CITB

England & Wales · Charity number 264289

Details

Other names	CITB-CONSTRUCTIONSKILLS, CONSTRUCTION INDUSTRY TRAINING BOARD, C I T B, CONSTRUCTIONSKILLS
Status	Registered
Legal form	Other
Registered	1972-08-31
Register	View on the Charity Commission register

Contact

Address	4 Cyrus Way Cygnet Park Hampton Peterborough Cambridgeshire PE7 8HP
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Activities

Objects: FOR THE PURPOSE OF MAKING BETTER PROVISION FOR THE TRAINING OF PERSONS OVER COMPULSORY SCHOOL AGE (IN SCOTLAND SCHOOL AGE) FOR EMPLOYMENT IN ANY ACTIVITIES OF THE CONSTRUCTION INDUSTRY.

Activities: Ensuring the construction industry has the right skills in the right place at the right time. Helping employers ensure that there are, and will continue to be, enough trained people available to meet the needs of the construction industry and to promote and improve the standard of training for the sector.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Education/training
- **Who:** Other Defined Groups

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Geography

- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£280,172,000	£298,780,000	£78,932,000	861
2024-03-31	£257,791,000	£268,014,000	£95,155,000	763
2023-03-31	£204,337,000	£196,382,000	£102,654,000	666
2022-03-31	£148,542,000	£175,022,000	£94,253,000	644
2021-03-31	£254,248,000	£188,450,000	£120,733,000	764

Trustees

Name	Role	Appointed
Peter Lauener	Chair	2018-05-01
Herman Frans Frederik Kok		2024-04-01
Holly Price		2019-02-19
Julia Heap		2024-04-01
Kevin Mcloughlin		2018-06-01
Michael Green		2022-07-25
Nicola Davis		2024-04-01
OWAIN JONES		2022-07-25
Rachael Cunningham		2024-04-01
Sophie Seddon Hall		2020-06-22
Stephen Gray		2024-04-01

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CITB

England & Wales - Charity number 264289

Accounts



CONSTRUCTION INDUSTRY TRAINING BOARD

Annual Report and Accounts

For the year ending 31 March 2025

HC 1470
SG/2025/210

Construction Industry Training Board (CITB)

Annual report and accounts 2024-25.

For the period 1 April 2024 to 31 March 2025.

Presented to Parliament pursuant to section 8 (4) of the Industrial Training Act 1982.

Ordered by the House of Commons to be printed on 8 December 2025.

HC 1470
SG/2025/210

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Chair's foreword

2024-25 was a year of significant progress for CITB – as well as significant change in politics and in the environment within which we operate.

We have been steadfast in our commitment to supporting apprenticeships as a key part of construction's talent pipeline. So, I was delighted that apprenticeship achievement rates at CITB's National Construction College (NCC) remained above the national average (56.7% in 2023-24 for construction apprenticeships). In Scotland, we finished the year with 77% and in England for 2023-24, the last full contractual year, we achieved 80.2%. It is particularly important that 92% of NCC completers remained in the industry, reflecting the success of our improvement programme. Backed by a £37m investment over the next three years across Erith, Bircham, and Inchinnan, NCC continues to remain at the forefront of construction skills training, supporting the industry's growth and talent development.

We're also working with industry and training providers to develop Competence Frameworks. These will set out and define the core competence requirements for individuals across the construction industry. Competence of the whole construction workforce is our primary goal and critical to ensuring industry is operating safely and effectively. In this financial year, 14 Competence Frameworks were developed in consultation with industry, and this work will continue until the entire construction workforce is covered by an industry-supported framework.

Turning to the operating environment, July 2024 brought in a new UK Government with a mission-led focus on rebuilding Britain, including an ambitious target for homebuilding and a strong commitment to investing in infrastructure. These plans were confirmed in the results of the Spending Review, with over £167bn for sectors relevant to construction, and an announcement of over £700bn of funding to build new infrastructure projects. This was on top of an earlier announcement of a commitment to build 1.5 million new homes this Parliament. →

The year also saw the UK Government's pre-launch of Skills England, a new body tasked with bringing together all stakeholders to address England's skills needs and improve the post-16 skills system. We continued to work alongside the Institute for Apprenticeships and Technical Education (IfATE) prior to their abolition and transfer of functions to Skills England in June 2025. Moving forward, we will work alongside Skills England as well as the Scottish and Welsh Governments to ensure construction's training needs and future needs are represented. We will work collaboratively to address the industry's skills shortages.

The coming together of ambitious homebuilding and infrastructure plans combined with a renewed focus on the skills pipeline provides the opportunity to make the skills system easier to navigate with clear pathways from training to employment for young people. Around 100,000 people go through construction-specific training every year, but too many at present do not find their path into jobs at the end of their training.

The year also saw the publication of the Industry Training Board (ITB) Review of CITB and the Engineering Construction Industry Training Board (ECITB) and the UK Government's response. I was pleased to see the review confirmed the continuing need for a Levy to support employers in the industry. It also challenged ECITB and CITB to work more closely together, particularly on major infrastructure programmes and the two organisations have deepened and strengthened our partnership in recent months, with a constant focus on how we can best serve the employers who support us.

I am deeply grateful to our Trustees, Nation Councils, and Committee members for their dedication, insight, and support. There is always more work to do, but I am energised by the opportunities ahead and look forward to working even closer with employers, industry partners and national Governments to revolutionise the skills system and eradicate the skills gap. ●

Sir Peter Lauener KBE, CB
CITB Chair



Chief Executive's introduction

This financial year we invested £296m into skills and training for the construction industry and our investments are showing tangible impact against our vision to deliver a skilled and productive workforce. The additional investments CITB has made over this period is matched with increased engagement which has led to an increase in training activity. Alongside this an increase in efficiency of 5%.

There is an increasing demand for construction work in the UK, and employers are aware of the opportunity and the need for training, with 80% of employers indicating they plan to increase their training efforts. Our new and improved training support products put employers in the driving seat and are being accessed by more and more employers looking to achieve their training ambitions.

This year, we rolled out Employer Networks right across Britain. The initiative funds bespoke, easy-to-access training and financial support. They give employers a direct channel to communicate their training needs and advise on how funding should be allocated in their local area. They have supported 50,966 learners, an increase from 11,468 in the previous, inaugural year. They also supported over 4,000 employers, with over half of the employers supported being small and micro employers.

CITB provided nearly £130m in grant support during the financial year. £77.4m of this was provided through CITB's various apprenticeship grants, supporting over 30,000 learners and more than 10,000 employers. This is an increase of 14% on last year's (2023-24) figures. 90% of firms receiving our apprenticeship grant support were small and micro businesses, which is extremely encouraging as over two-thirds of apprenticeship starts in the construction industry are employed by companies of fewer than 50 employees. →

We will also remain committed to supporting employers looking to train and upskill their workforce.

In addition to offering financial support for training, we know navigating the skills system and identifying new talent is an area many employers want hands-on support with. Our New Entrant Support Team (NEST) provides practical, free support to help employers recruit apprentices and identify the right training and apprenticeships for them. In 2024-25 they supported 4,000 new apprenticeship starts – nearly doubling the number of new apprentices they've helped join the industry compared to the previous period. This success and direct feedback from employers on how valuable NEST's support is has informed our decision to double the size of our NEST programme in 2025-26 to further enhance support for SMEs in recruiting, engaging, and retaining apprentices.

