

Minutes of the Board NCC Divestment Programme - Update Meeting held at 10:15 on
Wednesday 27 March 2019 in person and via conference call.

PRESENT

Peter	Lauener (Chair)	:	CITB Chairman
Diana	Garnham	:	Board Trustee
Yvonne	Kelly	:	Board Trustee
Kevin	McLoughlin	:	Board Trustee
Holly	Price	:	Board Trustee
Robert	Williams	:	Board Trustee

STAFF IN ATTENDANCE

Sarah	Beale	:	Chief Executive Officer
Emma	Black	:	General Counsel & Board Secretary

APOLOGIES: Maureen Douglas (Board Trustee), Steve Fox (Board Trustee) and Steve Birtwistle (DfE).

INTRODUCTION

The Chair opened the meeting thanking Trustees for their attendance. The Chair wished to put on record the understandable frustration felt by some Trustees at the short notice on the supporting paper. Whilst the Chair felt on this occasion the lateness of the paper would not cause a significant issue due the matters being relatively straightforward, it was made clear that should any Trustee feel that they required further time to consider any of the issues this additional time would be made available.

The Chair informed the Trustees that he felt that whilst the majority of the requests of Trustees were updates on and consistent with the previous February Board paper there were important updates on the proposals around Bircham Newton and Inchinnan (Glasgow) which were the two sites where were most associated with the CITB nationally and in Scotland respectively.

Due to Braden Connolly, the Exec Sponsor for the paper being called to an urgent meeting the Chair invited the CEO to present the paper to the Board.

NCC DIVESTMENT PROGRAMME

1.1 The CEO provided the Board with an update in three sections;

Update

1.2 In relation to NCC Midlands (Land & Business), NSAC and A&V (Business), NCC South (Business) the CEO advised the Board that all had progressed well and in accordance with the Board's approval from the Board meeting in February. Heads of Terms were all but agreed and all would now proceed through the Sale Agreement phase.

1.3 In relation to Health & Safety (Business) whilst there was no offer currently on the table [REDACTED] (Confidential & commercially sensitive) had expressed an interest which the CEO felt would be a strong alignment and work well for Industry so these initial negotiations would be pursued with an update to the Board as and when a firm offer is received.

1.4 With regard to NCC Scotland (Land & Business) [REDACTED]
[REDACTED] (Confidential & commercially sensitive)

- 1.5 Since the Board meeting in May consideration had been given to splitting the Business from the Land and this had prompted interest [REDACTED] (Confidential & commercially sensitive). Also in consideration was the potential for CITB to retain the Land and long lease the site to a provider. To date, no offer or approach has been made by the College network, required to make this option work.
- 1.6 The Chair thanked the CEO and invited each of the Trustees to comment. There was unanimous agreement that the Trustees were pleased to **note** the update and were pleased with the progress of these aspects of the Divestment Programme.
- 1.7 Yvonne Kelly ('YK') raised the significant issue of CITB's need to focus and secure continuing training provision for Industry. The Chair and the CEO acknowledged and fully agreed with the point and explained that this was a priority issue and was reflected in the divestment to date at Waltham Forest (now supported by Dudley College) and would remain a priority throughout the entire Divestment Programme with CITB requiring assurance of the commitment of the buyers to business continuity through the sale agreements. The issue of this assurance and understanding not being known to Industry was raised and it was agreed that further work needed to be done to ensure that Industry were confident that the existing training provision would be protected and in some areas extended.
- 1.8 Robert Williams ('RW') asked whether 'overage' was being considered in relation to the Land sales. The CEO confirmed that overage was part of the discussion in relation to Bircham Newton but that the valuation on NCC South (Land) was based on development opportunity so overage would not apply.
- 1.9 The Chair thanked the Trustees for their comments and asked the CEO to move onto the second section of the paper, Bircham.

