

COT UPDATE – Integration of CILT INTERNATIONAL & CILT UK

SUMMARY STATUS:

Integration activity has been limited since March / April 2018 discussion on the legal status of bringing the organisation together. The findings from the work done with Freeth's was inconclusive and the report's conclusions overall unsatisfactory and incomplete. Since April 2018 CILT UK and CILT International have had to pursue other priorities. Following the appointments of senior team members in Q1 in CILT UK, the organisation has continued to be focused on embedding them in with further people changes and high turnover in Q2 and Q3.

There is an impending need to decide on the International Trustee structure to enable existing Trustees to stand down at the end of their terms or to be formally reinstated in position. The current International body has two Trustees intending to stand down in June 2019, two Trustees that reach the end of their existing terms in December 2018, and the International President stepping down to be replaced at the same date. That leaves only one Trustee and the President Elect plus the new International President in position in June 2019.

There have been discussions and a plan for endorsement at Trustee level for the integration of the finance year ends and the planned alignment of the finance rules on income recognition. These discussions have also identified the opportunity created by bringing the two charity funds together to reduce running costs and bring the endowment funds together. This would create greater possibilities for investment in long term projects of importance to the charitable aims.

There continues to be a low focus on the overall creation of value by the bringing together of the 2 charities. CILT UK has not been able to engage with International matters or agendas to work on potential value areas. Therefore, any integration with International remains viewed as a cost rather than an opportunity area. Neither costs or benefits have been put into any business case.

The ongoing agendas of both organisations have, since April 2018, demanded focus away from integration. The joint work on the International convention in Poland in June and the transfer of education finance from CILT Ireland to CILT UK have been priorities. The CILT UK focus on UK policy and strategy demanded by Brexit have led CILT UK to be unable to invest time to understand the dynamics internationally and the growth potential of a truly internationally focused organisation.

CONCLUSION

It is the recommendation to the trustees that the forward work on integration over the 8 months leading to the June convention, 2019 in Manchester, becomes more realistic in its aims. This should result in the following areas put to CILT UK to work together on

1. **A jointly organised International Convention** that properly celebrates success of 100 years and a determination to build a strong base for the next 100 years
2. Further financial steps to **align the organisation's finances of CILT UK and CILT International**. This will focus on enabling at a later stage at the start of the 2019 / 2020 Financial year.
3. A decision now to enable **the planned replacement of CILT International Trustees**. This should be planned to enable a later integration of the UK Board and the International Trustees to form a common body. Further legal advice and consideration to set out the steps needed alongside a practical series of appointments by March 2019 of Trustees standing down or reaching the end of their terms.

4. **A continuation of the current International organisational structure** until and beyond June 2019 until CILT UK are in such a position to engage with the value agenda and commit senior management resource and prioritisation to the opportunity of bringing the organisation together. CILT International will continue to define that value agenda and, when CILT UK can apply resource to that task, there will be a joint articulation of the benefits and the organisational change presented to the two Boards.

This will enable CILT UK to focus at least until January 2019 on their current organisational and system / process changes, achieve stabilisation of their work force and deal with the Brexit policy issues. CILT UK can then be requested to inform the International Trustees when they can engage with the International Executive to complete further work on integration plans and benefits. This work should be planned and focused to give time to understand the dynamics internationally and the growth potential of a truly internationally focused organisation.

Keith Newton

INTERNATIONAL SECRETARY GENERAL

September 2018