We are also working to address specific needs of individual sectors by working in collaboration with industry to develop Sector Skills Plans. These plans outline clear actions and industry-owned initiatives, supported and invested in by CITB, aiming to close the skills gap and ensure Great Britain can deliver on its mission for economic growth, new homes, and improved infrastructure. So far, we've published the Homebuilding Sector Skills Plans, and work is underway on three more – Infrastructure, Repair, Maintenance and Improvement, and Commercial, Public Non-Housing, Industrial and High-Rise Residential.

I am proud of the success and progress CITB has made this year. This success sets us up for the exciting future and opportunities that lie ahead. As we look forward, we are committed to working in partnership with industry and UK Government through the Construction Skills Mission Board to drive the investment in skills and recruitment to deliver the UK Government's ambitions to build 1.5m new homes, clean power by 2030 and renew Britain's public infrastructure. We will also remain committed to supporting employers looking to train and upskill their workforce now with our current offers and by introducing our new Training Provider Network initiative.

Tim Balcon
Chief Executive



SECTION 1

Overview of CITB

Pages 10 to 11

Our statutory basis

CITB is a statutory corporation, and a non-departmental public body (NDPB) sponsored by the Department for Education (DfE). On 16 September 2025, CITB's sponsoring department became the Department for Work and Pensions (DWP). This event has been classed as a non-adjusting post balance sheet event, with no impact on the reported financial performance or position.

CITB is also registered as a charity in England and Wales (264289) and in Scotland (SC044875).

CITB's charitable activities are mainly funded by the statutory Levy raised pursuant to the **Industrial Training Act 1982** and confirmed through Levy Orders passed by both Houses of Parliament. The most recent Levy Order came into force on 29 April 2025. Full details of CITB's powers and responsibilities, as well as the restrictions placed on it, can be found in the Industrial Training Act 1982, as amended, and the latest **Scope Order 1992**.

Our charitable status

CITB has been a registered charity in England and Wales since 1972 and in Scotland since 2014. The Board has regard to the Charity Commission's (in England and Wales) and the Office of the Scottish Charity Regulator's (in Scotland) general guidance on public benefit and the Charities Act 2011 when planning activities to achieve its aims.

Who we are

CITB is the Industry Training Board for construction in England, Scotland and Wales. We are the employer-led and funded skills and standards body for the construction industry in Great Britain, established in 1964. Our work supports industry to attract, develop and retain the construction workforce. We maintain construction training standards and keep Britain building safely.

We help employers attract more people to join the industry, and for them to access high-quality, accredited training when and where it is needed. This includes delivering a variety of training, including apprenticeships, at our NCC.We provide practical support to employers through a range of products and services. We play a strategic role for the construction industry, identifying immediate and future skills needs and designing initiatives to meet them. Where emerging needs are identified, we commission innovative pilot projects, delivered by employers, that can be ramped up if they are successful. We use our unique position to listen to employers and influence national Government policy, so employers have the right support.

We help workplaces to become safer, more diverse and productive. This, in turn, helps create and maintain a world-class, sustainable built environment that is of benefit to us all.

Vision

To deliver a competent and productive workforce (eradicate the skills gap).

Purpose

To support the construction industry to have a skilled, competent and inclusive workforce, now and in the future.

Values

Accountable, Collaborative, Consistent, Inclusive. ●

SECTION 2

Operating Environment

Pages 12 to 14

In 2024, the construction industry navigated a challenging environment shaped by intensifying macroeconomic pressures and global geo-political uncertainties dampening business and consumer sentiment. However, the industry also encountered new opportunities following the change in UK Government in July 2024.

Despite a contraction in output during the first quarter, the industry achieved a modest overall growth of 0.4% for the year[1]. Notably, it outperformed the broader economy in the second half, reflecting its resilience amid mounting economic pressures and increasing client hesitancy.

Residential construction, in particular private new homebuilding, was slow in 2024. There was a 5.7% fall in total new housing and a 5.3% downturn in total new work. Commercial new build and infrastructure also contracted by 9.3% and 3.7% respectively, with high inflation and interest rates affecting investment decisions and project financing. The repair and maintenance sector, however, performed relatively well, recording 8.5% growth and offsetting some losses in new build projects[2].

The fall in homebuilding was influenced by higher borrowing costs and continuing cost of living challenges that helped to drive down consumer confidence. This resulted in a more cautious approach amongst homebuyers and lower levels of spending on non-essential goods and services. The Bank of England reduced the base interest rate to 5.00% in August 2024, followed by a further cut to 4.75% in November, and then to 4.50% in February 2025. The rate cuts were intended to ease inflationary pressures and stimulate economic growth. However, persistent wage-driven inflation, coupled with rising energy prices and household expenses, prompted a shift toward a more reserved approach to monetary policy in the early part of 2025. Business sentiment and consumer confidence has remained subdued with readings from the S&P Global UK Construction Purchasing Managers' Index[3] and the GfK Consumer Confidence Index[4] both pointed to a softening in growth from September 2024, reflecting concerns over interest rates and increasingly the impact of US imposed trade tariffs in early 2025.

As a result, the UK construction industry saw mixed demand for new projects in 2024. New orders rose by 17.3% in the second quarter, lifting confidence across the sector. But by the fourth quarter, they had dropped by 2.4%, with infrastructure orders falling sharply by 23.5% and no growth in commercial work[5]. These changes show how closely the industry responds to shifts in the economy and UK Government policy.

The UK construction industry also continued to struggle with a shortage of skilled workers in 2024. While the wider job market showed signs of easing, construction remained tight, marked by high vacancies, rising wages, and low unemployment. Vacancies in the industry have remained well above pre-pandemic levels and continue to trend above historic levels despite decreasing in Q1 2025[6]. →

1. https://www.ons.gov.uk/businessindustryandtrade/constructionindustry
2. https://www.ons.gov.uk/businessindustryandtrade/constructionindustry
3. https://www.pmi.spglobal.com/Public/Home/PressRelease/8fe8bbb034af4af2af519d74b75b64d2
4. https://researchbriefings.files.parliament.uk/documents/SN02817/SN02817.pdf
5. https://www.ons.gov.uk/businessindustryandtrade/constructionindustry/datasets/neworderssintheconstructionindustry
6. https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/march2025

Survey data showed that 24% of firms said finding skilled staff was a challenge, rising to 42% when prompted[7]. This shortage held back growth, with the most common impact being project delays, reported by 24% of affected businesses. Other effects included 21% reporting limits on business expansion, 18% losing work to competitors, and 17% hiring unskilled workers[8]. Without resolving the skills gap, progress on the UK Government's homebuilding and infrastructure plans could be severely delayed.

Alongside ongoing skills gaps, the construction industry faced several challenges in 2024, including rising costs and growing economic uncertainty. Although material cost inflation eased after peaking in 2022, signs of rising input costs reemerged in the fourth quarter due to global instability and economic pressures. This trend has continued into 2025, driven by higher employment costs in the UK and global issues like trade tariffs and supply chain disruptions[9]. Strong wage growth linked to the shortage of skilled workers is also pushing up costs and is expected to continue even if demand eases. The lack of skilled labour is putting extra strain on an ageing workforce and highlights the need to improve staff retention and attract new talent, especially from the UK labour market. It also underlines the importance of boosting productivity across the industry.

In 2024, the UK construction industry continued to struggle with productivity. Only 34% of firms reported improvements, while over half saw no change[10]. Tackling this issue is key not only to boosting efficiency and economic growth, but also to easing recruitment pressures.

However, progress was hampered by setbacks in the adoption of modern methods of construction (MMC), following the high-profile failures of several firms[11], which emphasised the risks associated with innovative construction methods and highlighting the need for a more coherent strategy to support MMC adoption more effectively.

