the Executive Director discussed the

proposed objectives with the Head of EAD. These objectives were also discussed and agreed by the GBCC Board. Recommendation 1 suggested the need for greater involvement of British Embassy Beijing in the process of setting strategy and objectives.

- 8.15 Evidence from Board minutes confirms that Board members regularly monitor the progress of projects during Board meetings. Overall progress against objectives is also assessed by the Board in advance of the annual report. Although there is regular ongoing dialogue with EAD including a discussion of progress, there is no definite annual point when the Board's annual assessment is shared with the Department and BE Beijing. GBCC and EAD agreed this would be useful.

**Recommendation 17:** EAD should schedule an annual 'checkpoint' for the Board and members of EAD (including BE Beijing) to collectively assess progress and consider strategy for the forthcoming year.

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## Transparency

- 8.16 GBCC's Annual Report and accounts are presented to Parliament and published on gov.uk. GBCC's website contains an appropriate level of detail about Board members and GBCC senior staff, plus an overview of GBCC's work and project areas. GBCC staff told the Review Team that they welcomed the 2016 International Aid Transparency Initiative. A number of donors have published details of GBCC projects under this Initiative. GBCC staff are undertaking training to ensure that they are aware of any additional requirements.

- 8.17 GBCC receives and processes Freedom of Information requests internally. GBCC staff told the Review Team that they receive approximately one FOI request each week mainly concerning commercial issues. There is no requirement for GBCC to publish all its FOI requests, but requests in the categories listed in the Information Commissioner's Office (ICO) Definition Document should be published. GBCC is not systematically doing this. There is also currently a lack of clarity around whether the FCO should include GBCC FOI requests in its returns as it does for some NDPBs.

**Recommendation 18:** The FCO FOI team should reaffirm the guidance to the GBCC, ensure that FOI requests are being properly published, and clarify whether GBCC FOI requests should be included in FCO FOI returns.

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## Data Protection:

- 8.18 As far as can be ascertained in a non-specialist 'proportionate' review, the GBCC is largely compliant with the Data Protection Act 2018. GBCC's privacy policy is listed on its website. The GBCC has an Information Sharing Agreement with their Chinese partners for the protection of personal data

transferred to China. Under the new CBBC/GBCC service agreement, CBBC staff work remotely on GBCC servers meaning that no data is transferred to CBBC servers.

8.19 The FCO Data Protection Officer (DPO) is currently providing a temporary DPO function. However, under the Data Protection Act 2018, as an NDPB and in light of the personal data the GBCC processes, a formally contracted DPO is required. As the GBCC has to comply with FCO/Civil Service guidance for the protection of personal data and security classifications, retaining the services of the FCO DPO (as in the current temporary arrangement) would be sensible and efficient. This is GBCC's preferred solution.

8.20 The GBCC was subject to a largescale cyber-attack in December 2017 that resulted in the content of GBCC emails being accessed and downloaded. The FCO, the National Cyber Security Centre (NCSC) and the Information Commissioner's Office (ICO) investigated this attack. The investigations found there was a low risk to the data subjects whose data was compromised with the ICO not requiring any further action to be taken.

**Recommendation 19:** GBCC and EAD should review and implement the suggestions relating to data protection in Annex II. In particular:

- The GBCC should appoint a permanent DPO. Retaining the services of the FCO DPO would be sensible and efficient.
- The DPO should review all of the GBCC's data protection compliance and should report regularly to the ARAC.

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### **Diversity:**

8.21 The Review saw evidence that, despite challenges, GBCC takes appropriate steps to ensure diversity in both the speakers and participants in its events and programmes. GBCC's Strategic Framework includes "diversity and breadth of participation" amongst the outcome indicators for the political and judicial dialogues. This document notes that they endeavour to pay attention to the gender, ethnicity, age, religion or belief, sexual orientation and gender identity, disability and the socio-economic background of participants. Lack of information about Chinese participants and the limited diversity within some of GBCC's core constituencies in the UK and China makes this challenging at times. Further information is set out in GBCC's Gender Mainstreaming Policy.

8.22 The Review Team recognised that the Board was seeking to improve its own diversity but felt this work could be accelerated. The Board of Directors comprises twelve members (including the Chair). Currently only two of the non-executive members of the Board (plus the Executive Director) are female. There are no ethnic minority members of the Board. The Chair has been working to refresh the Board membership. It is currently smaller than in recent times. A recruitment effort for new members with appropriate skills is underway. The Chair has stated that diversity will be taken into consideration during the recruitment of new Board members. GBCC has also engaged

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constructively with the FCO on its response to the Lord Holmes Review on opening up public appointments to disabled people.

8.23 GBCC has six female staff (including the Executive Director) and three male members of staff. Three staff members are of Asian heritage. GBCC like all employers in the UK is bound by the Equality Act of 2010 and is committed to being an equal opportunities employer. As a small organization, GBCC does not have a formal obligation to report to the Civil Service Commission on recruitment. It confirms in its annual reports that it follows the 2010 Act and that decisions on recruitment, selection, training, promotion and career management are based solely on objective and job related criteria.

**Recommendation 20:** The Board should accelerate efforts to ensure greater diversity in its own composition.

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## **CHAPTER NINE: THE RELATIONSHIP BETWEEN THE GBCC AND THE FCO**

- 9.1 In accordance with the TOR, the Review Team considered the relationship between the GBCC and the FCO as its sponsoring department. The formal relationship is set out in the GBCC Management Statement. This notes that China Department (now EAD), as the sponsoring team for GBCC, is both the primary source of advice to the Secretary of State on the discharge of his responsibilities in respect of the GBCC, and the primary point of contact for the GBCC within the FCO. A short Memorandum of Understanding (currently being updated) outlines the functioning of the operational relationship between EAD and the GBCC to ensure an effective relationship between the two.
- 9.2 The China Internal Team is the first point of contact on governance and administrative issues with political and strategic input and oversight provided by the Head of EAD. FCO Estates, Internal Audit, Data Protection and Freedom of Information Teams also provide specialist advice and oversight, as noted elsewhere.
- 9.3 The Head of EAD is a member of the GBCC Board. He (or a representative) attend all Board meetings. FCO representatives recuse themselves from Board discussions when there is a potential conflict of interest, for example on issues relating to the Prosperity Fund.

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### **EAD and Embassy Views**

- 9.4 There is regular and ongoing discussion between the Head of EAD and GBCC's Chair and Executive Director. Members of EAD feel that meetings are sufficiently frequent for them to have a good oversight of GBCC activity. They acknowledged that the institution of a formal point in the year to take stock and check progress (Recommendation 17) would be a useful addition to the current interaction.
- 9.5 The relationship between GBCC and staff at the BE Beijing is important. GBCC staff meet regularly with Embassy staff during visits to China for project activity. GBCC bids for Magna Carta and Prosperity Fund projects directly through the relevant teams in the Embassy, and works closely with the Embassy on political and judicial dialogues. Members of the Embassy Political Section, which manages the Magna Carta Fund, welcomed the discussion and interaction with GBCC. They felt that, as far as political sensitivities and security clearance allowed, there was a genuine two-way discussion and useful exchange of views. Senior officials in Beijing expressed an interest in being involved in discussions on GBCC strategy (Recommendation 1).
- 9.6 Current stakeholders told the Review Team that relations around implementation of the Prosperity Fund were broadly positive. Evidence from the whole period covered by the Review suggests some challenges during the development of the programme. As noted in paragraph 4.37, both the

Embassy and GBCC have identified ways the relationship could be improved, including through better communication and clarification of the roles of donor and implementer.

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## **GBCC Views**

- 9.7 The Executive Director welcomed her close interaction with EAD and the Embassy's political section. She noted that she would appreciate more opportunity to discuss how GBCC strategies and initiatives fit with EAD priorities. GBCC project officers were also keen to deepen relationships with FCO China Desk. They noted that there would be benefits to both sides in having a greater degree of informal discussion and sharing of views and expertise.
- 9.8 GBCC Board and staff commented that some Embassy staff did not appear to fully understand the status of an NDPB. They noted instances where the Embassy committed GBCC to action without prior discussion, or expected them to assist with visitors to the UK without providing details of aims and objectives for the visit.
- 9.9 The Review Team saw evidence that whilst EAD officers work hard to provide accurate support and assistance on governance issues, they are primarily policy experts and do not necessarily have experience of managing the FCO's relationship with an ALB, including dealing with technical governance questions. Additional guidance is available from relevant experts within the FCO and Whitehall, but accessing and interpreting this assistance takes a significant amount of time.
- 9.10 In its audit of the FCO's 2017-18 financial statements the National Audit Office noted weaknesses in the FCO's relationship with its ALB's (including citing two specific instances involving the GBCC). The NAO recommended clear channels of communication for ALBs to escalate issues, and that the FCO should ensure all staff with responsibility for oversight of ALBs are aware of all the sponsor department's responsibilities.

**Finding:** There is a productive relationship at senior level (between the Chair and Executive Director and the Head of East Asia Department and HMA Beijing) although there is scope for improvement in some areas of the wider relationship. Issues around the management of the Prosperity Fund and lack of central coordination by the FCO of all its ALB relationships have impacted the desk level relationship.

**Recommendation 21:** The FCO should expedite implementation of the NAO's recommendations concerning the oversight of its ALBs, including providing training for policy officers taking on a role that includes managing an ALB relationship.

**Recommendation 22:** GBCC and EAD should review and implement the suggestions relating to the relationship between GBCC and the FCO in Annex II,

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including ensuring EAD staff managing the relationship with GBCC have an appropriate allocation of time in their job specification; taking steps to thicken the policy relationship between China desk officers and project officers; and ensuring that all staff in BE Beijing are aware of GBCC's status as an NDPB and its operational independence.

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## CHAPTER TEN: SUMMARY OF RECOMMENDATIONS

**Recommendation 1:** The Review Team recommends that when updating its strategy GBCC seeks views from a wider range of HMG stakeholders, whilst continuing to ensure alignment with the priorities agreed with the FCO in its Management Statement. These priorities should continue to be targeted in areas where the GBCC has a strategic advantage.

**Recommendation 2:** GBCC should consider ways to better measure and capture the impact of its activity funded by Grant in Aid and Corporate Sponsorship. GBCC should also consider further refining and adding to the qualitative and quantitative metrics contained within its Results and Evaluation Framework, including potentially by applying a theory of change model linking all its activities to outputs and outcomes.

**Recommendation 3:** With regard to the Leadership Forum and Young Leaders Roundtable, GBCC should consider how to improve the processes around identification of participants, and of tracking their career progression as alumni.

**Recommendation 4:** GBCC should work with FCO and other comparator organisations who are mapping the range of UK leadership development and related activities in China, in order to ensure a complementary and aligned approach.

**Recommendation 5:** The Review Team believes that the political and economic dialogues are sufficiently important to UK-China relations and UK national interests to merit funding through additional GIA if sponsorship money cannot be secured.

**Recommendation 6:** GBCC Board should review staffing requirements following the outcome of the Prosperity Fund bidding round with a view to ensuring reserves are not further depleted and that GBCC can meet its contingent liabilities and maintain a sufficient buffer for unforeseen risks.

**Recommendation 7:** GBCC and FCO should closely monitor the situation regarding access to EIDHR funds, and should immediately begin discussions about the funding implications of China potentially ceasing to be an ODA eligible country in 2023, including consideration of a Ministerially- backed sponsorship campaign.

**Recommendation 8:** GBCC should work closely with other similar organisations in pursuit of shared objectives, including pooling resources and coordinating activities, building on recent experiences with CBBC. GBCC should explore using shared services such as the Crown Commercial Service to reduce procurement costs.

**Recommendation 9:** GBCC should continue to scope options for co-location or leasing from within the government estate, but should also continue discussions with CBBC on possible co-location.

**Recommendation 10:** GBCC should continue to consider a permanent presence in Beijing should this become a financially viable option. This would include scoping the possibilities of co-locating with another British organisation with a presence in the country, such as CBBC.

**Recommendation 11:** GBCC and EAD should review and implement the suggestions for improved governance set out in Annex II.

**Recommendation 12:** GBCC should ensure that all governance documents are reviewed at least once every 3 years and core documents are reviewed annually.

**Recommendation 13:** The Management Statement and Articles of Association should contain updated instructions concerning the sourcing and appointment of the Chairman and new Board members that are proportionate, but consistent with the Principles of Public Appointments in the Governance Code on Public Appointments, including its advice on diversity.

**Recommendation 14:** EAD should include on their risk register the medium and long-term risks associated with GBCC potentially failing to secure Prosperity Funding, plus changes to EU funding, and the possible graduation of China from ODA-eligibility in 2023.

**Recommendation 15:** Subject to operational need (see Recommendation 6) GBCC should consider offering permanent positions to staff who have worked for more than 2 years on contract, following confirmation from GBCC's HR advisors that (as currently understood) this would not create additional legal or financial obligations.

**Recommendation 16:** EAD should investigate greater access for GBCC staff to FCO and other civil service training options including Diplomatic Academy, GLO and Civil Service Learning.

**Recommendation 17:** EAD should schedule an annual 'checkpoint' for the Board and members of EAD (including BE Beijing) to collectively assess progress and consider strategy for the forthcoming year.

**Recommendation 18:** The FCO FOI team should reaffirm the guidance to the GBCC, ensure that FOI requests are being properly published, and clarify whether GBCC FOI requests should be included in FCO FOI returns.

**Recommendation 19:** GBCC and EAD should review and implement the suggestions relating to data protection in Annex II. In particular:

- The GBCC should appoint a permanent DPO. Retaining the services of the FCO DPO would be sensible and efficient.
- The DPO should review all of the GBCC's data protection compliance and should report regularly to the ARAC.

**Recommendation 20:** The Board should accelerate efforts to ensure greater diversity in its own composition.

**Recommendation 21:** The FCO should expedite implementation of the NAO's recommendations concerning the oversight of its ALBs, including providing training for policy officers taking on a role that includes managing an ALB relationship.

**Recommendation 22:** GBCC and EAD should review and implement the suggestions relating to the relationship between GBCC and the FCO in Annex II,

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including ensuring EAD staff managing the relationship with GBCC have an appropriate allocation of time in their job specification; taking steps to thicken the policy relationship between China desk officers and project officers; and ensuring that all staff in BE Beijing are aware of GBCC's status as an NDPB and its operational independence.

## **ANNEX I: TERMS OF REFERENCE**

### **1. Background**

The Great Britain China Centre (GBCC) was founded in 1974. Its principal activity is to encourage mutual knowledge and understanding through the promotion of closer cultural, professional, economic, educational, legal, judicial and other contacts between Britain and China.

GBCC's core mission and strategic aims, as set out in its Management Statement are:

To promote understanding between Britain and China, through three strategic aims:

1. To work with Chinese partners to contribute to the development of good governance, rule of law and the better protection of human rights.
2. To contribute to the strengthening of relations between the UK and China and in particular in the promotion of the UK as a model for good governance and rule of law developments.
3. To strengthen understanding between senior leaders and officials in China, and politicians and parliamentarians in the UK and EU.

As a Non-Departmental Public Body (NDPB) of the FCO, the GBCC aims to align with Asia Pacific Directorate's (APD) business plan and FCO and government strategic priorities.

The FCO provides annual grant-in-aid funding to the GBCC (£470,000 in financial year 2017 to 2018, £500,000 in 2018 to 2019). This represents about 40% of the GBCC's funding. The rest is made up of project funding and sponsorship that varies each year. Project funding, from all sources, for 2017 to 2018 was £603,063.

GBCC employs 4.5 permanent and 3.5 contract staff.