Bircham Newton

- 2.1 The CEO confirmed that the Bircham site had been split into five 'lots' and for today's meeting the only plots in issue were plots 1-3 which were not in use for existing training provision. [REDACTED]

(Confidential & commercially sensitive)

- 2.2 The Chair stated that whilst he was content to move to Heads of Terms this was with the expectation that the Exec would continue to explore alternative enabling development, drawing on advice from the DfE's 'Located' organisation who had recently visited Bircham and had discussed opportunities for small scale enabling development which might support continuing training provision so it was important to check that the current lines on the map for the lots were optimally drawn to maximise this opportunity. The Chair went on to invite comment from the Trustees.

Diana Garnham ('DG') concurred with the Chair's wish that all enabling development was explored and went on to ask that the Exec guard against the risk of the land being 'mothballed' as this would not be good for the local community. The Board needed assurance that the sales of Plots 1-3 would not in any way restrict the opportunity to sell as a going concern the Business and the remaining Plots.

The Chair summed up the Trustees views that the Board would **approve** the recommendation of

the Exec to progress to Heads of Terms with [REDACTED] (Confidential & commercially sensitive) subject to the following three issues being appropriately addressed:

- Appropriate due diligence;
- Consideration to the impact of an 'overage' agreement;
- Exec Sponsor to consider with advisers from 'Located' whether any small adjustments are needed to give consideration to the 'enabling development' opportunities (para 2.2 above refers).

The Chair thanked for the Trustees for their comments and asked the CEO to move onto the third and final section of the paper, NCC South (Land).

NCC South – Land Sale

3.1 The CEO confirmed the position set out in the supporting paper and the Chair invited comments from the Trustees. [REDACTED]

[REDACTED] (Confidential & commercially sensitive) The CEO commented that whilst there was the potential for the land valuation to fluctuate it could move in the wrong direction and the biggest issue and impact to industry remained ensuring that the NCC South business was successfully relocated without loss of continuity. The Chair thanked the Trustees for their commercial insights and noted the importance of the Board having this experience to call upon.

3.2 The Chair confirmed the unanimous agreement of the Trustees to **approve** the recommendation of the Exec to progress the sale of NCC South (Land).

CONCLUSION ON DIVESTMENT UPDATE

4.1 The Chair wished to conclude with two points; the first to note that this meeting was YK's first meeting and to assure her that the content of the meeting was 'atypical' and due to the circumstances of the divestment. YK acknowledged her understanding of the point and recognised the opportunity to be involved in these issues. Secondly, the Chair emphasised the two remaining 'big issues' for the Board which were the training provision at Bircham Newton and NCC Scotland.

4.2 The Chair invited final comments from the Trustees before the meeting concluded. DG asked for it to be noted that whilst the Trustees acknowledge the advice from the Charities Commission that with regard to property disposals Trustees should seek independent advice the Trustees were satisfied that the Executive had engaged appropriate external advice and that the Trustees were satisfied that their obligations were met in this regard. The Board Secretary invited all Trustees to raise with her any questions and concerns that they may have in relation to their Trustee obligations.

4.3 The Board unanimously:

- **Approved** the recommendation to proceed to Heads of Terms for the sale of NCC South to [REDACTED] (Confidential & commercially sensitive); and
- **Approved** the recommendation to proceed to Heads of Terms for the sale of Lots 1-3 of NCC East (Bircham Newton) to [REDACTED] (Confidential & commercially sensitive).

AOB

- 5.1 The CEO informed the Trustees that they would receive early next week the draft Business Plan for review and comment before publication. It was hoped that the draft Nation Plans would soon also be available and similarly circulated to the Nation Chairs and the Deputy Chairs for review and comment. The CEO asked the Trustees to note that there would be a change to the financial information in the Business Plan, following decision at the last Board and as a reflection of more up to date information, but that this updated information would be sent through for formal approval prior to publication.
- 5.2 The Chair acknowledged the update and reiterated the importance of the Board receiving papers that had a clear covering note, clarity on what the ask was of the Trustees and that all papers should be received with at least 5 clear working days to enable Trustees to give the issue proper consideration.
- 5.3 As a final note RW thanked the Chair for his chairmanship of the meeting which had overcome the challenges of the conference call format.

Meeting closed at 11.10am