IN NUMBERS:

Data showed that

24%

of firms said finding skilled staff was a challenge

UK construction industry continued to struggle with productivity, only

34%

of firms reported improvements

Training activity in the construction industry showed signs of slowing in 2024, as many firms prioritised maintaining capacity over expanding it. 53% of employers undertook training for their teams in the past year – an improvement on the 36% recorded in 2021, but still well below the 67% reported in 2018[12]. The main barrier to training was staff being too busy, followed by uncertainty about future workloads. These challenges continue to limit investment in workforce development across the industry.

Confidence in future workloads is essential for businesses to make informed investment decisions, especially when it comes to workforce planning and training. A stable outlook allows firms to hire, train, and retain skilled workers, supporting both productivity and long-term growth. In early 2025, uncertainty grew due to geopolitical tensions, US trade tariffs, and UK Government budget constraints. This led many firms to pause hiring and delay investments amid economic uncertainty.

Despite slow economic growth, rising inflation, and growing fiscal pressures, there remains cautious optimism for the period ahead. The construction industry is expected to grow in 2025, with output expected to rise by around 2%. This outlook is supported by the UK Government's ambitious homebuilding targets, ongoing efforts to modernise ageing infrastructure, and continued investment in net zero retrofit projects. Together, these drivers are likely to sustain strong demand for skills and training in the years ahead.

7. CITB Employer Attitudes and Motivations regarding Learning and Training, Wave 24 (August 2024), Unpublished
8. CITB Employer Attitudes and Motivations regarding Learning and Training, Wave 24 (August 2024), Unpublished
9. https://www.pmi.spglobal.com/Public/Home/PressRelease/8fe8bbb034af4af2af519d74b75b64d2
10. https://www.rics.org/news-insights/rics-construction-productivity-report-2024
11. https://www.constructionnews.co.uk/tech/offsite-mmc/has-modular-failed-13-08-2024
12. CITB Skills and Training in the Construction Industry 2023-24, Unpublished



SECTION 3

Strategic Report

Pages 15 to 25

Review of 2024-25: Achievements

CREATING A COMPETENT AND INCLUSIVE WORKFORCE

CITB's purpose is to support the construction industry in sustaining a workforce that is skilled, competent, and inclusive, both for the present and the future. This year, we endeavoured to empower employers by removing the barriers that make it harder to employ and retain new entrants, particularly apprentices. Our three long-term priorities (outlined below) were the focus of our work, and these were underpinned by ensuring all employers, regardless of size, had access to timely and effective support from our hands-on, expert team of individuals, alongside our products and services.

Over the last year, CITB's total investment was £296m with over £183m invested in direct employer funding, which includes initiatives such as apprenticeship grants, the Skills and Training Fund and other funded training activity. We invested nearly £130m in grant support during 2024-25, with £77m of that provided directly to employers for apprenticeship grants. This supported over 30,000 learners and more than 10,000 employers, with the majority of these being small and micro construction firms. We also confirmed a £37m investment over the next three years in our NCC sites at Erith, Bircham Newton and Inchinnan.

This year we focused on tackling three key challenges: informing and enabling diverse and skilled people into construction; developing a training and skills system to meet current and future needs; and supporting the industry to train and develop its workforce.

We helped make recruiting and retaining an apprentice or new entrant easier for employers with our expanded NEST programme. The figures show that NEST supported over 4,000 apprenticeship starts in 2024-25. The into work grant had over 300 claims and the apprenticeship attendance grant had over 6,400, with both the Customer Engagement team and NEST encouraging and supporting employers with these grants. Apprenticeships remain at the heart of addressing the skills gap, so we continued to increase support for employers to recruit and build alternative routes into industry.

There is still a huge demand for skilled construction workers across Great Britain, and it is vital that we have a firm grasp of what skills are required, and where. This year was the second, and first full year of our Employer Networks initiative, which gives employers a direct channel to communicate their training need. The number of learners supported under this hugely important initiative more than quadrupled from the previous year.

Demand for training and upskilling remains high, and we anticipate this will continue. That is why we are responding to current and future training needs by investing in training that works for the industry and rebalancing our funding for employers in line with industry priorities. This year, we provided £20m for qualification grants to construction employers and more than £30m for short course grants, helping to ensure a well-trained and competent workforce. →

REVIEW OF 2024-25: ACHIEVEMENTS 2 / 4

Our industry partnerships alongside the UK Government, will help to continue our work. Recently, we announced two sizable funding packages to support the UK Government's missions. The first, in November 2024, we committed to investing £40m in Homebuilding Skills Hubs to deliver fast-track apprenticeships and high-quality training in a realistic environment.

The second, announced in March 2025 and confirmed in July 2025, was a £32m investment as part of the UK Government's £600m investment into construction skills. This will fund over 40,000 industry placements and support the UK Government's homebuilding target of 1.5m new homes, plus deliver the 150 major infrastructure projects the UK Government intends to approve across this Parliament.

Go Construct continues to raise the profile of construction careers through our digital platform and the Go Construct STEM Ambassador programme, helping to attract a more diverse talent pipeline. SkillBuild, the UK's largest multi-trade competition, once again showcased the exceptional talent of apprentices and trainees, inspiring employers to recognise the value of investing in new entrants. The National Final attracts thousands of visitors every year, with construction apprentices and trainees battling it out in their respective trades.

Our products and services, such as Health, Safety and Environment (HS&E) testing and the development of Competence Frameworks, ensured that training and qualifications remained robust, consistent, and aligned with industry requirements. In addition, we supported the mental health and wellbeing of the workforce through our Grants Scheme, with 4,325 learners trained in mental health awareness and 3,440 learners trained in mental health first aid during 2024-25. These figures reflect our ongoing commitment to fostering a safer, healthier, and more inclusive construction industry.

Our average headcount increased by 98 through a mix of permanent, fixed term, and temporary staff in 2024-25. This investment contributed to extending the range of support available to industry through the full roll out of Employer Networks, the growth of NEST to reach more disengaged employers, the creation of the Training Provider Network, and to accelerate the development of Competency Frameworks, In addition, we invested to continuously improve our performance and portfolio management capabilities, and to prepare for the return of currently outsourced business and corporate services to deliver better value for money for Levy payers.

REVIEW OF 2024-25: ACHIEVEMENTS 3 / 4

Informing and enabling diverse and skilled people into construction

27%

Increase of **new entrants** to the industry

4,128

People helped by NEST to start an **apprenticeship**

1,591

Apprentices trained at NCC

Over 30k

Learners supported with **apprenticeship grants**

Over 10k

Employers received **apprenticeship grants**

£7.7m

Provided to employers through the **Travel to Train scheme,** benefitting 3,595 learners

247

Specialist Applied-skills Programme (SAP) learners

5,150

Job starts through **Hubs commissions (Onsite Experience, England Construction Opportunities (ECO)** and **Scottish Academy for Construction Opportunities (SACO)**

2.4m

Visits to the **Go Construct website**

1,750

Go Construct STEM Ambassadors

768

Trainees and apprentices competing in **SkillBuild**

Developing a training and skills system to meet current and future needs

22%

More employers supported in **training** and **upskilling** their workforce

2,010

Employers supported by **Training Groups**

14

Competence Frameworks signed off

4

Sector Skills Plans in development

Supporting the industry to train and develop its workforce

20%

More individuals supported in training and up-skilling

£20m

Provided to over 2,800 employers in qualification grants, helping 20,000 individuals

4,097

Employers supported by Employer Networks

Over 50k

Learners accessed construction training through Employer Networks

Over 465k

Health, Safety and Environment (HS&E) tests delivered

191

Employers received Leadership and Management funding, benefitting more than 21,000 learners

£3m

Invested in 12 Industry Impact Fund projects

Over 5,200

Employers supported by NCC and NSAC

Over 200k

Individuals completed Site Safety Plus courses



KEY PERFORMANCE INDICATORS 1 / 3

Key performance indicators

MEASURING SUCCESS FOR THE CONSTRUCTION INDUSTRY

We report on our performance each year through our key performance indicators (KPIs). The Board agreed three outcome-based KPIs for the 2024-25 Business Plan, which are measured via interventions either delivered by industry, by CITB, or our partners to pursue continual improvement in our support of the construction industry.