### **2. The Purpose of the Review**

Good corporate governance requires that public bodies are efficient, effective and accountable, and provide value for money. All public bodies are required to be reviewed on a periodic basis in accordance with [Cabinet Office guidelines](#).

A Triennial Review of the GBCC was carried out in 2013. The Cabinet Office Public Bodies Reform Team has recommended that a Tier 3 Review is carried out in financial year 2018 to 2019.

The Review will assess in particular:

- the effectiveness of the organisation in its function and form in delivering its objectives, supporting FCO priorities and UK/China relations;
- the control and governance arrangements in place to ensure that the organisation and its sponsor are complying with the Cabinet Office's code of good practice on partnerships with arm's length bodies and that they are optimal for the organisation's effectiveness.

### **3. Scope**

The Review will be proportionate to GBCC's size and specialised nature. The FCO accordingly intends to adopt a light touch approach to the delivery of the Review.

#### **3.1 Form and function**

The Review will consider:

- the functions of the GBCC as set out in its Management Statement, whether they are still required, and whether they are aligned to FCO and wider government objectives;
- if the activities of the GBCC are consistent with these functions;
- whether the form of the GBCC (a NDPB) is the most effective and efficient, way of delivering these functions (Does it meet the Cabinet Office's 'Three tests').

#### **3.2 Effectiveness**

The Review will look at the effectiveness of GBCC, principally:

- the suitability of GBCC's priorities in relation to FCO's Single Departmental Plan, government commitments and in supporting work of other government departments;
- the effectiveness of its current strategy and activities;
- how the impact of GBCC is measured and evaluated;
- to what extent relevant recommendations from the 2013 Review have been implemented.

#### **3.3 Economic model and sustainability**

The Review will consider:

- whether the GBCC's funding model is (i) the most appropriate to deliver its objectives, (ii) sustainable, including the ability to generate commercial income;
- the potential implications of Brexit on GBCC's funding streams.

#### **3.4 Efficiency**

The Review will consider:

- whether the GBCC provides good value for money for British taxpayers;
- whether the GBCC office and location are compliant with relevant Government Property Unit guidance;
- if the recommendations of the 2013 Review have been effectively implemented;
- if, how and where further efficiencies can be made within GBCC, including the potential for the use of shared services.

### **3.5 Governance**

The Review will examine the robustness and transparency of GBCC's Governance including:

- the role of the Board in setting and monitoring the strategy of GBCC and how this is assessed;
- whether governance controls in place follow the principles set out in the 'Partnerships with arm's length bodies: code of good practice', including on transparency, diversity and data protection;
- the relationship between GBCC and the FCO.

### **4. Issues which are out of scope for the Review**

The Review team will not undertake an audit of GBCC finances, nor detailed financial or economic modelling of future options.

Devolution issues do not directly impact GBCC, and have therefore not been included in the Review's scope.

The principle of proportionality will be applied at all times.

**ANNEX II: ASSESSMENT OF GBCC GOVERNANCE**

STANDARD		COMMENT
<b>Statutory Accountability</b>		
Does GBCC comply with all statutory and administrative requirements for the use of public money, including principles and policies in HMT's 'Managing Public Money' and Cabinet Office/HMT spending controls?		The GBCC is audited annually by the National Audit Office. The certificate and report of the Comptroller and Auditor General (C&AG) is contained within the GBCC annual report. The C&AG's responsibility is to audit, certify and report on the financial accounts of the GBCC to provide assurance that they are being managed in accordance with the Government Resources and Accounts Act 2000. The GBCC's Annual Report and Accounts for the years 2016-17 and 2017-18 have been reviewed. In both the C&AG's reports contain no observations. The GBCC is also internally audited by the FCO Internal Audit team to the same standard that the FCO itself is internally audited.
Does GBCC operate within the limits of its statutory authority and in accordance with delegated authorities agreed with FCO?		The certificate and report of the C&AG provides reasonable assurance that the GBCC is operating within their statutory authority, including on the efficiency and control of spending public money, and is reviewed annually. Internal audits carried out annually on differing topics have also found the GBCC to be compliant.
Does GBCC operate within the statutory requirements and spirit of the Freedom of Information Act 2000?		<p>GBCC informed the Review Team that an average of one FOI request was received each week mainly concerning commercial questions. There is no requirement for GBCC to publish <b>all</b> its FOI requests. But requests in the categories listed in the guidance at <a href="https://ico.org.uk/media/1230/definition-document-non-departmental-public-bodies.pdf">https://ico.org.uk/media/1230/definition-document-non-departmental-public-bodies.pdf</a> should be published. GBCC is not systematically doing this. There is also a lack of clarity around whether the FCO should include GBCC FOI requests in its returns (it does for some NDPBs and not for others).</p> <p><b>Suggestion: the FCO FOI team should reaffirm FCO guidance to the GBCC, ensure that FOI requests are being properly published, and clarify whether GBCC FOI requests should be included in FCO FOI returns.</b></p>
Does GBCC comply with data protection legislation and the Public Records Acts 1958 and 1967?		<p>The GBCC has a privacy policy listed on its website that is largely compliant with the Data Protection Act 2018. The FCO DPO provides a temporary Data Protection Officer (DPO) function. Under the new CBBC/GBCC service agreement, whether on-site or working remotely, CBBC staff access the GBCC accounting software and other data via a remote desktop connection as the servers are hosted in the cloud. The GBCC was subject to a largescale cyber-attack in December 2017 that resulted in the content of GBCC emails being accessed and downloaded. The FCO, the National Cyber Security Centre (NCSC) and the Information Commissioner's Office (ICO) investigated the attack and concluded there was a low risk to the data subjects whose data was compromised. The ICO did not require any further action to be taken.</p> <p><b>Suggestions: under the Data Protection Act 2018, as an NDPB, and given the personal data the GBCC processes, a formally contracted DPO is required. The GBCC should refer to the ICO's guidance on DPOs. As the GBCC has to comply with FCO/Civil Service guidance for the protection of personal data and</b></p>

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		<p><b>security classifications, retaining the services of the FCO DPO (as in the current temporary arrangements) would be sensible and efficient.</b></p> <p><b>The DPO should review all of the GBCC’s data protection compliance and should be supported by the Audit and Risk Assurance Committee (ARAC) and the Board in doing this. The DPO should also report regularly to the ARAC. The DPO should be the GBCC’s first port of call for any issue of data protection compliance.</b></p> <p>Regarding the Public Records Act 1958, a former GBCC employee who is contracted in manages long term archiving.</p> <p><b><u>Suggestion:</u> the GBCC should contact the FCO Knowledge and Technology Department to ensure that current guidance is being followed</b></p>
<b>Accountability for Public Money</b>		
Is there a formally designated accounting officer?		The Chief Executive is formally designated as the GBCC Accounting Officer. The National Audit Office’s FCO Management Letter of the 2017-18 financial statement audit noted that, despite the GBCC appointing a new Chief Executive with effect from 4 September 2017, FCO procedures to appoint her as the GBCC Accounting Officer were not completed until 20 June 2018. Without an appointed Accounting Officer, GBCC’s accounts could not have been certified by the C&AG. The NAO rightly pointed this out is not best practice. However, the Chief Executive knew that being accounting officer was part of her role from the beginning and the governance structure was in place.
Is the role, responsibilities and accountability of the accounting officer clearly defined and understood? Has the individual received appropriate training and induction?		The Chief Executive had experience of the GBCC before joining. She has also completed the accounting officer training at the Civil Service College. In his letter to the Chief Executive on her appointment the requirements of the accounting officer role were clearly set out. The GBCC have been complimented on the managed transition from the previous Chief Executive to the current incumbent, which ensured that there was continuity of governance.
Does the GBCC have appropriate arrangements to ensure that public funds are: properly safeguarded; used economically, efficiently and effectively; used in accordance with the statutory or other authorities that govern their use; deliver value for money for the Exchequer as a whole?		The GBCC governance structure is well established and stable. The NAO audit is subcontracted to Moore Wilsons. This arrangement alongside the involvement of the FCO professionals on the ARAC provides assurance to the FCO PUS. The NAO reports from the past two years contain no observations. The GBCC follow FCO guidelines for procurement, expenses and expenditure including specific guidelines when undertaking expenditure for projects on behalf of other entities.

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Is the FCO's accountability relationship with the GBCC clearly set out in the Accounting Officer System Statement?		The FCO has parental responsibility so the accountability relationship is set out in its Accounting Officer System Statement. The NAO has reviewed the FCO Accounting Officer System Statement and found it to be compliant. Further information on the relationship is found in the Management Statement. There is no requirement for the GBCC to have its own Accounting Officer System Statement under current Treasury rules.
Has the Board made a senior executive responsible for ensuring that it receives appropriate advice on financial matters?		The Audit and Risk Assurance Committee (ARAC) is chaired by the Vice Chairman and Hon. Treasurer of the GBCC. He is a financial expert with an accounting background. There are a number of other members of the ARAC who have financial management experience, including the CBBC finance manager who is a Chartered Accountant. FCO audit officials attend the ARAC, providing advice and guidance on compliance. The ARAC provides advice to the Board on all spending and meets 4 times a year.
<b>Ministerial Accountability</b>		
Does the FCO and its Ministers exercise appropriate scrutiny and oversight?		The annual report and budget are signed off at Ministerial level. The Minister for Asia has an annual meeting with Chair and Executive Director. Ministers are consulted on attendance at the SLF. Day to day oversight is provided by EAD who attend Board meetings plus have regular contacts on issues as they arise. If these issues required Ministerial decision, EAD takes appropriate action.
Are appointments to the Board made in line with the Governance Code on Public Appointments?		<p>The current Chair was recruited and appointed in 2015. EAD managed this process in line with guidance from the Office of the Commissioner for Public Appointments (OCPA). The panel was chaired by a Public Appointments Assessor and included the Director of Asia Pacific Directorate (FCO), a former Board member of the GBCC, and an independent panel member recommended by the Cabinet Office Centre for Public Appointments (CPA).</p> <p><b>Suggestion:</b> although the correct processes were followed, the procedures set out in the Articles of Association (2002) for appointing the Chair do not comply with the relevant guidance and should be updated.</p> <p>The recent Board skills assessment, and the Chair's commitment to incorporate findings on skills gaps into the process for recruiting new Board members, are welcome. However, procedures for seeking recommendations for new Board members set out in GBCC's governance documents are not clear. The Management Statement says that the Chairman should:</p> <p><i>advise the FCO of the needs of the GBCC when Board vacancies arise, with a view to ensuring a proper balance of professional and financial expertise;</i></p> <p>The GBCC Standing Order for Procedures for Election and Terms of Office of the GBCC Board states that:</p> <p><i>When a vacancy occurs on the Board the Chairman will consult widely about suggestions for a replacement. This will include consultation with the Far East and Pacific Department at the FCO, HM Ambassador in Peking, with ordinary members of the Centre and, if necessary with the Public Appointments Unit (PAU). The Chairman will also write to other members of the Board and to observers seeking suggestions.</i></p> <p>This document is outdated, but the Review team agrees with its advice that wide consultation should be undertaken (including with HMA Beijing) when seeking new Board members. GBCC might wish to scrap the outdated standing</p>

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		<p>orders but build more explicit provision regarding sourcing and appointing Board members into the Management Statement including the need to comply with the Governance Code on Public Appointments.</p> <p>The Standing Orders require discussion of nominees by existing board members in advance of a vote. The Management Statement simply notes that <i>The Board Members are appointed for an initial 3-year period and their nomination must be confirmed by a majority vote of the Board.</i></p> <p>It is not clear from Board minutes that this has always happened although the Chair confirmed to the Review team that recruitment of Board members is in line with the Nolan Principles. (7 Principles of public Life).</p> <p><b>Suggestion: The Management Statement (currently being updated) should contain more explicit instructions concerning the sourcing and appointment of new board members. The process should be proportionate, but consistent with the Principles of Public Appointments in the Governance Code on Public Appointments, including its advice on diversity. The Board should fully discuss proposed candidates before voting on new Board members.</b></p>
<p>Does the Minister appoint the Chair and non-executive Board members and is able to remove individuals whose performance or conduct is unsatisfactory?</p>		<p>Only the GBCC Board Chair is a Ministerial appointment. Articles of Association and Management Statement note that other Board members are elected by the Board. The Standing Orders for procedures for election and terms of office for GBCC's Board notes that: 'If a Board member should fail to meet the standards of holding public office the Chairman shall have the power to remove that member after consultation with the rest of the Board.'</p>
<p>Is the Minister consulted on the appointment of the Chief Executive, approve the terms and conditions of their employment and meet the CEO on a regular basis?</p>		<p>The Minister for Asia was consulted on the appointment of the current Chief Executive Officer The MOU between GBCC and FCO contains a provision for the Minister to meet with the Chair of the Board annually. The COE is not currently included in this provision.</p> <p><b>Suggestion: EAD should amend the MOU to ensure the CEO also has an opportunity to meet regularly with the Minister.</b></p>
<p>Is the Minister consulted on key issues and can be properly held to account?</p>		<p>EAD manage the relationship with GBCC and consult the Minister on issues as necessary. This has been mostly on appointments, Grant In Aid, and GBCC's annual reports. The Review team agrees with EAD's assessment that, given the size of the GBCC, this provides adequate Ministerial oversight and accountability.</p>
<p>Does the Minister ensure that parliament is informed of the activities of the GBCC through the publication of an annual report?</p>		<p>GBCC's Annual report and accounts are presented to Parliament and published on <a href="http://www.gov.uk/government/publications">www.gov.uk/government/publications</a>.</p>
<p><b>Role of the Sponsoring Department</b></p>		
<p>Is there a sponsor team within the FCO that provides appropriate oversight and scrutiny of, and</p>		<p>The China Team within the FCO's East Asia Department seeks to provide oversight and scrutiny proportionate to GBCC's status as an Arm's Length Body. The China Internal Team is the first point of contact on governance and administrative issues with political and strategic input and oversight provided by the Head of EAD. The Head of</p>

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<p>support and assistance to, the GBCC?</p>		<p>EAD is a member of the GBCC Board. He (or a representative) attend all Board meetings. FCO Estates, Internal Audit, Data Protection and Freedom of Information Teams also provide specialist advice and oversight, as noted elsewhere.</p> <p>There is regular and ongoing discussion between the Head of EAD and the Chair and/or Executive Director. But the Review team noted that the addition of a formal point in the year to take stock and check progress would be a useful addition to the current interaction (see below).</p> <p>Whilst EAD work hard to provide accurate support and assistance on governance issues, they are primarily policy experts most of whom have little (if any) previous experience of managing the relationship with an ALB. There is a heavy reliance on knowledge being handed on by predecessors. The Review received feedback to suggest that time is lost seeking out relevant contacts to answer queries not covered by the standard guidance. Requests, and guidance, from Cabinet Office are not always reaching the relevant desk officers.</p> <p>In its audit of the FCO's 2017-18 financial statements, the National Audit Office noted weaknesses in the FCO's relationship with its ALB's (including citing two specific instances involving the GBCC). The NAO recommended clear channels of communication for ALBs to escalate issues, and that the FCO should ensure all staff with responsibility for oversight of ALBs are aware of all the sponsor department's responsibilities.</p> <p><b>Suggestions: The FCO should expedite implementation of the NAO's recommendations including appropriate training. EAD staff managing the relationship with GBCC should have an appropriate allocation of time written into their job specification.</b></p>
<p>Does the FCO Board agenda include regular scrutiny of the GBCC? Has the Board ensured that there are effective arrangements in place for governance, risk management and internal control?</p>		<p>Governance, risk management and internal control are carried out by East Asia Department, who have opportunity to raise issues of concern through Director APD to the Board.</p>
<p>Is there a Framework Document in place which sets out clearly the aims, objectives and functions of the body and the respective roles and responsibilities of the Minister, FCO and GBCC. It should be accessible and clearly understood by all, and regularly reviewed and updated.</p>		<p>GBCC's core Governance documents include</p> <ul style="list-style-type: none"> <li>- Memorandum of Association of the GBCC and New Articles of Association of the GBCC (last revised in 2002)</li> <li>- GBCC-FCO MOU (last revised in 2013)</li> <li>- Management Statement for GBCC (last revised in 2012)</li> <li>- Financial Memorandum for Executive NDPBs (last revised in 2006)</li> </ul> <p>Work is currently underway between EAD and GBCC to revise and update these documents.</p> <p><b>Suggestion: FCO/GBCC should establish a schedule to ensure core documents are reviewed annually and all documents area reviewed at least once every 3 years.</b></p>

