



Foreign, Commonwealth
& Development Office

Baroness Chapman of Darlington
Minister of State for International
Development, Latin America and the
Caribbean
King Charles Street
London
SW1A 2AH

The Lord de Mauley
Chair of the International Relations and
Defence Committee
House of Lords
London
SW1A 0AA

17 March 2025

Dear Lord de Mauley,

Thank you for your letter of 5 March, regarding the Government's loan to the British Council.

As you know, this Government highly values the British Council and its important work in promoting the English language, UK arts and culture and education. Harnessing all our soft power assets, including the British Council, is crucial if we are to maximise growth, security and global impact for the UK.

The previous Government made available up to £200 million in loans during the Covid pandemic to ensure the British Council remained solvent, to support restructuring, and to help it return to surplus. The loan was made on commercial terms, to be compliant with the UK subsidy control regime. The British Council is subject to subsidy control rules because it qualifies as an enterprise by virtue of "selling services upon a market".

I want to assure you that the broader issues you raise in your letter are being considered in the round as part of the Spending Review process, which will allocate departmental budgets between 2026-27 and 2028-29. HMT recently agreed an 18-month extension to the loan facility to allow the British Council to develop proposals for a phased repayment plan from September 2026.

While the British Council's Board of Trustees is ultimately responsible for the British Council's financial sustainability, I am working closely with the Chair, Paul Thompson, and the CEO, Scott McDonald, to deliver our shared objective of a long-term financially sustainable British Council.

Yours ever,

A handwritten signature in cursive script, appearing to read 'Baroness Chapman'.

Baroness Chapman of Darlington
Minister of State for International Development, Latin America and the Caribbean