The three 2024-25 Business Plan KPIs were to increase the number of:

- New entrants to the industry
- Employers supported to train and upskill their workforce
- Individuals supported to train and upskill.

In 2024-25, all three KPIs achieved a 'Better' performance, exceeding the minimum standard of 'Good.' In addition to the 2024-25 Business Plan KPIs, we have measured outputs against each of our interventions to support employer needs. Further detail regarding these outputs is outlined below.

IN NUMBERS:

This year we saw a

27%

increase in the number of new entrants to the industry

Over

6,400

new entrants supported with apprenticeship attendance grants

INCREASE IN THE NUMBER OF NEW ENTRANTS TO THE INDUSTRY

This year we saw a 27% increase in the number of new entrants to the industry, which is 12% above target and is increasing, helping more employers to fill skills gaps.

We supported more than 6,400 new entrants with apprenticeship attendance grants, a 3% increase on the year before and over 300 people have benefitted thorough our into work grant to complete their training. CITB also continues to support more niche qualifications. The SAP this year supported over 240 learners in these vocational qualifications.

We have also seen an increase in the number of people starting jobs through our various hubs initiatives across all three nations, amounting to over 5,100 new starts, which is a 44% uplift on last year.

TABLE 1: SUMMARY OF BUSINESS PLAN KPIS – RESULTS AND STATUS

OUTCOME MEASURES KPIS	TARGET	PERFORMANCE	CONTINUOUS IMPROVEMENT FRAMEWORK
Increase in the number of new entrants to the industry	15%	27%	Better
Increase in the number of employers supported to train and upskill their workforce	14%	22%	Better
Increase in the number of individuals supported to train and upskill	13%	20%	Better

Continuous Improvement Framework Key

Needs Improvement: volumetric below target

Good: volumetric on target/up to 5% over target

Better: volumetric between 5% and 15% over target

Best: volumetric 15% or more over target



KEY PERFORMANCE INDICATORS 2 / 3

NCC apprenticeships (England and Wales), and apprenticeships in Scotland have seen similar volumes to last year, with England seeing some growth and Scotland and Wales seeing a slight decline. This decline is due to a slight downturn in recruitment due to wage rises following last year's Autumn Budget and other commercial issues.

Our NEST programme helps employers to claim grants and apply for funding for their skills and training requirements. NEST's expert support and advice help to link employers up with the vital support needed to navigate the apprenticeship landscape and remove and remedy the barriers they can face when employing and retaining new entrants. Over 4,100 new entrants have started with employers across England, Scotland, and Wales, a significant increase of 76% on last year.

The results show construction careers are seen as attractive by new entrants, and CITB is helping to reduce the construction skills shortage by increasing support for employers to recruit and retain new entrants. →

IN NUMBERS:

2024-25 saw a

22%

increase in the number of employers supported to train and upskill their workforce

Employer Networks supported over

4,000

employers

Leadership and Management Fund saw a

26%

increase

INCREASE IN THE NUMBER OF EMPLOYERS SUPPORTED TO TRAIN AND UPSKILL THEIR WORKFORCE

The full-year performance in 2024-25 saw a 22% increase in the number of employers supported to train and upskill their workforce, which is 8% above our target.

The number of employers supported exceeded the target for apprenticeship achievement grant claims, supporting over 3,700 employers, whilst our qualification grants supported over 2,800 employers. This is a 10% increase on both counts from last year.

The Skills and Training Fund for medium-sized businesses and the Leadership and Management Fund supported 140 and 191 employers respectively, with both funds seeing an increase in employers supported from last year's results.

Our new Employer Networks have also significantly exceeded their target, supporting over 4,000 employers. The Employer Networks have coverage across all three nations and aim to simplify the way employers get the support and funding needed to access the training they require. The two main objectives are to make it easier to access training and funding, and to bring together employers at a local level to inform CITB of their training needs.

All these indicators show that employers are continuing to increase their investment in training and upskilling their workforce, which has increased since last year, and that CITB is proving successful in establishing additional routes to enter the industry.

KEY PERFORMANCE INDICATORS 3 / 3

INDIVIDUALS SUPPORTED TO TRAIN AND UPSKILL

In 2024-25, we saw a strong uplift in the number of individuals supported through our training and upskilling initiatives – up by 20%, exceeding our target by 7%.

The apprenticeship achievement grant supported over 7,300 learners, marking a 12% increase from the previous year. Similarly, qualification grants reached more than 20,000 learners, an increase of 3% year-on-year.

Our NCC continued to play a vital role, supporting over 12,000 learners, showing a modest increase on the previous year.

While the Skills and Training Fund for medium-sized businesses supported over 9,900 individuals – a slight dip from the previous year – the Leadership and Management Fund saw a 26% increase, supporting over 21,000 individuals.

CITB continues to maintain its core skills offer for training in Health, Safety and Environment (HS&E), and Site Safety Plus (SSP). Our Equality, Diversity and Inclusion (EDI) commission has also made a considerable impact, training over 15,000 individuals.

Four specific commissions have supported learners in bricklaying, roofing, leadership and management, and productivity improvement (by reducing waste and error rates on site). All four have achieved 'Best' performance.

Our new Employer Networks stand out this year, having significantly exceeded their target by supporting over 50,000 individuals, a huge 344% increase on last year. This exceptional performance was driven by the pilot introduction of free-to-access training for priority investment areas, showing that the Employer Network model is highly effective in supporting employers to train and upskill their staff locally.

These results reflect CITB's continued commitment and support, helping learners to complete their apprenticeships and vocational training, and enabling employers to train and upskill more individuals to build a more competent workforce across the industry. →

20%
increase in the number of individuals supported to train and upskill, exceeding our target by
7%

Over
7,300
individuals supported by the apprenticeship achievement grant
12%
increase on last year

Over
50,000
individuals supported by our new Employer Networks, a
344%
increase on last year

Over
15,000
individuals trained by our our Equality, Diversity and Inclusion (EDI) commission



FINANCIAL REVIEW 1 / 3

Financial review

OVERVIEW

This year was a successful year for CITB supporting the construction industry. Employers' confidence continued to grow as they utilised the support offered by CITB to invest in the development and training of their workforce. We saw a significant upturn in grant claim applications across the board and in applications to access funding, resulting in a large increase in both the number of employers and individuals being supported compared to the previous year.

Our primary source of funding, Levy income, increased compared to last year, and the collection of the Levy remained strong across the year. The Levy was supplemented by increased receipts of non-Levy income, investment income and support from our Reserves. This enabled CITB to deliver more support to industry than was initially forecast in our 2024-25 Business Plan.

RESULTS FOR THE PERIOD

In 2024-25, CITB drew down £18.6m from the cash element of its Reserves, which was £3.6m higher than the published Business Plan, where we anticipated a £15m deficit. In comparison to 2023-24, we saw a reduction in Reserves of £7.5m. The main reasons for the 2024-25 variance were industry increasing its demand for training and support through our various grants, which were £20.1m ahead of budget, and the distribution of monies from our funding initiatives was also stronger than expected, being £12.8m ahead of budget. This included the very well supported Employer Network initiative which gave 100% funding on qualifying activities over the last quarter. Increased Levy recognition was £25.2m and non-Levy income £3m ahead of budget, which enabled CITB to fund additional support to the industry. Our other operating costs were £1.1m lower than expected.