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<p>Is the FCO's accountability relationship with the GBCC clearly set out in the Accounting Officer System Statement?</p>		<p>The FCO has parental responsibility and as such the accountability relationship is set out in its Accounting Officer System Statement. The NAO has reviewed the FCO Accounting Officer System Statement and found it to be compliant. Further information on the relationship is found in the Management Statement. It is understood by the FCO that there is no requirement for the GBCC to have its own Accounting Officer System Statement under current reporting rules.</p>
<p>Is there a regular ongoing dialogue between FCO and GBCC?</p>		<p>Head of EAD attends GBCC Board meetings and meets with the Board Chair and CEO every few months. There is regular engagement with members of the China Team in the UK. GBCC also engages closely with the British Ambassador and Embassy staff in Beijing during visits and programmes. This engagement includes a sharing of views on China policy and strategy. The Head of the FCO Internal Audit Department is a member of the GBCC's Audit and Risk Assurance Committee. There is additional dialogue with other parts of the FCO on specific issues. Much of this interaction is at Director and Board level. Most other GBCC staff have little contact with their FCO counterparts in the EAD and several GBCC staff noted that they would welcome more opportunity for more informal interaction and sharing of ideas with at desk and team leader level.</p> <p><b>Suggestion: EAD and GBCC should take steps to thicken the relationship between desk officers and project officers including introducing new team members on arrival, ensuring that GBCC staff have contact details for a range of policy staff, not just their designated governance contact point, and considering ways of sharing knowledge through short-term attachments, seminars or other policy interactions.</b></p>
<p><b>The Role of the Board</b></p>		
<p>Does the Board provide strategic leadership and guidance?</p>		<p>Evidence gathered from interviews with FCO and external stakeholders and staff suggests that the Board provides a high level of strategic leadership and guidance.</p>
<p>Does the Board and its committees have an appropriate balance of skills, experience, independence and knowledge?</p>		<p>The Board and its committees have a good range of skills and experience including members with political, judicial, commercial/business, academic and accounting skills as well as in most cases a deep knowledge of China. The Chair has recently undertaken a skills audit and identified additional skills that would be useful to bring onto the Board. These are being factored into the recruitment of new Board members currently underway.</p>
<p>Is there a clear division of roles and responsibilities between executives and non-executives? No one individual has unchallenged decision-making powers?</p>		<p>With the exception of the CEO the Board consists entirely of voluntary non-executive members. The roles and responsibilities of Board members and the CEO are clearly set out in the relevant TORs.</p>
<p>Does the Board meet regularly, retain effective control over GBCC, and effectively monitor the senior management team?</p>		<p>The Board meets quarterly. Evidence from Board minutes (including subcommittee minutes) suggests discussion is thorough and covers the full range of issues necessary to provide control and effective monitoring of GBCC's work.</p>
<p>Is the Board appropriately sized, and drawn from a wide range of diverse backgrounds?</p>		<p>The Board of Directors currently comprises 12 members (including the Chair). This is smaller than it has recently been due to efforts by the current Chair to refresh its membership. A recruitment effort for new members with</p>

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		<p>appropriate skills is underway. Currently only 2 members of the Board (plus the CEO) are female. The Chair has stated that diversity will be taken into consideration during the recruitment of new Board members.</p> <p><b>Suggestion: Accelerate efforts to diversify further the composition of the board.</b></p>
Has the Board established a framework of strategic control which is understood by all board members and senior executives and is regularly reviewed and refreshed		<p>The Management Statement sets out the role of the Chairman and the Board. Each of the 3 subcommittees has clear Terms of Reference. There are no specific Terms of Reference of the Board, but the Board's Code of Conduct contains the relevant information. For completeness, the Board might want to draw these into formal TOR to match the subcommittee TORs.</p>
Has the Board ensured there is a system to ensure it has access to all relevant information?		<p>The Executive Director is responsible for ensuring the Board has the relevant information. Given the small size of the GBCC and the regular contact between the Chair and the Executive Director the Review Team consider this sufficient.</p>
Does the Board have formal procedural and financial regulations to govern the conduct of the GBCC?		<p>The GBCC's Governance documents include Articles of Association, Management Statement, Financial Memorandum and Financial Procedures and Control Manual. These documents set out the necessary procedures and regulations.</p> <p><b>Suggestion: The Board should ensure that these documents are reviewed annually and updated where necessary.</b></p>
Has the Board made a senior executive responsible for ensuring that it receives appropriate advice on financial matters?		<p>The Executive Director is designated as the GCC's accounting officer with responsibilities as set out in 'Managing Public Money'.</p>
Has the Board established a remunerations committee to make recommendations on the remuneration of top executives. Do the rules on appointment and management of staff provide for the appointment and advancement of staff on merit?		<p>The Board has established a Personnel Committee, which reports to the Board. Its terms of reference states that it has responsibility for reviewing the relevance and appropriateness of the Policy for staff remuneration and performance related pay increases and bonuses. The Annual Report and Accounts (2017/18) notes that the Personnel Committee reviews the remuneration of all GBCC staff including the Executive Director based on annual appraisals carried out by line managers.</p>
Is the Chief Executive accountable to the Board for the ultimate performance of the GBCC?		<p>The role and responsibilities of the Executive Director are set out in detail in the Management Statement. The Chair carries out an annual assessment of the performance of the Executive Director.</p>

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<p>Is there an annual evaluation of the performance of the Board and its committees, and of the Chair and individual Board members?</p>		<p>The Chair carries out a light touch review of individual Board members contributions (all are volunteers) in the form of a personal conversation. There is no formal process for EAD to assess the performance of the Chair, but there is regular contact between the Chair and the Head of East Asia Department which would enable the FCO to take action if they had performance concerns.</p> <p><b>Suggestion:</b> Head of EAD should institutes a light touch annual review of the performance of the GBCC and its Board.</p>
<p><b>Role of the Chair</b></p>		
<p>Is the Board of the GBCC led by a non-executive Chair?</p>		<p>Yes. The current Chair, Sir Martin Davidson, former Chief Executive of the British Council, has been a member of the Board since 2007 and was appointed Chair in 2015.</p>
<p>Is there a formal, rigorous and transparent process for the appointment of the Chair, compliant with the code of practice issued by the Commissioner for Public Appointments?</p>		<p>Sir Peter Spencer KCB, Public Appointments Assessor, confirmed that the process for appointing GBCC's Chair in 2015 met the requirements of the Commissioner for Public Appointments' Code of Practice for Ministerial Appointments to Public Bodies.</p>
<p>Does the Chair have a clearly defined role in the appointment of non-executive Board members?</p>		<p>Procedures for recruiting and appointing new members of the Board are not clear and guidance is outdated. See recommendation above.</p>
<p>Are the duties, roles and responsibilities, terms of office and remuneration of the Chair set out clearly and formally? Are they in line with Cabinet Office guidance?</p>		<p>The Management Statement and the Code of Conduct for Board members, set out the role, responsibilities and terms of office of the Chair. These are in line with the relevant Cabinet Office guidance.</p>
<p><b>Non-Executive Board Members</b></p>		
<p>Are there a majority of non-executive members on the Board?</p>		<p>The Board comprises predominantly voluntary non-executive members. The Executive Director is the only executive member of the Board.</p>
<p>Are the non-executive members providing independent and constructive challenge?</p>		<p>Evidence from Board minutes, corroborated by Chair and FCO observers, confirms independent and constructive challenge.</p>
<p>Is there a formal, rigorous and transparent process for the appointment of non-executive members compliant with the code of practice issued by the Commissioner for Public Appointments?</p>		<p>Procedures for recruiting and appointing new members of the Board are not clear and guidance is outdated. See recommendation above.</p>

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<p>Are the duties, role and responsibilities, terms of office and remuneration of the non-executives set out clearly and in writing? Are they in line with Cabinet Office guidance (Annex C)?</p>		<p>The roles and responsibilities of non-executive board members are set out in the Management Statement and the Code of Conduct for Board Members and are in line with the relevant Cabinet Office guidance. For ease of reference, the Board might wish to create a new Terms of Reference document for the Board in keeping with the Terms of References now existing for the three Board subcommittees.</p>
<p>Are all non-executive board members properly independent of management?</p>		<p>Yes.</p>
<p>Do all non-executive board members allocate sufficient time to the board to discharge their responsibilities effectively?</p>		<p>The Board meets 4 times a year. Attendance in 16-17 was 58%. The Chair has subsequently taken action to update the Board membership. Attendance in 17-18 was 71%. The Chair confirms that all Board members play an active role. 100% attendance is not feasible without compromising diversity. Sitting MPs in particular cannot always attend all Board meeting but their contribution is valuable.</p>
<p>Is there a proper induction for new members led by the Chair?</p>		<p>The Management Statement (3.4.4) notes that it is the responsibility of the Chair to ensure that all members of the GBCC Board when taking up office, are fully briefed on the terms of their appointment and on their duties, rights and responsibilities, and receive an appropriate introduction to the work of the Centre, including on the financial management and reporting requirements of public sector bodies and on any differences which may exist between private and public sector practice. Evidence suggests this may not always have fully happened.</p> <p><b>Suggestion:</b> The Chair to ensure that all new Board members receive a comprehensive induction in line with the Management Statement.</p>
<p><b>Effective Financial Management</b></p>		
<p>Does the GBCC publish a timely, objective, balanced and understandable annual report that complies with HMT guidance?</p>		<p>Compliant, objective, timely, balanced and understandable annual report and accounts published each year.</p>
<p>Are there effective systems of internal control – effective internal audit function operating to government internal audit standards?</p>		<p>The FCO internal audit team, comprised of Certified Internal Auditors provide the internal audit function for the GBCC. An internal audit is carried out annually, focusing on a different aspect of GBCC’s functionality each year, to the standards required by the Global Institute of Internal Auditors guidance and meets Public Internal Auditing Standards and the requirements of the Government Internal Audit Agency’s own manual.</p>

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<p>Are there appropriate financial delegations in place, clear and understood by all? Are the complied with? Regularly reviewed?</p>		<p>Under a service arrangement that commenced on 1<sup>st</sup> September 2018, the finance team of the China Britain Business Council (CBBC) provides day-to-day management of the finance and administrative functions of the GBCC, both onsite and from a remote location. The new arrangement provides deeper, more extensive financial resources for the GBCC. All expenditure over £1 now requires two signatures. The CBBC Finance Director sits on the ARAC and believes that the new outsourcing arrangement will bring benefit and add value to the GBCC. He is looking to streamline the accounts generation and make greater use of the data.</p> <p><b>Suggestion: The GBCC staff handbook is currently being re-written. Information about the new service arrangement should be included. The 2019 internal audit should evaluate how the new service arrangement is working.</b></p>
<p>Are there effective anti-fraud and anti-corruption measures in place?</p>		<p>No evidence of fraud or corruption was found in either the internal audits or the NAO audits. The GBCC had historically received counter fraud training. Following a recommendation in the last NAO report, the FCO internal audit team provided practical scenario based training for the GBCC staff in 2018. This ensures that the GBCC receive the same training as FCO staff. As the GBCC have to provide the FCO PUS with the assurances necessary for the accounts to be signed off, it is sensible that the FCO Internal Audit team continue to provide the training.</p>
<p>Are there clear, published ruled for claiming expenses, and effective systems to ensure compliance?</p>		<p>Where the expenditure comes from FCO grant in aid or FCO project money, GBCC staff follow FCO procedures for claiming and approving expenses. Tightening up the expense claim procedure has been featured in internal audit recommendations and has improved following the counter fraud training. The Chief Executive signs off all expenses. Under the new service arrangement there are added controls for payments.</p>
<p>The annual report includes a statement on the effectiveness of the GBCC's internal audit control?</p>		<p>The GBCC Annual Report and Accounts includes a comprehensive governance statement from the Board. A Statement of the Accounting Officer's, &amp; Directors' Responsibilities is made as per the Government Resources and Accounts Act 2006 complying with the requirements of the Government Financial Reporting Manual.</p>
<p>Has the GBCC Board established an audit (or audit and risk) committee with responsibility for independent review of the systems of internal control and the external audit process?</p>		<p>The ARAC monitors and evaluates risks to the operation of the organisation, reviews the accounts and accounting policies and oversee the development of the business continuity plan. The involvement of the FCO Internal Audit team on the ARAC provides the FCO PUS with assurance.</p>
<p><b>Communications</b></p>		
<p>Is the GBCC open, transparent, accountable and responsive?</p>		<p>GBCC maintains a website with key information about its Board, staff and the activities it undertakes.</p>
<p>Has the GBCC identified its key stakeholders and established clear and effective communications with these stakeholders?</p>		<p>A database of contacts is maintained. Communication is sufficient for managing activities and events. GBCC is considering a newsletter to keep stakeholders better informed (when they have capacity.) The depth and breadth of their contacts in China was regularly highlighted to the Review Team as a factor behind GBCC success.</p>

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		<p>The Review Team found limited evidence to suggest a strategic approach to identifying potential new stakeholders in the UK. Potentially more could be done to ensure their activities widely known amongst key stakeholder groups (eg Parliamentarians.)</p> <p><b>Suggestion: GBCC should consider developing a more strategic approach for reaching out to potential supporters in key UK stakeholder groups.</b></p>
Are details of senior staff and Board members published?		Details of senior staff and board members are published on the GBCC website and in the Annual Reports.
Has the GBCC considered holding open board meetings?		Not appropriate in light of the sensitivities of some of the issues discussed. No evidence to suggest that there is any demand for this given the small size and niche activities of the GBCC.
Does the GBCC proactively publish performance data?		An overview of performance is given on the website and in annual reports. The GBCC does not provide the sort of public service that would require regular publishing of performance data.
Is there an effective process for handling correspondence and complaints?		Handling of correspondence is allocated within a staff member's job description. Most correspondence received is to thank GBCC for events, scholarships etc. Rare instances of complaints are responded to, with input from Executive Director if required.
Does the GBCC comply with the government's' conventions on publicity and advertising? Are these conventions understood by board members, senior execs, and all press/comms/marketing teams?		The Chair and the Executive Director are aware of the conventions and ensure compliance.
Are there appropriate rules and restrictions limiting the use of marketing and PR consultants?		No marketing or PR carried out.
Are there robust effective systems to ensure the GBCC is not, and not perceived to be, engaging in political lobbying? Eg restrictions on board members and staff attending party conferences in a professional capacity.		<p>GBCC strive to ensure that their work with MPs cuts across party political boundaries and is as even handed as possible. In the past 4 years participants in the Political Dialogues (Leadership Forums and Emerging Leaders Round Tables) have been approximately equally drawn from the two larger parties with some representation also from the smaller parties in Parliament.</p> <p>The Staff Code of Conduct contains appropriate advice to staff disallowing public comment on the policies of either the British or Chinese Government and reminding staff that when expressing views about public or political issues in speech or writing they must "make it clear that these are your own views and not those of GBCC. GBCC is always politically neutral, working equally with representatives of many different political parties in our relations".</p>
<b>Conduct and Behaviour</b>		
Do GBCC Board and staff work to the highest personal and professional standards, promote the values of the		Most stakeholders interviewed by the Review Team noted the high level of professionalism demonstrated by GBCC staff.

