



Foreign, Commonwealth
& Development Office

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The Rt Hon. Dame Emily Thornberry MP
Chair, Foreign Affairs Committee
House of Commons
Palace of Westminster
London
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20 July 2026

Dear Dame Emily,

I am writing to update you on the outcome of the long-term restructuring of the British Council's loan, following my letter to the Foreign Affairs Committee on 30 June, and the private briefing to the Committee on 8 July.

The FCDO, the British Council, and HM Treasury are now formally agreed on the key terms of the long-term restructuring of the British Council's £197m loan. I am pleased to confirm that the loan will be restructured for a 15-year term, taking us to 2041, with capital repayments beginning in 2031/32 after a 5 year grace period. Subject to legal compliance in local jurisdictions, we anticipate most of the interest through this time will be paid through accessing the British Council's trapped cash, thereby alleviating this challenge for the British Council and avoiding further cashflow burden. This allows the British Council the financial breathing space it needs to address its commercial losses and return to profitability. This agreement provides a realistic timeline for full repayment of the loan, while protecting the interests of the taxpayer and the Exchequer, and respects the British Council's operational independence. The FCDO has also confirmed the agreement is compliant with the Subsidy Control Act to ensure fair market competition for the British Council's commercial business, which is an essential requirement of the restructuring

The Government has struck a careful balance between ensuring the loan is repaid in full, while supporting the British Council to successfully implement its turnaround plan and return itself to financial sustainability. The British Council will now be able to refocus on its core remit to promote UK values and interests overseas through its work in arts and culture, education, and promotion of the English language. It is one of our most valued and prominent soft power levers and returning the organisation to a strong and stable financial footing has been our primary focus over the past 18 months, so I am delighted that this has come to a successful conclusion.

In that context, this agreement represents an excellent outcome for the British Council itself, for the British taxpayer, and for the British national interest.

Yours ever,

A handwritten signature in black ink, appearing to read 'Chris Elmore', with a stylized, elongated horizontal stroke at the end.

CHRIS ELMORE MP
Parliamentary Under Secretary of State for Multilateral, Human Rights, Latin
America and the Caribbean