2024-25 was a successful year for CITB supporting the construction industry.

Employers' confidence continued to grow as they utilised the support offered by CITB.

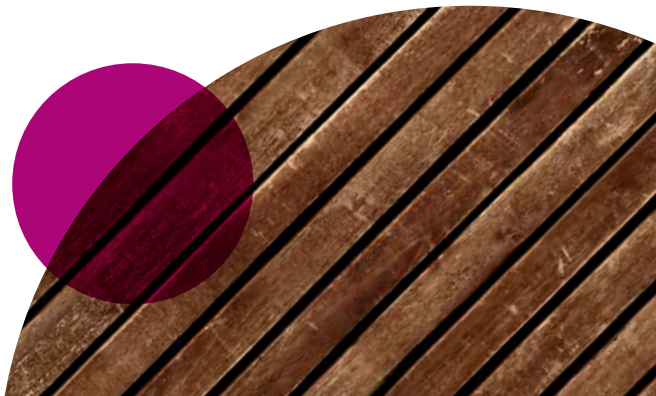
LEVY INCOME

Statutory Levy income is the principal source of funding for CITB, and its main use is for the provision of grants and funding to support the construction industry to retain, train, and upskill new entrants and existing employees in response to changing demands for skills, to expand and focus the capacity and capability of training provision, and to address the future skills needs of the industry.

Levy income for the period was £228.1m (2023-24: £202m). The total amount of Levy collected was in line with that predicted in our 2024-25 Business Plan for the current year collection, but ahead of plan for the prior Levy years collection.

The Levy rates applied in 2024-25 were unchanged, at 0.35% on direct labour payments (PAYE) and 1.25% on net Construction Industry Scheme payments. We also maintained the exemptions and reductions for small businesses. Those with a wage bill below £120,000 were exempt from the Levy, while employers with a wage bill above £120,000 but below £400,000 received a 50% reduction in the Levy.

On 31 March 2025, the number of employers on the Levy and Grant Register was 74,967 (75,832 on 31 March 2024). The decrease is due to natural churn in the cycle of employers added to the Register and those removed through the cessation of their businesses. →



FINANCIAL REVIEW 2 / 3

NON-LEVY INCOME AND OTHER INCOME

Non-Levy income was £52m (2023-24: £55.8m). This mainly relates to health and safety testing £12.3m (2023-24: £12.7m), managed apprenticeships income £12.5m (2023-24: £12.1m), e-learning and publications £10.1m (2023-24: £9.7m), Site Safety Plus £5.6m (2023-24: £6.1m), and NCC commercial income £4.7m (2023-24: £4.8m). Additionally, with the continuing increase in interest rates during 2024-25, the income earned from investments increased this year to £5.5m (2023-24: £5.1m).

GRANTS SCHEME

Grant expenditure in the year was £129.8m, only slightly up from £128.6m in 2023-24. CITB grants helped support 30,002 (2023-24*: 29,438) apprentices through attendance and achievement grants, and 20,250 (2023-24**: 19,618) learners achieving vocational qualifications. Short course achievements supported 194,761 learners (2023-24: 188,317). The total number of employers, from micro to large, who were supported by the receipt of grant was 16,046 (2023-24: 15,710).

FUNDING SCHEMES

In total, we spent £53.4m on funding (2023-24: £27.1m), 97% up from the prior year, and £11.2m more than planned. We invested £13.6m through our Skills and Training Fund, £6.9m of which supported small and micro businesses, and £6.7m supported medium and large employers. £3.1m supported employers through our Training Groups and £25.9m via our new Employer Networks for business to access skills and training provision in their locality.

NON-GRANT EXPENDITURE

Our non-grant expenditure, including staff costs, was £114m (2023-24: £114.8m), reflecting our investment in rebuilding the capacity and capability of organisation to deliver our new Strategic Plan. This was £1m below expectations, driven by savings in professional fees and estate costs.

RESERVES

Reserves are required to cover delays in income receipts, accelerated grant claims, costs that are outside of our control, and to ensure continued construction industry funding, in line with our charitable objectives. They are also specifically required to fund our working capital requirements in the first couple of months of each financial year until the Levy starts to be collected, principally through ten monthly Direct Debit instalments.

General Reserves as of 31 March 2025 are £78.9m (2023-24: £95.2m). Although continuing to reduce, the Board recognises that our Reserves are still higher than our policy floor minimum level of £50m. The reduction of £16.3m was £2.2m more than expected, and meant we were able to further support industry's skills and training needs this year, and to utilise the receipt of Levy which held-up during the pandemic, and when there was a lack of demand for training grants and funding that led to the cash accumulation.

It is acknowledged that industry demand for skills and training is cyclical and mirrors economic conditions. Our 2025-26 Business Plan continues to plan for a reduction in our Reserves, and we expect to be close to our Reserves policy floor of £50m by 31 March 2026. ●

*Apprentices now include attendance and achievements where previously attendance was only included

**Vocational qualifications previously included apprenticeship achievement, short qualifications and apprenticeship vocational qualifications, and now includes long qualifications, work experience/ into work grants, Scottish advanced crafts, short qualifications, and plant qualifications.

FINANCIAL REVIEW 3 / 3

TABLE 2: RESOURCE ALLOCATION

RESOURCE TYPE	2024-25	2023-24
Levy income	**£228.1m**	**£202m**
Grants Scheme	**£129.8m**	**£128.6m**
Apprenticeship grants	£77.4m	£77.9m
Qualification grants	£21.3m	£18.6m
Short duration grants	£31.1m	£32.1m
Funding	**£53.4m**	**£27.1m**
Skills and Training Fund	£13.6m	£12m
Employer and industry support funding	£39.8m	£15.1m

OUR FUTURE PLANS

Our 2025-26 Business Plan sets out our detailed plans for the year ahead and outlines those for the next three years as we prioritise investment against improving the skills system, focusing on putting the foundations in place so employers and individuals can access the right training, in the right place and at the right time for them. In essence, the Plan reflects CITB's purpose, demonstrating how we will "support the construction industry to have a skilled, competent and inclusive workforce, now and in the future" by:

- Informing and enabling diverse and skilled people into construction
- Developing a training and skills system to meet current and future needs
- Supporting the industry to train and develop its workforce.

These three key priorities will impact on each part of the talent pipeline, from inspiring new people – young and old – to choose construction as their career, through to retaining and upskilling the existing talent in the industry.

On 16 September 2025, the Prime Minister made a written ministerial statement to announce a machinery of government change that will impact CITB. Responsibility for apprenticeships, adult further education, skills, training and careers, and Skills England, will move from the Department for Education to the Department for Work and Pensions. The change has no impact on this annual report and accounts. ●

Our Purpose

"support the construction industry to have a skilled, competent and inclusive workforce, now and in the future"



SECTION 4

Structure, Management and Governance

Pages 26 to 48

Structure

The CITB Board comprises non-executive directors, known as Trustees, in recognition of CITB's charitable status.

For the period 2024-25, and in accordance with statutory requirements, the Board continued to comprise a majority of employer Trustees, supported by independent Trustees.

The Board is supported by the Executive team and the following five standing Board Committees:

- Audit and Risk Committee
- Industry Funding Committee
- Nomination, Appointments and Remuneration Committee
- Levy Strategy Committee
- National Construction College and Apprenticeships Committee.