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body and of good governance through their conduct and behaviour?		
Does GBCC have a code of conduct, which follows Cabinet Office code 35, setting out standards of personal and professional behaviour expected of board members?		GBCC has a 'Code of Practice for Board members' which covers values, standards and dealing with conflicts of interest. But it also includes the role of the Chair and Board members. GBCC might consider separating the two documents to create a Code of Conduct in line with Cabinet Office Code 35 and a separate TOR for the Board.
Are all Board members aware of the Code? Does it form part of the terms and conditions of appointment?		Board members interviewed by the Review Team were aware of the Code of Practice. GBCC staff note that this is included in the welcome pack prepared for new Board members.
Does GBCC have a code of conduct, which follows Cabinet Office model code, setting out standards of personal and professional behaviour expected of staff?		The Management Statement (6.11) requires GBCC to have in place a code of conduct for staff based on the Cabinet Office Model Code for Staff of executive Non Departmental Public Bodies. This has been viewed by the Review Team.
Are all staff members aware of the Code? Does it form part of the terms and conditions of appointment?		Staff interviewed by the Review Team were aware of the Code of Conduct. Staff contracts outline that Employees shall comply with any rules, policies and procedures included in the Staff handbook, and this includes the Code of Conduct, anti-bribery and corruption policy etc. Contracts contain the Seven Principles of Public Life, and stipulate that Employees as members of the public service are expected to observe public service values.
Are there clear rules and procedures in place for managing conflicts of interests? Is there a publically available register of interests for board members and senior staff which is regularly updated?		The Chairman confirmed to the Review Team that all members of the Board sign an annual declaration of interests and that these are held in the GBCC office. Board members are also asked to declare any conflict of interest in particular projects during Board meetings. Following legal advice Head of East Asia Department (and other FCO representatives) do not attend Board discussions on GBCC's strategy for bidding to the Prosperity Fund.
Are there clear rules and guidelines in place for political activity by Board and Staff and effective systems in place to ensure compliance?		The Staff Code of Conduct contains appropriate advice to staff disallowing public comment on the policies of either the British or Chinese Government and reminding staff that when expressing views about public or political issues in speech or writing they must "make it clear that these are your own views and not those of GBCC. GBCC is always politically neutral, working equally with representatives of many different political parties in our relations".  Some members of the Board are sitting/retired MPs and Ministers, but the Code of Practice for Board members requires them to observe the highest standards of impartiality, integrity and objectivity and to follow the Nolan Principles on Standards in Public Life.
Are whistle-blowing procedures consistent with the Public Interest Disclosures Act in place?		Whistle blowing procedures are set out in the staff manual. The Chair of the ARAC is the main contact point. Feedback from staff indicates they are aware of the policy.

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Additional questions from Partnerships with ALBs: A Code of Good Practice		
The Department's approach to risk is based on assessment of the risk posed by arm's length body		<p>The Financial Procedures Manual notes that GBCC's risk Register is maintained by the Executive Director. EAD have not felt that any GBCC risks warranted inclusion on their Departmental Risk Register.</p> <p><b>Suggestion: EAD should consider whether the medium – long term financial risks associated with GBCC potentially failing to secure Prosperity Funding, plus changes to EU funding, and the possible loss of ODA status by China in 2023 warrants inclusion on the Departmental risks register.</b></p>
Is there regular exchange of skills and experience between the FCO and GBCC eg secondments and joint programmes?		<p>Opportunities for secondments and exchanges are very limited given the small size of GBCC and the security clearance needed to work in EAD. However, as recommended in the last review, EAD and GBCC should consider creatively what options there might be (eg for staff going to relevant positions in the Embassy) to spend some time with GBCC pre-posting.</p>
Is there a clear and well understood process to resolve disputes between FCO and GBCC?		<p>The Management Statement notes that "Any question regarding the interpretation of the document shall be resolved by the FCO after consultation with the GBCC and, as necessary, with the Treasury and/or the Cabinet Office."</p>
Each public sector organisation should have sufficient staff with the skills and expertise to manage its business efficiently and effectively.		<p>GBCC staff consists of the Executive Director, six further full time staff and two part time staff members. In addition, administrative and financial functions previously carried out by the Finance manager are now delivered through a shared services agreement with the CBBC.</p> <p>Staff members are all bilingual and most feedback from stakeholders indicates that they carry out their functions efficiently and effectively. (Some concerns have been raised by BE Beijing around levels of expertise in the area of rule of law for business.) GBCC's operating model is based on its staff providing the China expertise and using their excellent range of contacts to bring in relevant experts on specialized legal issues.</p> <p>Some staff members have raised the question of whether they have sufficient staff for the workload. Most staff agreed that whilst excessively long hours are not the norm there are times (particularly on project visits) when they were excessive and TOIL was not always possible. The Executive Director was aware of this. The recruitment of a new Deputy Director should help this, but GBCC management may want to continue to keep working hours under review.</p>
Public sector organisations should seek to be fair, honest and considerate employers.		<p>GBCC staff were invited to respond to a short written survey and to discuss any concerns confidentially with a member of the Review Team. All staff who responded to the survey 'agreed' or 'strongly agreed' that they enjoyed working for GBCC, they were treated fairly and professionally at work and all but one (who 'neither agreed or disagreed') said that they thought GBCC was well managed.</p> <p>Most (but not all) staff had an annual appraisal that they felt was constructive and supported their development.</p> <p>Staff raised concerns about:</p> <ul style="list-style-type: none"> <li>- relatively low levels of pay for well qualified, bilingual staff;</li> <li>- high levels of uncertainty and lack of employment certainty in light of funding challenges. This was particularly acute for staff on short term contracts;</li> <li>- insufficient interaction with FCO desk officers;</li> <li>- lack of training opportunities.</li> </ul>

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The Review Team agree that most GBCC staff members could probably find higher paying jobs in the commercial sector, but recognized that the GBCC Board and Management were endeavouring to make the best possible decisions for staff and the organization within the administrative requirements and financial circumstances. Staff job satisfaction remained high indicating that staff recognized the wider benefits of working for GBCC. Increasing training opportunities would enhance his.

GBCC Executive Director noted that contract staff who have worked for the organization for more than 2 years have the same redundancy rights as permanent staff members. The Board has taken this into account in calculating contingent liabilities. Cabinet Office Public Bodies team have confirmed that staffing levels are a matter for the ALB and sponsoring department and should be based on affordability not headcount GBCC could seek to reduce staff uncertainty by converting these contract positions to permanent slots. FCO's Human Resources Department have confirmed they are content with this proposal.

EAD noted that GBCC staff are invited to some informal learning opportunities eg a recent "lunch and learn" talk on the human rights situation in Xinjiang, but acknowledged that further opportunities should be considered.

Suggestions on interaction between FCO and GBCC are covered above.

### **Suggestions:**

**Staff who have worked for GBCC for more than 2 years as contract staff should be offered permanent positions subject to confirmation from GBCC's HR advisors that (as currently understood) this would not create additional legal or financial obligations).**

**EAD should investigate greater access for GBCC staff to FCO and other civil service training options including Diplomatic Academy, GLO and civil service learning.**

**All staff should receive an annual appraisal.**

### ANNEX III: TRIENNIAL REVIEW IMPLEMENTATION

The FCO completed a “Triennial Review” of GBCC in 2013. “Triennial Reviews” of Non Departmental Public Bodies were the predecessor to Tailored Reviews. This section reviews implementation of the 19 recommendations made in the Triennial Review.

**Recommendation H.1:** *The Review assesses that the Leadership Forum and the Young Leaders Round Table are effective methods for building relationships, undertaking political dialogue and sharing experience of different parliamentary and governance structures and recommends that in drawing up its new strategy post-Review, GBCC respond to the demand shown by both sides and consider the possibilities of increasing the number and themes of these events. This will require a new approach on sponsorship as already recognised by the establishment of the Board's Sponsorship Committee.*

**Action:** Not actioned immediately following the 2013 Review. GBCC has worked with Chinese partners to organise a few follow-up events, for example an alumni dinner, but these have been infrequent. Anecdotal evidence to suggest that the appetite of Chinese partners for events related to dialogues exceeds GBCC's resources and ability to deliver. In order to expand the scope of the political dialogue GBCC has recently initiated a campaign to attract more sponsorship funding.

**Recommendation H.2** *The Review recommends that DG Operations consider establishing an NDPB focal point and policy to support the FCO's NDPBs and as a matter of good corporate practice for the FCO itself (para E.4)*

**Action:** Not actioned. See Tailored Review recommendation 20.

**Recommendation H.3** *The Review recommends that the FCO consider security clearing the Director of GBCC to enable access to strategic policy discussions on matters relating to GBCC's work.*

**Action:** Actioned. The previous Director was security cleared. The current Executive Director is waiting to receive security clearance.

**Recommendation H.4** *The Review recommends that China Department, as the sponsoring department within the FCO, investigate the possibility of GBCC's transactional processing being undertaken by the Corporate Services Centre with Internal Audit Department and the Corporate Services Centre.*

**Action:** Not Actioned. The Review team saw evidence to suggest that China department had considered this option, but did not see any evidence explaining why this option was not pursued.

**Recommendation H.5** *Given the high value placed on the very specific functions that GBCC provides, the Reviewer sees potential benefit to both sides in refreshing GBCC's strategic framework, particularly reflecting the arrival of the new Director in October 2012, and so recommends.*

**Action:** Actioned. New objectives and priority outcomes were set out in the 2014-17 Corporate Plan.

**Recommendation H.6** *The Review recommends GBCC and China Department agree a one page document or memorandum of understanding setting out a practical approach to their relationship, i.e. what each should expect of the other during the course of a business year.*

**Action.** Actioned. Following the Review a short MOU was agreed between GBCC and EAD.

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**Recommendation H.7** *The Reviewer does not wish to bind the Board but recommends that the composition and tenure of the Board be kept under review, regularly refreshed and slightly expanded if necessary to ensure that the right sectors and interests are represented.*

**Action:** Partially actioned. GBCC has made efforts to refresh the Board. Diversity of Board members remains an issue. See our recommendation 19.

**Recommendation H.8** *The Review recommends that the GBCC Board agree an open and transparent recruitment process and adjust the Management Statement accordingly to ensure a timely succession. In this respect the Reviewer found the process for selecting the Chairman of CBBC to be a useful model.*

**Action** Actioned. GBCC carried out recruitment of new Board Chairman in accordance with the requirements of the Commissioner for Public Appointments' Code of Practice for Ministerial Appointments to Public Bodies.

**Recommendation H.9** *Overall, the Review finds that the quality of the relationship between FCO and GBCC is good. However, it is possible that, with the large amount of resource redirected into the China network in recent years, there has been slight drift in the relationship at the strategic level. Both GBCC and the FCO would benefit from reassessing the strategic delivery role of GBCC and the value of its unique contribution, with a view to ensuring that opportunities which arise are fully realised and the enduring impact of its activities and contribution to FCO objectives fully measured and acknowledged, and the Review so recommends.*

**Action:** Actioned. New strategic objectives for the GBCC discussed and agreed with China Department in the formation of the 2014-17 Corporate Plan. But scope for further action now. See our recommendations 2, 3 and 14.

**Recommendation H.10** *The Review recommends that the GBCC respond to the demand for a wider range of relationship activity, including on economic and wider corporate governance issues by making more effective use of the UK-China Forum brand (para E.23)*

**Action:** Not actioned. GBCC decided to discontinue the China Forum Brand.

**Recommendation H.11** *The Review recommends that the GBCC Director take steps with the Head of China Department to ensure that GBCC staff undertake the latest project and programme training (both for FCO systems and for an external professional qualification such as PRINCE 2 and Managing Successful Programmes (MSP)).*

**Action:** Partially actioned. Some additional training undertaken by some staff. But availability of funding for training activities remains an issue. See our recommendation 16.

**Recommendation H.12** *The Review recommends that GBCC draw up a stakeholder outreach and communication strategy as part of its refreshed strategic approach, with a focus on UK public and private sector stakeholders (the Sponsorship Committee of the Board will have a role) ( para E.28)*

**Action:** Actioned. GBCC developed a strategy along the lines identified in this recommendation. The Review Team did not see sufficient evidence to be able to assess the extent to which GBCC implemented the strategy or whether it was subject to systematic and regular review.

**Recommendation H.13** *The Review further recommends that China Department consider sponsoring a short term (4-6 month) secondment into GBCC to help design the outreach and communication strategy, including helping GBCC to refresh the website.*

**Action:** Actioned. The Review has seen evidence to suggest that China Department considered this option but a secondment was not implemented.

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**Recommendation H.14** *The Review recommends that GBCC take advantage of this Review and the fact that several major GBCC projects ended in 2012-13 to develop a "new business pipeline" of ideas for new projects for implementation over the next three years, and to plan a bidding strategy including to new sources of funding.*

**Action:** Actioned. A pipeline of potential projects is regularly discussed at Board meetings.

**Recommendation H.15** *The Review recommends that when China network resourcing is next reviewed, if not before, consideration should be given to recognising GBCC's effectiveness as a delivery partner of the FCO and reinforcing its core Grant-in-Aid.*

**Action:** Actioned. The GIA was restored to its previous level of £300,000 for the 2014-15 financial year from £243,000 in 2013-14 and is now £500,000.

**Recommendation H.16** *The Review recommends that GBCC move ahead as soon as possible with recruitment for the Deputy Director position (as advised by the GBCC Audit Committee)*

**Action:** Actioned. Further staff turnover meant that GBCC was once again recruiting for this position during the current Tailored Review

**Recommendation H.17** *The Review recommends that GBCC and China Department work together to find ways of cooperating through Asia Pacific Directorate's Diplomatic Excellence programme.*

**Action:** Not actioned. See Tailored Review recommendation 16 on training opportunities.

**Recommendation H.18** *The Review notes that GBCC's UK office is an effective operating base currently offering good value for money and recommends that when the lease next expires, GBCC continue to consider cost-effectiveness as well as the Cabinet Office Controls for departments and Arm's Length Bodies.*

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/205750/Cabinet\\_Office\\_Controls\\_guidance\\_v3\\_1\\_2\\_full\\_doc.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/205750/Cabinet_Office_Controls_guidance_v3_1_2_full_doc.pdf) (para F.13)

**Action:** Actioned. FCO Estates and Security Directorate is happy with GBCC compliance, and completes an annual return which is signed off by the Cabinet Office.

**Recommendation H.19** *The Review recommends that GBCC consider methods of representation in Beijing, including on a part-time or consultancy basis, both to improve the effectiveness of its operations and to reduce the burden on constant travel on staff and on the budget.*

**Action:** Partially actioned. The issue of representation in Beijing has been considered by the Board but was considered too expensive for the benefit gained. See our recommendation 13.

## **ANNEX IV: STAKEHOLDER SURVEY RESULTS AND ANALYSIS**

1. The Review Team sent a survey to over 100 of GBCC's UK-based stakeholders, 34 of whom replied. Approximately 33% of respondents worked in the higher education sector; 17% for law firms; 15% for an NGO/not for profit organisation; 12% for government; and 9% for a professional or trade association. Other respondents (14%) included a UK Supreme Court Justice; a private consultant; and a retired Crown Prosecution Service official.
2. The survey provided the Review Team with useful quantitative and qualitative data. The qualitative data was considered carefully by the Review Team. Comments reflected a range of viewpoints, and covered GBCC's perceived strengths as well identifying areas for potential improvement. This qualitative data has informed the analysis and judgements contained throughout the Review.
3. The quantitative data demonstrated that, overall, respondents held a positive view of GBCC. Respondents had regular contact with GBCC - with 68% stating that they engaged with the organisation at least once every six months. Collectively the respondents worked with GBCC on the full range of its objectives and activities. Almost 68% had engaged with GBCC on matters related to rule of law and business environment; 35% on judicial dialogues; 27% on general bilateral exchanges; 26% on political and economic dialogues and 21% on criminal justice reform.
4. Respondents were asked to rate GBCC's performance by answering whether they Strongly Agreed; Agreed; Neither Agreed nor Disagreed; Disagreed; or Strongly Disagreed with statements related to GBCC's priority areas.
5. Their responses were very positive:
  - 97% either agreed or strongly agreed with the statement that "GBCC works effectively to strengthen the UK-China relationship".
  - 70% either agreed or strongly agreed with the statement that "GBCC works effectively to help UK and Chinese politicians and policy-makers develop a robust and progressive relationship". 15% said they neither agreed or disagreed. 1 person disagreed.
  - 86% either agreed or strongly agreed with the statement that "GBCC works effectively to build partnerships and share best practice in support of China's judicial and legal reform". 1 person disagreed; no-one strongly disagreed.
  - 73% either agreed or strongly agreed with the statement that "GBCC works effectively to develop UK and Chinese cooperation to strengthen the Rules Based International System that underpins international trade and respect for human rights". No-one disagreed or strongly disagreed.
  - 73% either agreed or strongly agreed with a statement taken from GBCC's strategy that "GBCC is the only organisation in the UK that is able to operate in the world's second largest economy across the full spectrum of legal and judicial reform". One person strongly disagreed;
  - 40% felt there was some overlap between GBCC's activities and that of other UK or international organisations in China. The majority of these respondents did not think that this was a problem given the scale and importance of China. Several commented that GBCC appeared to work well with other organisations operating in a similar space. One stakeholder suggested that GBCC should focus on areas where it had unique access and insight, and given limited resources should de-prioritise areas where other organisations were able to perform a similar role.

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6. In response to the question: "In your view what, if any, unique attributes does GBCC have that can help it achieve its objectives?"
  - Approximately 65% of respondents identified GBCC's function, including its status as a NDPB; its history and continuity in engaging with China; and the relationships and trust it has developed in the country;
  - Approximately 33% of respondents identified GBCC's staff, in particular the organisation's ability to attract people with China expertise.

**ANNEX V: GBCC PROJECTS: Information provided by GBCC**

**POLITICAL DIALOGUES**

<b>Project title</b>	<b>Date, Donor &amp; Value</b>	<b>Objectives</b>	<b>Partners and participants</b>	<b>Activities</b>	<b>Outcomes</b>
<p><b>7<sup>th</sup> Senior Leadership Forum</b></p> <p><i>UK-China 2020: Partnership for Growth, Prosperity and Reform</i></p>	<p><b>March 24-28 2014</b> in UK (Ditchley, London, Birmingham)</p> <p>Sponsorship: BP £30,000; Barclays £30,000</p>	<ul style="list-style-type: none"> <li>- Support UK politicians to engage effectively with Chinese counterparts.</li> <li>- Increase understanding of the UK amongst Chinese officials.</li> <li>- Increase mutual bilateral access to key decision makers for high level discussion of national interest.</li> <li>- Support effective partnerships between China and the UK.</li> </ul>	<ul style="list-style-type: none"> <li>- International Liaison Department of the Chinese Communist Party (IDCPC).</li> <li>- UK Delegation 15 members, Led by Hugo Swire MP, FCO Minister of State; 4 House of Lords representatives; 10 MPs and Deputy Governor of the Bank of England. 6 GBCC Board members and 4 GBCC staff.</li> <li>- Chinese Delegation 11 members. Delegation Led by Vice-Minister of IDCPC, Yu Hongjun.</li> <li>-</li> </ul>	<ul style="list-style-type: none"> <li>- 2-day forum at Ditchley Park.</li> <li>- Chinese delegation held bilateral meetings with Chancellor Rt. Hon George Osborne MP; BIS Secretary of State Rt. Hon Sir Vince Cable MP; Shadow Foreign Secretary Douglas Alexander MP; chief economic adviser to the Mayor of London, Dr Gerard Lyons.</li> <li>- Visit to financial market dealing room in Canary Wharf hosted by BP.</li> <li>- One-day visit to Birmingham hosted by Rt Hon Liam Byrne MP.</li> <li>- City Council and university briefings. Dinner with Leader of City Council Sir Albert Bore</li> </ul>	<ul style="list-style-type: none"> <li>- Improved cross-party understanding on UK-China relations</li> <li>- Chinese Forum participants valued visit to Birmingham expressing interest in follow up opportunities.</li> </ul>
<p><b>4<sup>th</sup> UK-China Young Leaders Roundtable on the theme of Reform and Innovation</b></p>	<p><b>20-25 July 2014</b> in China (Beijing and Chongqing)</p> <p>Sponsorship: Prudential £20,000 HSBC £20,000 (£40,000 total)</p>	<ul style="list-style-type: none"> <li>- To enhance understanding communication, and build a network of professional relationships amongst potential future leaders in UK and China to support strategic bilateral relationship.</li> </ul>	<ul style="list-style-type: none"> <li>- All China Youth Federation (ACYF) delegation: 13 members.</li> <li>- UK Delegation: 8 MPs and political organisations</li> <li>- Party Affiliation: 2 Conservative, 3 Labour, 3 Liberal Democrat .</li> </ul>	<ul style="list-style-type: none"> <li>- One day roundtable discussion on Reform and Innovation.</li> <li>- Evening alumni event with Communist Youth League participants from previous Roundtables.</li> <li>- Bilateral meetings with Madame Fu Ying, Chairwoman of Foreign Affair Committee of National People’s Congress and Supreme People’s Court Vice President.</li> </ul>	<ul style="list-style-type: none"> <li>- Enhanced understanding of participants of different approaches to reform and innovation in UK and China.</li> <li>- Progressed discussion to expand UK-China collaboration in certain areas of research and innovation.</li> <li>- UK MPs discussed opportunities for UK-China cooperation in local and regional constituencies.</li> </ul>

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<p><b>8<sup>th</sup> Senior Leadership Forum</b> : The Future of China-UK Partnership following the State Visit</p>	<p><b>16-20 November 2015</b> in Beijing and Shanghai. Sponsorship BP £30,000 Barclays £30,000</p>	<ul style="list-style-type: none"> <li>- Support UK politicians to engage effectively with Chinese counterparts.</li> <li>- Increase understanding of the UK amongst Chinese officials.</li> <li>- Increase mutual bilateral access to key decision makers for high level discussion of national interest.</li> <li>- Support effective partnerships between China and the UK.</li> </ul>	<ul style="list-style-type: none"> <li>- Chinese partner: IDCPC.</li> <li>- UK Delegation: 13 member delegation led by Rt Hon Kenneth Clarke QC MP &amp; Lord Mandelson. Delegation consisted of 3 Lords, 10 MPs from Conservatives, Labour, Liberal Democrats and Scottish National Party.</li> <li>- Chinese Delegation led by IDCPC Minister Wang Jiarui, Vice-Minister Chen Fengxiang and Forum alumnus Vice-Minister Long Guoqiang.</li> </ul>	<ul style="list-style-type: none"> <li>- One day roundtable event on the future of China-UK Partnership.</li> <li>- UK delegation held bilateral meetings with Chinese Vice-President Li Yuanchao.</li> <li>- UK-China Business Innovation &amp; Technology Roundtable, attended by 50 business representatives from both sides.</li> <li>- Roundtable Discussion on Governance &amp; International Governance.</li> <li>- ‘Women in Leadership’ panel discussion with UNWOMEN and students at the China Europe International Business School (CEIBS)</li> <li>- Seminar on social governance at CELAP, the CPC leadership training school in Shanghai</li> <li>- A side meeting for GBCC honorary President Lord Mandelson with Jiang Wei, acting head of the Party’s Leading Group for Judicial Reform.</li> </ul>	<ul style="list-style-type: none"> <li>- Built high level buy in for expansion of Leadership Forum to reflect current UK-China bilateral relationship.</li> <li>- Greater cross-Party involvement</li> <li>- Improved diversity and gender balance of participation.</li> <li>- High level Chinese participation and access.</li> <li>- Immediate follow up visit to London by Vice-Minister Chen Fengxiang to London involving several high level bilateral meetings with government and Labour Party.</li> <li>- GBCC proposal for new “Rule of Law for Prosperity” UK-China joint initiative endorsed by senior Chinese leadership.</li> </ul>
<p><b>5<sup>th</sup> UK-China Young Leaders Roundtable</b></p>	<p><b>16-17 September 2015</b> in London. Sponsorship HSBC: £20,000 Prudential: £20,000</p>	<ul style="list-style-type: none"> <li>- Enhance understanding, communication, and build a network of professional relationships amongst potential future leaders in UK and China to support strategic bilateral relationship.</li> </ul>	<ul style="list-style-type: none"> <li>- UK had a 19-member delegation led by Andrew Gwynne MP, Shadow Communities Secretary, including 7 Con, 6 Lab, 3 SNP, 2 LD, 1 Green Party.</li> <li>- ACYF Chinese Delegation: 13 participants + Chinese Embassy.</li> </ul>	<ul style="list-style-type: none"> <li>- One day roundtable event on “Building Partnerships for Innovation and Entrepreneurship’.</li> <li>- The 5<sup>th</sup> YLRT was attached to UK-China People-to-People dialogue (P2P). Rt Hon Liam Byrne MP and Sir Martin Davidson (GBCC Chairman) reported back on YLRT to P2P dialogue, attended by Chinese Vice-Premier and the UK side lead, Secretary of State for Health Jeremy Hunt.</li> </ul>	<ul style="list-style-type: none"> <li>- The highest-profile Roundtable event, with a closing session attended by 100 participants including Vice-Premier Liu Yandong, FCO Minister of State, Hugo Swire, UK and Chinese Ambassador and Chinese students.</li> <li>- Vice-Premier Liu was later quoted as saying the YLRT was in her view the most important and successful event of the People-to-People dialogue in 2015.</li> </ul>
<p><b>9<sup>th</sup> Senior Leadership Forum:</b> <i>Building a Comprehensive Global</i></p>	<p><b>21-22 September 2016.</b> Ditchley Park, Oxfordshire</p>	<ul style="list-style-type: none"> <li>- Support UK politicians to engage effectively with Chinese counterparts</li> </ul>	<ul style="list-style-type: none"> <li>- IDCPC.</li> <li>- UK Delegation: 12 MPs (4 Con, 5 Lab, 2 SNP, 1 LD), 6 Lords (2 Con, 2 LD, 1 Lab, 1 CB) 14 Non-Parliamentary.</li> </ul>	<ul style="list-style-type: none"> <li>- 1.5 day forum on Building the UK-China Comprehensive Global Strategic Partnership with three sessions on: UK-China relations post Brexit; the Belt and Road Initiative; and working together in the global arena.</li> </ul>	<ul style="list-style-type: none"> <li>- Participants discussed issues of mutual concern such as steel exports, and international terrorism.</li> </ul>

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<p><i>Strategic Partnership for the 21<sup>st</sup> Century -- Vision and Opportunity</i></p>	<p>Sponsorship: BP, £30,000</p>	<ul style="list-style-type: none"> <li>- Increase understanding of the UK amongst Chinese officials.</li> <li>- Increase mutual bilateral access to key decision makers for high level discussion of national interest.</li> <li>- Support effective partnerships between China and the UK.</li> </ul>	<p>(including FCO, Embassy, GBCC, Sponsors) Chinese Delegation: 30 member delegation (including business reps &amp; embassy reps) Delegation Lead: Du Qinglin.</p>	<ul style="list-style-type: none"> <li>- Chinese delegation held bilateral meetings with: The Rt Hon Jeremy Hunt MP, SoS for Health; The Rt Hon Baroness Evans of Bowes Park, Leader of the House of Lords and Lord Privy Seal; Department for Exiting the EU.</li> <li>- Roundtable at Centre for European Reform.</li> </ul>	
<p><b>6<sup>th</sup> Young Leaders Roundtable</b></p>	<p><b>5-9 December 2016</b> in Shanghai &amp; Nanjing Sponsorship: Prudential £20,000</p>	<ul style="list-style-type: none"> <li>- To promote trust and relationships between the next generation of leaders in China and the UK, by bringing a group of young politicians and their Chinese counterparts together for discussions and workshops held alternately in China and the UK each year.</li> </ul>	<ul style="list-style-type: none"> <li>- ACYF</li> <li>- UK Delegate composition:             <ul style="list-style-type: none"> <li>- 8 MPs (4 Lab, 4 Con)</li> <li>1 Lib Dem</li> <li>- 3 GBCC staff</li> <li>2 Prudential (Sponsors)</li> </ul> </li> <li>15 member Chinese</li> <li>- lead: Vice President, ACYF Wang Hongyan</li> </ul>	<ul style="list-style-type: none"> <li>- Core event covered theme of ‘New Trends of Globalisation and UK-China Global Comprehensive Strategic Partnership for the 21st Century’.</li> <li>- Rt Hon Liam Byrne, as Head of the ‘Youth’ Strand of the UK-China People-to-People Dialogue addressed P2PD Plenary Session.</li> <li>- UK side had additional Meetings with</li> <li>- Mr Shi Guanghui, Vice Mayor of Shanghai;</li> <li>- TusStar Shanghai, a business incubator and accelerator</li> </ul>	<ul style="list-style-type: none"> <li>- Status of forum elevated by being associated with the People to People (2<sup>nd</sup> year in a row), led by the Rt Hon Jeremy Hunt MP, Secretary of State for Health, and Chinese Vice Premier Liu Yandong.</li> <li>- Signing of a Memorandum of Understanding between GBCC Chairman Sir Martin Davidson and ACYF Vice President Wang Hongyan at the P2PD signing ceremony, one of 13 agreements signed at the Dialogue.</li> </ul>
<p><b>7<sup>th</sup> Young Leaders Roundtable:</b> Young Entrepreneurship and Youth Employment (2017)</p>	<p><b>7-8 December 2017</b> in London Sponsorship: Prudential [£20,000]</p>	<ul style="list-style-type: none"> <li>- To promote trust and relationships between the next generation of leaders in China and the UK, by bringing a group of young politicians and their Chinese counterparts together for discussions and workshops held</li> </ul>	<ul style="list-style-type: none"> <li>- ACYF.</li> <li>- UK Delegation Composition: 11 MPs, 1 youth wing participants 3 Cons, 6 Lab, 1 DUP, 1 LD 3 women/8 men.</li> </ul>	<ul style="list-style-type: none"> <li>- One day Roundtable Discussion on the theme: Young Entrepreneurship and Youth Employment.</li> <li>- Half day Entrepreneur Showcase to exhibit UK and Chinese work on youth employment and/or young entrepreneurship.</li> </ul>	<ul style="list-style-type: none"> <li>- MoU between the ACYF &amp; GBCC signed, agreeing to organise a Youth Innovation and Leadership Training Program to take place in 2018.</li> <li>- Decision to host a roundtable discussion with H.E Ambassador Liu Xiaoming and GBCC Vice President Sir Oliver Letwin MP, bringing together UK and Chinese alumni of the Leadership Forum and Young Leaders Roundtable, maintaining links between former</li> </ul>