In addition to its formal Committees, the Board benefits from strategic insight and feedback provided by three Nation Councils – England, Scotland and Wales – which play a key role in ensuring that local and regional perspectives shape national decision-making.

Trustees are responsible for setting CITB's high-level strategic direction. The organisation operates under a clearly defined Board Reservations and Scheme of Delegation, which outlines decisions reserved to the Board and those delegated to its Committees. All other authorities are delegated to the Chief Executive Officer (CEO), who may in turn delegate specific functions and decisions to other senior officers within the organisation.

The CITB Board operates in line with the Code of Good Practice for Corporate Governance in Central Government Departments, adapted appropriately to meet CITB's statutory and charitable obligations. The only exception to full compliance is the bespoke Framework Document agreed between CITB and DfE, which reflects CITB's charitable status. This document is currently being finalised.

In addition, the Board adheres to the principles of the Charity Governance Code, ensuring high standards of leadership, integrity, and accountability. ●



TRUSTEES 1 / 3

Trustees

FOR THE PERIOD 2024-25, THE CITB BOARD CONSISTED OF:

SIR PETER LAUENER
KBE, CB (CITB Chair)



TONY ELLIOTT
(tenure ended 21 June 2024)



LOUISA FINLAY
(resigned 31 January 2025)



MICHAEL GREEN



OWAIN JONES



KEVIN MCLOUGHLIN



HOLLY PRICE



SOPHIE SEDDON



HERMAN KOK
(tenure started 1 April 2024)



RACHAEL CUNNINGHAM
(tenure started 1 April 2024)



STEPHEN GRAY
(tenure started 1 April 2024)



JULIA HEAP
(tenure started 1 April 2024)



NIKKI DAVIS
(tenure started 1 April 2024)



TRUSTEES 2 / 3

As specified in Schedule 1 of the Industrial Training Act 1982, Board members are appointed by the Secretary of State following a public appointment process governed by the Office for the Commissioner of Public Appointments (OCPA), including the advertising of vacancies on the UK Government's Public Appointments website **(https://apply-for-public-appointment.service.gov.uk/roles)**

Whilst the Secretary of State has the discretion to determine the length of tenure for Trustees, the usual term is four years, with the possibility of reappointment for another four years. By exception, a third consecutive term may be granted, although there is a strong presumption that no individual should serve in one post for more than ten years.

The Board is chaired by Sir Peter Lauener KBE, CB, who was appointed on 1 May 2018 and reappointed on 1 May 2022 to serve a second term. All Trustees, apart from the Chair, are unremunerated but reimbursed for reasonable expenses. Trustees are selected for their senior-level experience, predominantly within the construction industry, and bring a wide range of skills, backgrounds, and insights. In addition to industry representatives, independent Trustees contribute further expertise, ensuring a balanced and capable Board.

To support the introduction of a fifth standing Board Committee – the National Construction College and Apprenticeships Committee – and to strengthen succession planning, Board membership was increased from 11 to 13 Trustees during the 2024-25 financial year. Following the public recruitment process, five new Trustees, namely Herman Kok, Rachael Cunningham, Stephen Gray, Julia Heap and Nikki Davis were appointed to the CITB Board on 1 April 2024.

All new Trustees undergo a comprehensive induction process facilitated by CITB's Governance team, with ongoing formal and informal training provided. Trustees also maintain regular contact with Executive team members in relation to Board, Committee, and Nation Council matters. →



Further information on the Board of Trustees is available on our website: **www.citb.co.uk/trustees**

TRUSTEES 3 / 3



BOARD PERFORMANCE

Every three years, we commission an external review of the effectiveness of the Board. The next of these commenced in April 2025 with results expected to be presented to the Board in November 2025. This review cycle is also supplemented by annual internal effectiveness reviews of the Board, its Committees, and the Nation Councils. The connectivity between these governance groups continues to strengthen. During the period 2024-25, Board and Committee members were offered relevant training opportunities to help support them to discharge their governance responsibilities, which include holding CITB to account in the delivery of its purpose: "To support the construction industry to have a skilled, competent and inclusive workforce, now and in the future". Additionally, an annual appraisal of the Board Chair is undertaken by the Director General for Skills at DfE, while individual appraisals of Trustees and Nation Council Chairs are conducted by the Board Chair.

The Board met eight times in 2024-25 and considered key issues such as the ITB Review outcomes, the three-year Levy Order and the 2025-26 Business Plan and refining the 2025-29 Strategic Plan to meet the new UK Government's homebuilding targets. The Board also oversaw a refinement of CITB's Strategic Plan 2025-29, with a particular focus on aligning CITB's investments with the UK Government's missions. This included expanding support for priority occupations in homebuilding, deepening collaboration with further education providers and employers, and improving access to apprenticeships and skills development for the homebuilding workforce. These adjustments are designed to ensure CITB remains agile and responsive to the industry's evolving needs while maintaining its charitable and statutory responsibilities.

In addition to its strategic and oversight responsibilities, the Board continued to monitor performance and risk through its five Committees, ensuring robust scrutiny and governance across all areas of activity. ●

GOVERNANCE 1 / 8

GOVERNANCE

AUDIT AND RISK COMMITTEE (ARC)

The Audit and Risk Committee is a committee of the Board that supports the Board's strategic leadership with corporate oversight of strategy and performance. The Committee is charged with ensuring the Board and the Accounting Officer gain the assurance they need on the adequacy and effectiveness of CITB's arrangements for governance, risk management and internal control. Within this, the Committee engages with the Head of Audit and Risk, the work of the external auditor (the National Audit Office), financial reporting issues, health, safety and wellbeing matters, and annually reviews key corporate policies for recommendation to the Board for approval. There were five meetings of the Audit and Risk Committee during 2024-25.