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		alternately in China and the UK each year.			delegates and sustaining friendships outside of the main dialogues.
<b>10<sup>th</sup> Senior Leadership Forum:</b> Partners for Progress	<b>8- 13 2018</b> in Beijing and Wuhan: Sponsorship: £30,000 Prudential: £35,000	<ul style="list-style-type: none"> <li>- To ensure that politicians and policy makers in the UK are better-equipped to engage with Chinese counterparts.</li> <li>- To increase understanding of the UK amongst Chinese officials.</li> <li>- To increase mutual bilateral access to key decision makers by participants and sponsors.</li> </ul>	<ul style="list-style-type: none"> <li>- IDCPC.</li> <li>- Led by Rt Hon David Lidington CBE MP and Rt Hon Lord Mandelson, highest participation from UK side to date.</li> <li>- UK Delegation Composition: 2 Lords; 5 Cons; 4 Lab; 1 LD, 1 SNP Gender equality: 3 women/10 men</li> <li>- Chinese Delegation led by Song Tao, Minister for IDCPC, 27 member delegation incl. 3 Vice-Ministerial level &amp; 7 DG level.</li> </ul>	<ul style="list-style-type: none"> <li>- Forum covered Strategies for the Future: China in the New Era and Britain Post Brexit; and Visions for Global Governance and International Relations: Challenges and Opportunities.</li> <li>- Bilateral Meetings with Vice President Wang Qishan; Vice Minister of the Organisation Department, Deng Shengming; Vice Chairman of the Foreign Affairs Committees of the National People’s Congress, Zhang Zhijun.</li> <li>- Regional Visit to Wuhan: Meetings with the Vice Chairman of Hubei Provincial People’s Congress, Vice President of Huazhong University of Science and Technology (HUST), and roundtable with Dongfeng Automotive Group and BP Castrol JV.</li> </ul>	<ul style="list-style-type: none"> <li>- High-level political endorsement generated appetite for further engagement.</li> <li>- Congratulatory messages for 10<sup>th</sup> anniversary by Prime Minister Theresa May and President Xi Jinping endorsing Forum at highest level of government.</li> </ul>
<b>8<sup>th</sup> Young Leaders Roundtable.</b> The digital divide: How will new technologies transform societies?	<b>13 Sept 2018</b> Sponsorship from Prudential (total £12,745)	<ul style="list-style-type: none"> <li>- To ensure that politicians and policy makers in the UK are better-equipped to engage with Chinese counterparts.</li> <li>- To increase understanding of the UK amongst Chinese officials</li> <li>- To increase mutual bilateral access to key decision makers by participants and sponsors.</li> </ul>	<ul style="list-style-type: none"> <li>- 9 person UK Delegation composition: 6 Lab: 5 Lab MPs &amp; 1 Youth wing; 2 Con MPs &amp; 1 LD Lord.</li> <li>- ACYF: 15 Chinese delegates, led by Mr Ciwangpingcuo, Deputy Secretary-General of the ACYF.</li> </ul>	<ul style="list-style-type: none"> <li>- The YLRT was a half-day event, focused on the Digital age and how technologies will transform societies, with sessions on employment &amp; automation and empowerment and the digital divide.</li> </ul>	<ul style="list-style-type: none"> <li>- Opportunity for emerging leaders from both UK and China to discuss important issues that will faced by next generation of leaders in UK and China.</li> <li>- Participants gained more informed understanding of how politicians and policy-makers from each other’s countries analyse and make decisions on important policy issues.</li> <li>- Commitment from ACYF to hold training exchange programme (see below) again in 2019.</li> <li>- Expanded UK China political youth network and participation.</li> </ul>

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<p><b>7<sup>th</sup> Senior Leadership Forum</b></p> <p><i>UK-China 2020: Partnership for Growth, Prosperity and Reform</i></p>	<p><b>March 24-28 2014</b> in UK (Ditchley, London, Birmingham) Sponsorship: BP £30,000; Barclays £30,000</p>	<ul style="list-style-type: none"> <li>- To improve mutual understanding between political leaders on both sides.</li> <li>- To build relationships and friendships for the future with the Communist Party.</li> <li>- To develop partnership between China and the UK.</li> </ul>	<ul style="list-style-type: none"> <li>- International Liaison Department of the Communist Party of China (IDCPC).</li> <li>- UK Delegation 15 members, Led by Hugo Swire MP, Minister of State (NI); 4 Lords; 10 MPs and a Deputy Governor of the Bank of England.</li> <li>- Chinese Delegation 11 members. Delegation Led by Vice-Minister, IDCPC, Yu Hongjun.</li> </ul>	<ul style="list-style-type: none"> <li>- Forum at Ditchley Park.</li> <li>- Chinese delegation had separate meetings with: Business Secretary Vince Cable; Chancellor George Osborne; Shadow Foreign Secretary Douglas Alexander MP; chief economic adviser to the Mayor of London, Dr Gerard Lyons.</li> <li>- Visit to financial market dealing room in Canary Wharf hosted by BP.</li> <li>- One-day visit to Birmingham hosted by Liam Byrne, MP. City Council and university briefings. Dinner with Leader of City Council Sir Albert Bore.</li> </ul>	<ul style="list-style-type: none"> <li>- GBCC assess Leadership Forum led to an improved cross-party consensus on UK-China relations; and that Chinese delegation were interested in regional visit and got value from it.</li> </ul>
<p><b>4<sup>th</sup> UK-China Young Leaders Roundtable</b></p> <p><i>on the theme of Reform and Innovation</i></p>	<p><b>20-25 July 2014</b> in China (Beijing and Chongqing) Sponsorship: Prudential £20,000 HSBC £20,000 (£40,000 total)</p>	<ul style="list-style-type: none"> <li>- To improve understanding among potential future leaders of both countries.</li> <li>- To enhance communication, build friendship and a network of personal relationships among potential future leaders of both countries in order to develop a comprehensive long-term partnership between China and the UK</li> </ul>	<ul style="list-style-type: none"> <li>- All China Youth Federation (ACYF).</li> <li>- Attended by 8 delegates on the UK side &amp; 13 delegates on the Chinese side.</li> <li>- UK Delegation 4 MPs 4 politically related 7 men/1 woman.</li> <li>- Head of International Innovation at NESTA. Party Affiliation: 2 Con, 3 Lab, 3 LD. Seniority: Shadow Minister.</li> <li>- Chinese Delegation: 13 members.</li> </ul>	<ul style="list-style-type: none"> <li>- One day roundtable event on 22<sup>nd</sup> July on Reform and Innovation including several keynote speeches and as breakout sessions.</li> <li>- Evening alumni event with Communist Youth League participants at previous Roundtables.</li> <li>- Separate Meetings with Madame Fu Ying, Chairman FAC, NPC; and Supreme People’s Court Vice President.</li> </ul>	<ul style="list-style-type: none"> <li>- Explored ways to expand UK-China cooperation in research and innovation.</li> <li>- MPs promoted opportunities for China cooperation in their constituencies and regions.</li> <li>- GBCC and British Consulate Chongqing deliver a series of relevant follow-up visits aimed at boosting regional ties.</li> </ul>

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**JUDICIAL DIALOGUES**

<b>Project title</b>	<b>Date, Donor &amp; Value</b>	<b>Objectives</b>	<b>Partners and participants</b>	<b>Activities</b>	<b>Outcomes</b>
<b>1<sup>st</sup> UK-China Judicial Roundtable</b>	<b>17-18 December 2014</b> FCO China Network Fund	Partnerships and shared best practice in support of China's legal and judicial reform for a fair, transparent and accessible legal system across criminal, civil and commercial law.	UK Supreme Court (UKSC), Chinese Supreme People's Court (SPC). UK delegation led by Lord Justice Toulson.	<ul style="list-style-type: none"> <li>- One day Judicial Roundtable held at the Chinese SPC on Judicial Training &amp; Professionalization.</li> <li>- A conference held at the Centre for Common Law at Renmin University Law School.</li> </ul>	<ul style="list-style-type: none"> <li>- Established the Judicial Roundtable as a new initiative to continue GBCC's partnership with the SPC.</li> <li>- Created space for the UK judiciary and Chinese judiciary to have exchange and discussion on topics with mutual interest.</li> </ul>
<b>2<sup>nd</sup> UK-China Judicial Roundtable</b>	<b>14-16 October 2015</b> Strengthening GBCC fund (FCO)	Partnerships and shared best practice in support of China's legal and judicial reform for a fair, transparent and accessible legal system across criminal, civil and commercial law.	<p>UKSC delegation headed by Lord Neuberger, President of the Supreme Court.</p> <p>SPC sent six-people delegation led by Grand Judge Jing Hanchao, Vice President of the Chinese SPC.</p>	<ul style="list-style-type: none"> <li>- One day Judicial Roundtable held in London on judicial impartiality and the impact of the media on fair trial, at the request of the Chinese.</li> <li>- Visit to the Central Criminal Court, Old Bailey.</li> <li>- Visit to Edinburgh with Lord Hope, former Vice President of the UKSC.</li> </ul>	<ul style="list-style-type: none"> <li>- The event was highly praised by both sides as useful and insightful.</li> <li>- Secured channel for judicial engagement at the highest level.</li> <li>- Both sides agreed that the Roundtables should continue as an annual bi-lateral exchange.</li> </ul>
<b>3<sup>rd</sup> UK-China Judicial Roundtable</b>	<b>24-26 May 2016</b> Grant-in-Aid	Partnerships and shared best practice in support of China's legal and judicial reform for a fair, transparent and accessible legal system across criminal, civil and commercial law.	<p>UK delegation headed by UKSC President Lord Neuberger and four other senior judges.</p> <p>SPC delegation headed by President Zhou Qiang.</p>	<ul style="list-style-type: none"> <li>- One-day Judicial Roundtable held in Beijing on Access to Justice in the 21<sup>st</sup> Century, including alternative dispute resolutions &amp; access to justice in the digital era.</li> <li>- UK judges visited Chinese Universities including Renmin University and Beijing Foreign Studies University.</li> <li>- Presented 'English Law Week' exhibition at the SPC Museum.</li> </ul>	<ul style="list-style-type: none"> <li>- Facilitated the highest level of judicial exchange between the UK and China.</li> <li>- Further exchange and discussion took place after the event. The first Joint Judicial Expert Working Group (JEWG) on commercial dispute resolution was formed subsequently.</li> </ul>

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<p><b>4<sup>th</sup> UK-China Judicial Roundtable</b></p>	<p><b>4-6 May 2017</b> Grant-in-Aid</p>	<p>Partnerships and shared best practice in support of China’s legal and judicial reform for a fair, transparent and accessible legal system across criminal, civil and commercial law.</p>	<p>UK delegation of seven judges headed by UKSC President, Lord Neuberger.</p> <p>SPC delegation of six judges headed by Justice Liu Guixiang, Chief Judge of the No.1 Circuit Court and Permanent Member of the Adjudication Committee, SPC.</p>	<ul style="list-style-type: none"> <li>- One-day Judicial Roundtable held in London on environmental protection, including an overview of environmental law framework and enforcement &amp; EU and international co-operation.</li> <li>- Chinese delegation attended the inaugural meeting at the Standing International Forum of Commercial Courts (SIFoCC).</li> <li>- Visit to Cambridge to meet with academics.</li> </ul>	<ul style="list-style-type: none"> <li>- Facilitated China’s participation in UK-led initiative SIFoCC, which encourages collaboration between the world’s Commercial Courts.</li> </ul>
<p><b>5<sup>th</sup> UK-China Judicial Roundtable</b></p>	<p><b>25-26 October, 2018</b> Grant-in-Aid</p>	<p>Partnerships and shared best practice in support of China’s legal and judicial reform for a fair, transparent and accessible legal system across criminal, civil and commercial law.</p>	<p>UK delegation headed by Supreme Court justice Lord Hodge, and other senior judges from Court of Appeal and High Court.</p> <p>Chinese delegation led by Justice Pei Xianding, Permanent Member of the Adjudication Committee, SPC and other senior judges from Shanghai High People’s Court, Guangxi High People’s Court and Shanghai Financial Court.</p>	<ul style="list-style-type: none"> <li>- One-day Judicial Roundtable held in Shanghai on the overall topic of Cross-border judicial cooperation. Specifically, the discussion focused on evidence gathering in cross-border crimes such as human trafficking and forced labour (modern slavery) and Enhanced financial stability through collaboration on specialist financial courts.</li> <li>- Visit and discussion at the newly established Shanghai Financial Court with all the newly appointed judges.</li> <li>- Held student lecture on public participation in criminal justice proceedings and open justice at Jiao Tong University.</li> <li>- Held academic seminar/ panel discussion on Financial Technology and related legal issues at the East China University of Political Science and Law</li> <li>- Engagement with wider legal communities in China such as lawyers and law students.</li> </ul>	<ul style="list-style-type: none"> <li>- Further deepened the level of engagement between the two judiciaries for more pragmatic collaboration in the area of mutual interest and concern.</li> <li>- Identified possibilities to establish more judicial working groups across the judiciaries. Scope to cooperate including specialist financial courts, and tackling human trafficking/modern slavery.</li> </ul>

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**TRAINING**

<b>Project title</b>	<b>Date, Donor &amp; Value</b>	<b>Objectives</b>	<b>Partners and participants</b>	<b>Activities</b>	<b>Outcomes</b>
Chevening Chinese Young Leaders Training Programme	<b>August 2013</b> FCO, £20,000	Manage University of Nottingham 9 week training programme for young Chinese leaders from ACYF.	- University of Nottingham; Chevening programme; ACYF.	- High-level meetings for the delegation with UK and Scottish parliaments, as well as several civil society and friendship organisations, and GBCC's then-President, Lord Howe, and former deputy-prime minister Lord Prescott.	- Successfully delivered programme, received positive feedback from ACYF.
GBCC-ACYF China Innovation and Leadership Exchange	<b>September 2018</b> , China Youth Centre for International Exchange (subsidiary of ACYF)  Value: £72,033	Familiarise China's next generation of leaders with the UK's outlook and key principles through study trip, agreed as deliverable for youth strand of 2017 UK People-to-People dialogue.	- ACYF	- Two-week study visit trip to UK, one week in London, one week in Oxford, learning sessions and briefings with organisations and institutions including the FCO, the Department for Digital, Culture, Media and Sport's Office for Civil Society, the Institute for Government, the University of Oxford's China Centre, Martin School and Blavatnik School of Government.	- Increased interest and understanding of the UK amongst Chinese officials. - Increased mutual bilateral access to key decision makers by participants and sponsors; expanded networks for improved bilateral communication - Engagement relevant to wider policy and reform agendas. - Opportunities for further engagement captured.
Civil Service China Training	<b>October 2018</b>  Value: £6,930.00 Funded by participant training fee	Better equip UK Civil Servants to engage with Chinese counterparts.	FCO, Cabinet Office	- One day training held at GBCC, attended by 35 Civil Servants from across nine Whitehall departments. Training facilitated by GBCC, delivered by leading China experts from academia, government and business.	- Course achieved a 95% approval rating from participants. - Secured buy-in for further trainings. - GBCC the only organisation known to deliver a course covering the whole of China policy in an intensive session. - GBCC developed cross-Whitehall convening power.

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**CRIMINAL JUSTICE PROJECTS: TORTURE PREVENTION PROJECTS**

Project title	Date, Donor & Value	Objectives	Partners and participants	Activities	Outcomes
Torture Prevention through Fewer Pre-Trial Detention (PTD)	<p><b>May 2014 - February 2015</b></p> <p>FCO British Embassy, Beijing (SPF)</p> <p>£60,510</p>	To prevent torture through reduced use of pre-trial detention by enhancing the prosecution’s role and responsibility in inspection and correction of unnecessary custodial measures in a pilot city.	The Centre for Criminal Justice and Reform (CCJR), Renmin University of China (RUC).	<ul style="list-style-type: none"> <li>- A new model reviewing pre-trial detention developed and tested in Wuhu.</li> <li>- A group of informed and trained senior policy makers, prosecutors and experts equipped with up to date knowledge of the principle and value of Habeas Corpus originated in English law.</li> <li>- Legislative and policy recommendations submitted to SPP and relevant legislative bodies for consideration in the 2nd judicial interpretation of the 2012 CPL and other future legislation.</li> </ul>	<ul style="list-style-type: none"> <li>- Draft recommendations for 2nd round judicial interpretation of the Criminal Procedure Law well received by Chinese stakeholders.</li> <li>- The three draft recommendations were tested in a pilot procuratorate, and data and recordings disseminated widely among senior judges and prosecutors at the national level.</li> <li>- Project’s immediate achievements included the reviewing of the necessity of detention for 258 people. Project contributed towards momentum within the judiciary for reviewing the necessity of pre-trial detention.</li> </ul>
Eradicating Torture in the Chinese Legal System	<p><b>July 2014 to December 2017</b></p> <p>Embassy of the Kingdom of the Netherlands in Beijing</p> <p>€ 870,736.58</p>	<p><b>Overall objective:</b></p> <p>To prevent torture and other forms of ill-treatment in the Chinese legal system, and to move China towards the adoption on the Optional Protocol of the Convention against Torture (OPCAT).</p> <p><b>Objective 1:</b> To reduce the over application of criminal detention by</p>	<p>The Centre for Criminal Justice and Reform (CCJR), Renmin University of China (RUC).</p> <p>The Centre for Criminal Science and Law (CCSL), RUC.</p>	<p><b>Objective 1</b></p> <ul style="list-style-type: none"> <li>- A report on pre-trial detention (PTD) 1000 distributed in libraries across China.</li> <li>- 150+ prosecutors and legal professionals trained on detention review and PTD as a measure of last resort.</li> <li>- Review procedures and committee established in pilot area (project above).</li> <li>- Legal and policy recommendations shared with around 70 SPP officials and members of the legal community in a final dissemination seminar (November 2018).</li> </ul> <p><b>Objective 2</b></p> <ul style="list-style-type: none"> <li>- Pilot rules and working documents for improved Detention Complaint Mechanisms</li> </ul>	<p><b>Objective 1</b></p> <ul style="list-style-type: none"> <li>- The project made detention review more operational and influenced a change in perception to see detention as an exception, not the rule. Experts engaged in the project expressed opinion that, “the pilot has been a milestone in the development towards the practical implementation of the review system.”</li> <li>- The pilot has led to a reduction in PTD rates by 8–10% and changes in compulsory measures for 264 suspects unnecessarily detained. At National level, this judicial interpretation has</li> </ul>

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		<p>enhancing the prosecutor’s role and responsibility in the inspection and correction of unnecessary custodial measures.</p> <p><b>Objective 2:</b> To improve detainees’ complaint pilot mechanisms in pre-trial detention centres established by previous combatting torture projects and to expand the complaint pilot system to a pilot prison.</p> <p><b>Objective 3:</b> Support research and debate on post-re-education through labour (RTL) solutions to prevent replacement with other forms of arbitrary detention in future legislation.</p>		<p>(DCM) developed locally in consultative workshops.</p> <ul style="list-style-type: none"> <li>- Trained 105 staff (prisons and prosecutors, prison committee members, lawyers), in a local and international training sessions.</li> <li>- Pilot monitoring visits reports completed.</li> <li>- Research report with suggested DCM improvements distributed at a final dissemination seminar attended by 60+ participants.</li> </ul> <p><b>Objective 3</b></p> <ul style="list-style-type: none"> <li>- Research report on the use of five forms of police detention after the abolition of RTL in 2013.</li> <li>- EU study visits and study report</li> <li>- New working models on dealing with minor criminal offences</li> <li>- Policy recommendations on the use of police detention and handling minor criminal offences to the National People’s Congress (NPC).</li> <li>- A book on the use of police detention and handling minor criminal offences, including two Chapters written by UK and Dutch contributors, published.</li> <li>- Final dissemination seminar.</li> </ul>	<p>contributed to a 3-4% decrease of PTD rates.</p> <p><b>Objective 2</b></p> <ul style="list-style-type: none"> <li>- During the pilot period the Procuratorate handled 27 complaints from detainees at the pilot prison, an increase of ca 50% over previous five years.</li> <li>- Enhanced collaboration between prison administration and prosecution authorities that strengthens the supervisory power of the prosecutor.</li> <li>- Institutionalisation of measures to protect confidentiality and increase detainee trust in the legal system.</li> <li>- New channels of complaints, such as appeals to the Complaints Committee and conducting open complaint hearings.</li> </ul> <p><b>Objective 3</b></p> <ul style="list-style-type: none"> <li>- Increased number of suspects released on bail. The percentage of suspects charged with minor offences on bail was higher than national average.</li> <li>- Defendants had increased access to legal counsel through the introduction of a legal aid duty lawyer scheme at the procuratorate.</li> <li>- Increased efficiency in handling minor criminal offenses.</li> <li>- NPC Legislation Affair Committee made official suggestion of abolition of the Penitentiary Education System for sex worker and clients (PES). PES was one</li> </ul>
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					of the five forms for police detention which the CCSL made policy recommendations to the NPC. -
<b>Reducing the Use of Detention in the Chinese Justice System</b>	<b>July 2016 – March 2018</b>  £346,146.79  Magna Carta Fund – British Embassy Beijing	To lower detention rates through the introduction of procedural guidance to help coordinate the work of the public prosecution service and the police when deciding on formal arrests.	The Centre for Criminal Justice and Reform (CCJR), Renmin University of China (RUC).	<ul style="list-style-type: none"> <li>- Held 8 workshops in 5 different pilot locations to collect baseline data, design pilot rules, share pilot experience and coordinate local stakeholders.</li> <li>- Designed and piloted a new hearing process to determine PTD in 5 Chinese cities for the duration of 11 months.</li> <li>- Delivered UK/China expert training, attended by 120 local implementers including prosecutors, police officers and defence lawyers.</li> <li>- Undertook six bi-monthly monitoring visits.</li> <li>- Completed final dissemination seminar, attended by 67 people including policy makers from the SPP.</li> <li>- Published 7 column articles on the Legal Daily.</li> </ul>	<ul style="list-style-type: none"> <li>- Established a new hearing procedure to decide official arrests in five pilot locations.</li> <li>- Reduced PTD rate in four out of the five pilot locations (average of 5.9 %)</li> <li>- The pilot hearing model applied to over a thousand criminal cases during the lifetime of the project.</li> <li>- Increased access for suspects to lawyers prior to and during the hearings.</li> <li>- Increased use of non-custodial measures, particularly bail with conditions.</li> <li>- Submitted expert proposal on introduce official arrest hearing and co-drafted judicial interpretation with the SPP.</li> </ul>
<b>Reducing the Use of Pre-trial Detention to Lower the Risk of Torture and Mistreatment through Improving Defence for Suspects and Widening Use of Non-Custodial</b>	<b>August 2018 - March 2019</b>  Magna Carta Fund - British Embassy Beijing/FCO  £ 105,646.45	This project aims to further reduce the use of pre-trial detention (PTD) in the Chinese criminal justice system by promoting effective defence at official arrest hearings, and extending the scope of bail with appropriate conditions.	The Centre for Criminal Justice and Reform (CCJR), Renmin University of China (RUC).	<ul style="list-style-type: none"> <li>- <i>In progress, finished activities including:</i></li> <li>- Completed “Needs Assessment” and baseline data collection.</li> <li>- Project launch meeting took place, attended by the SPP and representatives from four pilot locations.</li> <li>- Study visit to the UK.</li> </ul>	- Ongoing project.

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Alternatives in China					
<b>The Pre-Emptive Prevention of Torture</b>	<b>May 2015 – February 2016</b> UK Foreign & Commonwealth Office Strategic Programme Fund (SPF Fund). £60,000.78	To prevent torture through the establishment of effective monitoring mechanisms covering the first 24 hours in the investigative process and the improvement of police working standards.	The Centre for Criminal Justice and Reform (CCJR), Renmin University of China (RUC).	<ul style="list-style-type: none"> <li>- Research report produced by the CCRJ outlining the relevant legal and procedural issues in 3 visited provinces (Yunnan, Shandong and Sichuan)</li> <li>- Working procedure proposal to be produced and ready to be tested by a local Public Security Bureau as part of follow-up pilot project</li> <li>- Cohort of 100+ investigative police officers trained within the local PSB partners</li> </ul>	<ul style="list-style-type: none"> <li>- The research report revealed that police in pilot areas had been making efforts to improve their investigation procedures</li> <li>- The training sessions raised awareness among local police officers of the good practice in handling criminal suspects.</li> </ul>
<b>Promoting Effective Safeguards during Criminal Pre-Trial Detention</b>	<b>April 2016- July 2019</b>  EU EIDHR  Total: €420,000  EU: €400,000  UK APD Bilateral Programme £ 9,541.59	<p>To eradicate the use of forced confession and other forms of ill-treatment during criminal pre-trial detention in China’s criminal justice system.</p> <p>To strengthen legal and practical mechanisms for enhancing the accountability of police To support and influence the amendment of the Criminal Procedure Law (CPL) and related judicial interpretations.</p>	The Centre for Criminal Justice and Reform (CCJR), Renmin University of China (RUC).	<ul style="list-style-type: none"> <li>- A set of improved working procedure proposals governing the first 48 hours of policy custody after arrest, developed in consultation with all stakeholders.</li> <li>- A cohort of 103 trained investigative officers (police) in Kunming.</li> <li>- One pilot scheme established and implemented in Kunming.</li> <li>- 3 columns published in the Legal Daily.</li> </ul>	<ul style="list-style-type: none"> <li>- Project ongoing.</li> </ul>

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**ANTI-DEATH PENALTY PROJECTS**

Project title	Date, Donor & Value	Objectives	Partners and participants	Activities	Outcomes
<p><b>Limiting the Use of the Death Penalty for Drug Related Offences in China</b></p>	<p><b>May 2014 - Dec. 2014</b></p> <p>FCO British Embassy, Beijing (SPF)</p> <p>£45,179</p>	<p>To influence SPC's guidelines which aim to limit the use of the death penalty for drug crimes in China.</p>	<p>Wuhan University Law School.</p>	<ul style="list-style-type: none"> <li>- Research report, from 5 selected courts, on the current problems in handling drug-related cases that could carry the death penalty.</li> <li>- A set of recommendations to the SPC feeding into revision of the national sentencing guidelines for drug cases</li> <li>- Expert proposal to NPC for the 9<sup>th</sup> Amendment of the Chinese Criminal Law relating to drug crimes.</li> <li>- Over 160 judges, prosecutors and police from Chongqing were trained by the project experts for the preparation of the implementation of the revised national sentencing guidelines</li> </ul>	<ul style="list-style-type: none"> <li>- The research report was well-received by senior SPC judges, whose testimonies show a change in attitude as a result of the project.</li> <li>- The Expert Proposal to the NPC on drug crimes was submitted to the NPC for consideration in August. While the death penalty for drug transportation was not abolished under the revision, it incorporated other aspects of the recommendation.</li> <li>- The two-day training provided a chance for the local judges to have better understanding and the rationale behind the revised national sentencing guidelines.</li> </ul>
<p><b>Less Execution – Saving Lives in the Death Penalty Review Stage</b></p>	<p><b>May 2015 – March 2016</b></p> <p>FCO SPF Fund</p> <p>£29,800.00</p>	<p>To establish safeguards for the rights of the defendant within the death penalty review process through the promotion of procedural reform.</p>	<p>The Centre for Criminal Legal Aid, Chinese University of Political Science and Law (CUPL).</p>	<ul style="list-style-type: none"> <li>- A reference handbook on providing effective defence for death penalty review cases produced and distributed to over 50 attendees.</li> <li>- Generated three media reports.</li> <li>- Published three articles to promote discussion and debate on introducing legal aid for death penalty review cases.</li> <li>- Produced an expert legislation proposal calling for introducing legal aid to death penalty review cases.</li> </ul>	<ul style="list-style-type: none"> <li>- The SPC acknowledged the possibility of providing legal aid to all death penalty review cases in 2016.</li> </ul>

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**OTHER CRIMINAL JUSTICE PROJECTS**

Project title	Date, Donor & Value	Objectives	Partners and participants	Activities	Outcomes
<b>Promoting legal protection for the media</b>	<b>2011-2014</b> EU (EIDHR) €1,091,651	Promote greater legal protection for freedom of expression in China through reform of the legal framework for the media.	School of Government, Peking University; Law School, Renmin University (Prof. Yang Lixin); Programme for Comparative Media and Legal Procedures, University of Oxford.	<ul style="list-style-type: none"> <li>- UK study visit included a roundtable seminar on defamation in the UK and Europe.</li> <li>- Reference manual comprising key case studies and international covenants.</li> <li>- 'Codes of Conduct for New Media in the Digital Age' seminar; 38 officials, academics and EU experts took part in the discussions and debate.</li> <li>- Workshop for 40 Chinese judges who handle Tort law cases, to identify current problems and challenges with the media law; a case study session; development of an outline of a judicial manual.</li> </ul>	- Improved confidence of judges to deal with complex media cases involving the protection of journalists' rights.
<b>EU China Civil Society Dialogue on Participatory Public Policy. Strengthening the Role of Citizens in Public Policy Making and Implementation</b>	<b>January 2010 – January 2014</b> EU Development Cooperation Instrument €995,476 <i>(of which the GBCC budget was estimated at €32,000)</i>	Promote and establish structured dialogue and engagement between EU and Chinese civil society in eight policy areas; deepen engagement of civil society actors in public policy making; enhance the knowledge and understanding of relevant EU stakeholders of the Chinese civil society environment.	University of Nottingham, Chinese Association of NGOs.  For 6 <sup>th</sup> Dialogue, associate partners: China Dialogue, China Water Risk  7 <sup>th</sup> Dialogue associate partners: UK NCVO and equivalent counterparts from Estonia, Germany, and Poland	<ul style="list-style-type: none"> <li>- 6<sup>th</sup> Dialogue on information disclosure and access to environmental information for 70 civil society actors.</li> <li>- EU experts spoke on government transparency in the EU, the transparency of German NGOs, abuse of freedom of information, the risks of inaccurate reporting on environmental information, and on how to encourage businesses to pursue greater accountability in their supply chains.</li> <li>- Chinese experts spoke on topics including recent urban waste incineration projects in China, and provided practical advice on how to request disclosure of information from the Chinese government.</li> </ul>	- In addition to strengthening links between respective EU and Chinese NGO delegates, over the course of the three-day Dialogue participants devised four 'follow-up' actions. GBCC and other consortium members then selected the best two which were Green Banks: a project to investigate 'green' credit in 2012 to promote stronger policy in this area; and Women and Environmental Information Disclosure in Inner Mongolia.

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Project title	Date, Donor & Value	Objectives	Partners and participants	Activities	Outcomes
				- 7 <sup>th</sup> Dialogue on Government procurement of NGO services.	