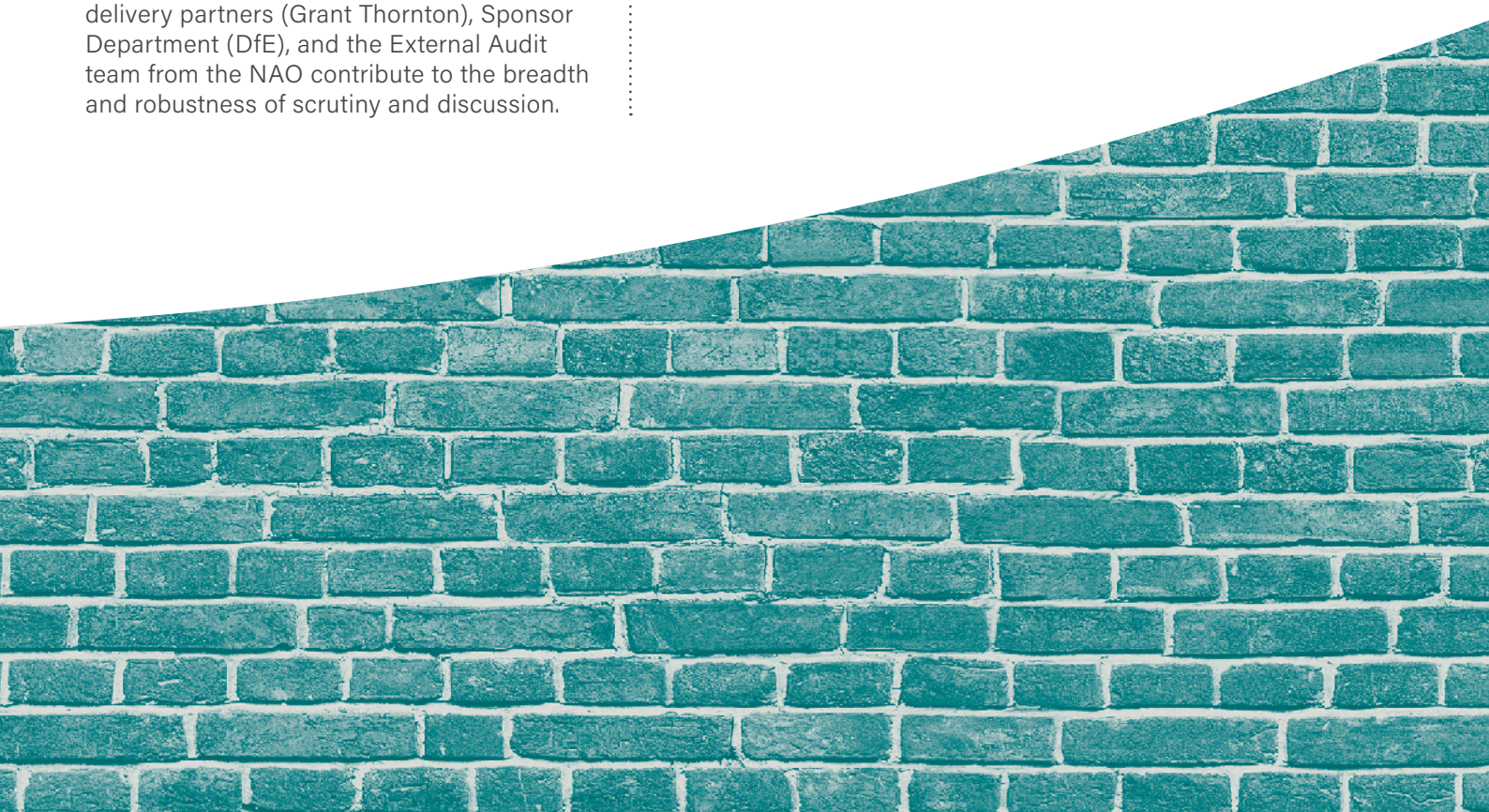
The Committee has two Trustee members. Sir Peter Lauener KBE, CB chaired one meeting as an interim Chair, with Julia Heap taking on the Chair from July 2024. The Committee benefits from the contribution of two external members, who bring additional depth of experience and expertise from internal audit and finance. In addition, other observers and attendees from our Internal Audit delivery partners (Grant Thornton), Sponsor Department (DfE), and the External Audit team from the NAO contribute to the breadth and robustness of scrutiny and discussion.

RISK

A strategic and operational risk management process has operated throughout the year. Regular reports on risks provided the Committee with assurance that risks were being identified, assessed, and managed appropriately against the tolerances set by the Board. Where risks were identified as exceeding tolerable levels, related action plans prepared by management were considered, and progress to bring the risk to within tolerance monitored.

GOVERNANCE

The Committee supported the work of the Board in reviewing its Risk Management Policy. Maintaining its focus on key risks and the implementation of risk mitigation plans, the Committee carried out deep dives into several high-risk areas, including cyber security, information governance, business continuity, dealing with complaints, and countering the risk of fraud. The Committee also monitored health, safety and wellbeing across CITB. →



GOVERNANCE 2 / 8

INTERNAL AUDIT

The Committee approved the internal audit work programme and kept the plan under review and approved amendments during the year. The full 2024-25 plan was completed, except for the deferral of a planned audit on the process for the identification and management of dependencies across change programmes, projects, and initiatives, because it was agreed it would be more appropriate and beneficial to perform an audit later once the new Central Portfolio Office was fully established and operating for a period before determining the requirements for the audit.

Internal audit work provided the Committee with assurance across a wide range of areas, including, for example, Levy registration, the process for developing Competence Frameworks, cyber security, payroll and pre-employment HR controls, contract management, and controls to counter the risk of fraud. The effectiveness of internal audit activities was monitored through receiving and discussing progress reports from the Head of Audit and Risk at each meeting, setting out the findings from each audit and the actions that management had agreed to undertake in response. The original audit report on pre-employment checks identified some key actions required, and the Committee subsequently received a follow-up report confirming the progress made in actioning those during the year. The Committee will continue to monitor the completion of agreed actions in response to audit recommendations, and the revised assessment of risk and controls derived from further audits in 2025-26.

The Committee also reviewed the requirements of the new Global Internal Audit Standards (GIAS) applicable from 1 April 2025 and agreed that the arrangements for internal audit at CITB meet the essential conditions identified in the GIAS.

The Committee received and endorsed the Head of Audit and Risk's annual opinion that CITB's systems of governance, risk management and internal control are generally satisfactory, this being an improved conclusion compared with the past two years reflecting management's strengthening of controls in areas including apprenticeships and business continuity.

EXTERNAL AUDIT

The statutory external audit of the Annual Report and Accounts 2023-24 was performed by the NAO on behalf of the Comptroller and Auditor General, in accordance with the requirements of the Industrial Training Act 1982. The NAO attended all five meetings of the Committee in 2024-25. An update report was provided for each Committee meeting, and an interim audit report enabled the Committee to understand progress towards completing the audit, including issues for further review. The Committee reviewed the Audit Plan in advance of the audit commencement and reviewed the Audit Report and findings. CITB received an unqualified certification for the 2023-24 year, and the Committee continues to monitor the implementation of the Management Letter recommendations and management responses to the audit findings. CITB also receives additional assurance from other external bodies on specific activities and/or functions, including from Ofsted for NCC and apprenticeships, and from the British Standards Institution (BSI), where CITB holds accredited standards, e.g. in health, safety and wellbeing.→



GOVERNANCE 3 / 8



NOMINATION, APPOINTMENTS, AND REMUNERATION COMMITTEE (NARCO)

The Nomination, Appointments, and Remuneration Committee (NARCO) supports the Board in the delivery of its responsibilities in respect to proposals regarding remuneration and bonus schemes, CITB's people and culture strategy, pension arrangements, senior appointments, departures, and key HR policy and practice across the organisation. The Committee has four Trustee members. The Committee Chair during this year was Tony Elliott from April to June 2024, Louisa Finlay from June 2024 to January 2025, and Nikki Davis from February 2025. The Committee met five times and provided advice to the Board regarding appropriate pay awards, performance management, and the People Strategy.

A major focus for the Committee in 2024-25 was the development of CITB's total reward framework to attract, recruit, and retain the best talent through supporting colleagues' health and wellbeing, and rewarding great performance. The Committee continued to monitor the annual pay award process in line with CITB's agreed benchmarking principles, as well as the results and actions from the annual colleague engagement survey.

In August 2024, NARCO appointed Nadine Pemberton Jn Baptiste from interim to permanent Executive Director for Legal, Governance and Compliance.

NARCO also recommended to the Board the appointment of Martyn Osborne as the Wales Nation Council Chair from April 2025 following the end of Leigh Hughes' tenure.

The Committee endorsed the decision to insource a range of CITB's HR functions as part of an overall plan to insource a number of services which are currently outsourced. The transition will be phased over the next two years, and the Committee will monitor the insourcing implementation plan.

Succession planning for Executive Director and senior leadership roles will continue to be a focus for NARCO. Additionally, NARCO continues to support the Executive team to embed the CITB values and culture by fostering a customer led, productive and engaged workforce in support of CITB's purpose and vision. →

GOVERNANCE 4 / 8

INDUSTRY FUNDING COMMITTEE (IFC)

The Industry Funding Committee is a decision-making body with delegated authority from the Board to authorise industry funding of up to £5m for any single commission or funding project. Its primary role is to support the Board in adopting a funding strategy aligned with CITB's strategic aims, monitor the delivery and impact of that strategy, and make recommendations to the Board as required.