**CHINESE PARTNER-LED PROJECTS**

Project title	Date, Donor & Value	Objectives	Partners and participants	Activities	Outcomes
<b>Let Legal Evidence Judge: Precluding Illegally Obtained Evidence in Chinese Courts</b>	<b>June 2013-February 2015</b>  £174,660 (total) GBCC £90,784.00	To promote proper implementation of the rules on precluding illegally obtained evidence in Chinese courts.	Supreme People's Court was main implementer.	- Field Survey Reports. - 100 criminal Judges trained in effective preclusion of illegally obtained evidence - Draft the SPC Guidance for the Preclusion of Illegally Obtained Evidence.	- Judges trained and more informed decision-making based on field survey.

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**SPECIAL PROJECTS**

Project title	Date, Donor & Value	Objectives	Partners and participants	Activities	Outcomes
Rule of Law Cooperation Project	2014-2015 FCO China Network fund: £19,500	<ul style="list-style-type: none"> <li>- Establishment of the Centre for Common Law at Renmin University of China</li> <li>- Inaugural UK-China Judicial Dialogue.</li> </ul>	Renmin University of China.	<ul style="list-style-type: none"> <li>- Establishment of the Centre for Common Law at Renmin University as a platform for common law expertise in China</li> <li>- Held a conference on the Magna Carta and the development of common law in England and Wales as an official launch for the CCL.</li> </ul>	<ul style="list-style-type: none"> <li>- Established the CCL as a centre of expertise in China on common law, and as a platform for UK-China legal exchange and cooperation.</li> <li>- Governance documents and operational plan developed.</li> </ul>
<b>Strengthening GBCC to deliver economic growth through increased rule of law reforms and good governance in China</b>	April 2015-March 2016, FCO grant funding  Value: £451,595.72	<ul style="list-style-type: none"> <li>- To develop the Centre for Common Law at Renmin University Law School as a platform for development of the rule of law in China and for legal and judicial cooperation between China and the UK.</li> <li>- To facilitate and support the establishment of regular judicial dialogue and capacity building of the Chinese judiciary.</li> <li>- Support development of a transparent, investor-friendly environment in China's</li> </ul>	Centre for Common Law, Renmin University of China Law School, University of Oxford Supreme People's Court, State Council Legislative Affairs Office, Ministry of Commerce, State Administration of Industry and Commerce, China Securities Association, UK Supreme Court, UK Crown Prosecution Service, Law Society of England & Wales	<ul style="list-style-type: none"> <li>- Conference to mark 800th Anniversary of Magna Carta at Renmin University.</li> <li>- Legal Services Market workshop and visit of the Law Society of England and Wales.</li> <li>- Workshops on transparency and the rule of law held in China and UK.</li> <li>- Supported judicial exchange and training visits.</li> <li>- Research and policy proposal for State Council by UK and Chinese experts on developing a more investor-friendly Shanghai Free Trade Zone including intellectual property and warehousing, crowdfunding.</li> <li>- Anti-money laundering workshop with Peking University Law School, China Financial Law Behaviour Association (under the China Law Society).</li> <li>- High level conference with FCO Minister of State in London on "Advancing the Rule</li> </ul>	<ul style="list-style-type: none"> <li>- CCL consolidated as viable institution supported by high-level advisory council. Secured support from other common law jurisdictions (Australia and Canada).</li> <li>- Magna Carta Conference attended by 130 Chinese and international legal experts for substantive discussion on history and future of rule of law and conference articles published.</li> <li>- Scoping workshops attended by top Chinese judicial, legal and governmental representatives endorsing support for joint project work on transparency and rule of law.</li> <li>- Enhanced judicial cooperation on technical issues.</li> <li>- Contributed expert recommendations for FTZ reforms submitted report to State Council.</li> </ul>

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		<p>Free Trade Zones</p> <ul style="list-style-type: none"> <li>- Undertake activities to help develop the UK Government's concept of the Rule of Law for Prosperity in China for future programme.</li> <li>- Strengthening GBCC's organisational capacity.</li> </ul>		<p>of Law in China: Issues and Opportunities".</p>	<ul style="list-style-type: none"> <li>- Contributed expertise to China's AML reform discussions in advance of 2017/2018 Financial Action Task Force peer review.</li> <li>- Increased UK capabilities and institutional opportunity to engage with China on rule of law and legal reform.</li> <li>- Updated and expanded GBCC organisational capacity.</li> <li>- GBCC developed 2 new programme areas: judicial exchange and rule of law for business.</li> </ul>
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PROSPERITY FUND

Project title	Date, Donor & Value	Objectives	Partners and participants	Activities	Outcomes
Developing a Rule of Law for Prosperity Cooperation Mechanism with China	<p><b>June 2016-Feb 2017</b> FCO – China Prosperity Fund Value: £62,428</p>	<p>Relationship building to develop a new UK-China legal and judicial cooperation mechanism based on the concept of "Strengthening the Rule of Law for Prosperity".</p>	<p>China Law Society (CLS)</p>	<ul style="list-style-type: none"> <li>- UK study visit by China Law Society to London, Oxford and Edinburgh on rule of law and economic reform. Held series of meetings and discussions with UK legal institutions and experts on cooperation.</li> <li>- First UK-China Rule of Law Roundtable. Theme: Rule of Law on the Belt and Road.</li> </ul>	<ul style="list-style-type: none"> <li>- MOU between GBCC and China Law Society signed by Executive Vice-President of the China Law Society, Chen Jiping and GBCC Chairman, Sir Martin Davidson to support cooperation on rule of law.</li> <li>- First major high level technical exchange between UK and Chinese experts, legal practitioners and policy makers on Belt and Road legal issues since BRI announced.</li> </ul>
Developing Centre for Common Law as	<p><b>June 2016-March 2017</b></p>	<p>Building capacity of Centre for Common Law in Beijing to serve as a</p>	<p>Renmin University of China, University of Oxford.</p>	<ul style="list-style-type: none"> <li>- Academic Advisory Council, three year development strategy and website established.</li> </ul>	<ul style="list-style-type: none"> <li>- Enhanced capacity and reputation of the CCL as a law and policy platform for</li> </ul>

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<p>a platform to support rule of law and business environment outcomes</p>	<p>FCO – China Prosperity Fund  Value: £165,500</p>	<p>platform of expertise in China on common law.</p>		<ul style="list-style-type: none"> <li>- Seminar and high-level conference series on the prosecution of offshore bribery, internationalisation of legal services market, international commercial dispute resolution, and constitutional theory.</li> <li>- Articles produced for Renmin University ‘Frontiers of Law’ journal.</li> </ul>	<p>common law and cross-jurisdictional issues in China.</p> <ul style="list-style-type: none"> <li>- Development of Rule of Law for Business thematic project expertise: <u>Legal Daily article on International Dispute Resolution Conference.</u></li> <li>- Engagement with Chinese scholars and policy-makers on China’s legislative, judicial, regulatory and legal reform agenda to support good governance and the rule of law.</li> </ul>
<p>Scoping Exercise Rule of Law for Prosperity Programme</p>	<p>2017, FCO China Prosperity Fund  Value: £390,000</p>	<p>Scoping exercise for multiyear rule of law for business programme.</p>	<p>British Embassy Beijing; interviews and reports from wide range of UK and China stakeholders.</p>	<ul style="list-style-type: none"> <li>- Produced a detailed scoping report for British Embassy in Beijing to inform and direct future multiyear rule of law for prosperity programme.</li> </ul>	<ul style="list-style-type: none"> <li>- Produced report to guide and inform development of future rule of law for business programme.</li> <li>- Developed extensive UK-China stakeholder buy in for future multiyear programme.</li> <li>- Increased UK government expertise in Rule of Law for Business in China.</li> <li>- Enhanced UK-China judicial cooperation on commercial law.</li> </ul>
<p>Rule of Law for Business Transitional Year 1</p>	<p>September 2017- March 2018 FCO - Prosperity fund  Value: £155,000</p>	<ul style="list-style-type: none"> <li>- Laying the groundwork for multiyear institutional partnerships as part of Prosperity Fund to support policy and legal reform.</li> <li>- Contribute expert recommendations on Chinese legal and policy reform focusing foreign investment reform, commercial dispute resolution and</li> </ul>	<p>National People’s Congress Legislative Affairs Commission, State Council Legislative Affairs Office, China Law Society, Centre for Common Law (CCL), China-UK Judicial Expert Working Group on Commercial Dispute Resolution.</p>	<ul style="list-style-type: none"> <li>- 2x NPC LAC training and study visits to the UK on administrative law reform.</li> <li>- GBCC – State Council Legislative Affairs Office workshop on balancing safeguarding national security with developing an attractive legal and policy framework for foreign investment in the UK and China (Beijing).</li> <li>- 3<sup>rd</sup> UK-China joint-Judicial Expert Working Group on Commercial Dispute Resolution Reform (Shanghai and Shenzhen).</li> <li>- GBCC-China Law Society 2<sup>nd</sup> UK-China Rule of Law Roundtable on rule of law in the digital era (London and Oxford).</li> </ul>	<ul style="list-style-type: none"> <li>- Strengthened relationships as foundation for multiyear RoLB programme with major Party-State/legal institutions.</li> <li>- Strengthened key UK-China partnerships, and capacity and expertise for work on forthcoming multi-year programme.</li> <li>- Consolidated the CCL as a specialist platform to deliver targeted Prosperity fund project work.</li> <li>- Produced a set of recommendations for CDR reform and UK-China cooperation</li> <li>- Enhanced judicial cooperation on commercial dispute resolution reform.</li> </ul>

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		rule of law in a digital era.		- 2 CCL workshops on anti-bribery in the e-commerce sector and international commercial dispute resolution (Beijing).	
Rule of Law for Business Transitional Year 2	Aug 2018-Sept 2019 FCO - Prosperity fund  Value: £200,000	- Developing capacity and supporting legal frameworks to improve the quality, consistency and enforceability of commercial dispute resolution outcomes in China.	As of November 2018: Chinese policy-makers, British Embassy Beijing, China Law Society and Chinese judicial and legal community.	6 project activities planned with partners including the China Law Society, UK and Chinese judiciaries, University of Oxford, the Bar Council, (Chinese) Ministry of Justice and Renmin University Centre for Common Law. As of November 2018: - Translation of UK's National Security and Infrastructure Investment Review for British Embassy Beijing. - GBCC-China Law Society 3 <sup>rd</sup> UK-China Rule of Law Roundtable on international trends in commercial dispute resolution, Hainan, China.	As of November 2018: - Translation for British Embassy used at the UK-China JETCO to foster more informed debates in relation to foreign investment policies. - Strengthened institutional relationships and identified 5 projects areas for future legal cooperation on commercial dispute resolution. - Specialist media coverage of UK-China roundtable on commercial dispute resolution.

**ANNEX VI: INDICATIVE LIST OF STAKEHOLDERS**

This annex records the organisations or individuals consulted as part of the review, including those who were interviewed or provided a response to the online questionnaire.

<b>Great Britain China Centre</b>	
President	
Vice President	
Chair	
Board Members	
Executive Director	
Staff	
<b>Government and Party Institutions China</b>	
International Liaison Department of the Communist Party of China	
All China Youth Federation	
China Law Society	
Chinese Embassy, London	
<b>Government Departments: UK</b>	
Foreign & Commonwealth Office:	East Asia Department Human Resources Department Finance Department Operations Directorate Estates and Security Department Knowledge and Technology Department
British Embassy, Beijing:	HM Ambassador HM Trade Commissioner Political Section Prosperity Fund DFID
British Council	
Cabinet Office	
Crown Office and Procurator Fiscal Service	
Department of Culture Media and Sport	
Ministry of Justice	
National Audit Office	
<b>Parliament: China</b>	
<b>National People's Congress, Legislative Affairs Office</b>	
<b>Parliament and Parties: UK</b>	
Chair, All Party Parliamentary Group on China	
MPs who have participated in GBCC events	
<b>Legal/Justice: China</b>	
Supreme People's Court	
Supreme People's Procuratorate	
<b>Legal/Justice: UK</b>	
Supreme Court Judges	
High Court Judges	
The Bar Council of England and Wales	
The Law Society of England and Wales	
The London Maritime Arbitrators Association	
Barristers and senior partners in law firms	
<b>Academia/Think Tanks: China</b>	
Renmin University, Centre for Common Law; Centre for Criminal Justice Reform	
China Institute for Contemporary International Relations	
<b>Academia/Think Tanks: UK/Europe</b>	

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Cambridge University
Chatham House
Kings College London
Maastricht University
Nottingham University
Oxford University
Royal United Services Institute
University of Sheffield
University of Sussex
<b>Other Governments</b>
Embassy of Germany, Beijing
Embassy of Netherlands, Beijing
Embassy of Switzerland, Beijing
<b>Commercial/Business</b>
China Britain Business Council
British Petroleum
King & Wood Mallesons
Prudential
<b>Non Governmental Organisations</b>
The Bingham Centre for the Rule of Law
The China Dialogue
The Rights Practise
Danish Institute for Human Rights

**ANNEX VII: INDICATIVE LIST OF DOCUMENTS REVIEWED**

<b>Guidance Documents</b>
<a href="#">Tailored Reviews; Guidance on Reviews of Public Bodies</a>
<a href="#">Partnership with ALBs A Code of Good Practice</a>
<a href="#">Data Protection Act 2018</a>
<a href="#">Managing Public Money</a>
<a href="#">ICO Freedom of Information Act 2000. Definition Document for NDPBs and Other Public Authorities</a>
<b>FCO / HMG Documents</b>
<a href="#">Great Britain China Centre Triennial Review 2013</a>
<a href="#">FCO Single Departmental Plan 2018-19</a>
<a href="#">National Security Capability Review</a>
<a href="#">UK Aid: Tackling Global Challenges in the National Interest</a>
<b>GBCC Documents</b>
<a href="#">GBCC website</a>
<a href="#">GBCC Annual Report and Accounts 2014 - 15</a>
<a href="#">GBCC Annual Report and Accounts 2015 - 16</a>
<a href="#">GBCC Annual Report and Accounts 2016 - 17</a>
<a href="#">GBCC Annual Report and Accounts 2017 - 18</a>
Memorandum of Association of the Great Britain China Centre (2002)
GBCC Board documents and minutes
GBCC Management Statement
Terms of Reference for GBCC Board and Subcommittees
Other GBCC standing orders, governance and strategy documents
<b>Review Team Evidence</b>
Review Team stakeholder interviews
Review Team online stakeholder survey

**ANNEX VIII: ACRONYMS**

ACYF	All China Youth Federation
ALB	Arms-Length Body
APD	Asia Pacific Directorate (FCO Directorate)
APPCG	All Party Parliamentary China Group
ARAC	Audit and Risk Assurance Committee
BE	British Embassy
CBBC	China Britain Business Council
DFID	Department for International Development
DPO	Data Protection Officer
EA	Executive Agency
EAD	East Asia Department (FCO Department responsible for China; part of APD)
EIDHR	European Instrument for Democracy and Human Rights
FCO	Foreign and Commonwealth Office
FOI	Freedom of Information Act
GBCC	Great Britain China Centre
GIA	Grant in Aid
GPA	Government Property Agency
HMG	Her Majesty's Government
HMT	Her Majesty's Treasury
ICO	Information Commissioner's Office
IDCPC	International Liaison Department of the Central Committee of the Communist Party of China
NAO	National Audit Office
NDPB	Non-Departmental Public Body
OECD	Organisation for Economic Cooperation and Development
ODA	Official Development Assistance
OGP	Office of Government Property
REF	Results and Evaluation Framework
SPC	Supreme People's Court
WFD	Westminster Foundation for Democracy
YLRT	Young Leaders Round Table