During 2024-25, the Committee focused on reviewing funding proposals linked to the Strategic Plan and the annual Business Plan. All budget allocations via grants, funds, and commissions were subject to Committee review. Particular attention was paid to ensuring alignment between funding allocations and expected outcomes, and assessing the anticipated impact of investments.

A series of in-depth discussions explored the relative value of different funding interventions, principles of additionality, and return on investment. Based on these deliberations, the Committee made recommendations to the Board regarding investment priorities for the 2025-29 Strategic Plan and the 2025-26 Business Plan. The Board-approved proposals were significantly shaped by the Committee's guidance. Decisions were informed by industry consultation and the wider policy and economic context, particularly the UK Government's focus on homebuilding and its request for targeted investment in this area.

Throughout the year, Committee members used both quantitative and qualitative data, such as performance dashboards and in-depth reviews, to monitor the effectiveness of CITB's grants, employer fundings, and commissions. The Committee tracked progress against the recommendations of the Employer Funding Review and provided strategic input into the ongoing refinement of key funding streams, especially the Industry Impact Fund and Employer Network Funding. Committee member Hannah O'Sullivan was delegated authority to support decision-making on high-value bids to the Industry Impact Fund.

The Industry Funding Committee is a decision-making body with delegated authority from the Board

In addition to its strategic funding oversight, the Committee provided strong support for simplifying funding channels and promoting longer-term training investment via alternative mechanisms. Specific guidance was offered on the development of Employer Networks and the evolving role of Training Groups. The Committee approved enhanced investment (up to 100%) for 'high-value' training delivered through Employer Networks. This initiative allowed the Committee to assess the impact of increased incentives and to ensure equitable access for businesses of all sizes.

Holly Price continued to serve as Chair, working closely with Committee members to make funding decisions on behalf of the Board. During the financial year, Steve Drury and Rupert Perkins completed their terms and were succeeded by Sarah Garry and Mark Wharton, both bringing a wealth of industry experience. The current composition of the Committee reflects a broad cross-section of the construction industry, ensuring that funding decisions account for the diverse needs of businesses across the industry. →



GOVERNANCE 5 / 8

LEVY STRATEGY COMMITTEE (LSC)

The Levy Strategy Committee makes recommendations to the Board on matters relating to the strategic direction of the Levy system. This includes a key objective to maintain a level playing field for all CITB registered employers.

Following the decision to delay the Consensus process for a year in 2023, to allow the UK Government's review of CITB and ECITB to run its course and any resulting recommendations to be reflected in CITB's Strategy, the focus for the Committee during this period was the development of the three-year Levy Proposals for 2026-29. These proposals would form the basis of Consensus in early 2025 and the subsequent Levy Order to be debated by Parliament in early 2026.

The Committee worked hard to try and incorporate two major changes to Levy in their Proposals: firstly, looking to include payments to Labour Suppliers in the Levy calculation and secondly making changes to the Levy payment schedule to reduce the gap between the leviable payments being made to workers and the Levy being paid on these payments. Unfortunately, neither were progressed sufficiently to include in proposals for 2026 (due to a lack of quality data and costs), but both remain live areas for further research and possible future implementation.

Instead, the Committee recommended Levy Proposals to the Board (and subsequently to DfE) that reflected the significant wage increases being experienced in the industry, now and into the period of the 2026 Levy Order. The proposals retained the Levy rates at 2025 levels but increased the Levy Exemption and Reduction Thresholds in line with expected wage inflation by 2028-29. Once approved by Parliament in 2026, they will be used for the Levy Assessments raised in April 2026.

During this period, the Committee has also:

- Overseen the successful implementation of a revised and strengthened statement expressing opposition to the practice of "Passing on the Levy" by some contractors to their sub-contractors, along with the introduction of an anonymous online mechanism for those affected by passing on, to report this to CITB
- Explored various solutions to reduce Levy Avoidance including improving the registration process and making it easier to complete the annual Levy return accurately
- Commenced work to agree a long-term vision and strategic aims for Levy as well as supporting the development of a Levy Strategic Plan for 2026-29.

The Committee currently has ten members, including two Trustees. Rachael Cunningham replaced Diana Garnham as Chair and Herman Kok filled the previously vacant position of second Trustee on the Committee. The other members include five other representatives of Levy-Registered employers and three independent members.

During the year, Ken Miller stepped down as the Scottish Nation Council member on the Committee. Ken was replaced by Craig Bruce who joined the committee on 5 June 2025. The Committee has a good mix of representatives from the three nations as well as employer sizes and trades. This mix brings a variety of experience and diversity that adds validity and assurance to the recommendations made to the Board. →

GOVERNANCE 6 / 8

NATIONAL CONSTRUCTION COLLEGE AND APPRENTICESHIPS COMMITTEE (NCC&AC)

During 2024-25, the Committee oversaw the transition from major transformation programmes for NCC and Apprenticeships Scotland into continuously improving and high-performing business as usual operating models. The impact was evident in a successful NCC Ofsted monitoring visit in May 2024 and strong performance against KPIs for both NCC and CITB's apprenticeship delivery in Scotland.

The Committee also oversaw the development of a new strategy for NCC, focused on excellence, growth, and beacon leadership, alongside plans to invest in the NCC South (Erith) campus.

Michael Green has now settled into his role as Chair of the Committee ensuring discussions are focused on its purpose. Tony Elliott stepped down as a Trustee member when his CITB Trustee tenure ended in June 2024 but has been retained as an independent member to provide a Scottish perspective. Nikki Davis joined the Committee as a Trustee member upon becoming a CITB Trustee in April 2024, bringing valuable insight from the further education sector. Owain Jones remains a Trustee member, continuing to provide the Welsh perspective.

At the year end, there were two vacancies on the Committee and two new members, Nicola Bird and Jawahar Hingorani were appointed in June 2025 to fill the vacancies.

NATION COUNCILS

Nation Councils remain essential in shaping the future of construction throughout Great Britain, offering strategic guidance to the Board to enhance the industry's ability to meet its skill requirements.

The objectives of the three Nation Councils are to:

- Provide insight into the challenges and opportunities for the nation it represents
- Steer and influence the Board on development and effective delivery of the Plan encouraging adjustments to the delivery to reflect unforeseen events and/or changes that impact on the nation and/or industry more generally
- Debate and offer constructive challenge in relation to proposed allocation of resource against competing industry priorities across Great Britain
- Provide national perspective on construction skills gaps against agreed forecast needs. →



GOVERNANCE 7 / 8

ENGLAND NATION COUNCIL

The England Nation Council advised and supported CITB activities from shaping nation specific priorities to ensuring operational delivery reflecting England's specific needs. One of its major undertakings was steering the production of the England Nation Plan, setting out clear priorities and targeted support for the sector. Members also developed performance measures that connect GB-wide objectives with England only indicators, giving greater clarity on progress and outcomes.

A significant part of the Council's year involved advising on the 2025 Consensus Process. This included shaping proposals for Levy rates and thresholds and publicly standing behind the 'Passing on Levy' Statement. Apprenticeship growth was a consistent rallying point, with members working alongside the Board and senior leaders to reflect this in CITB's activities. Promotion of CITB's funding opportunities, from opportunities like the Industry Impact Fund and other live commissions were part of the Council's activities. These efforts contributed to a rise in funded projects in England, with progress to be tracked into 2025-26.

The Council was chaired by Sharon Llewellyn, with Kevin McLoughlin as Deputy Chair. New members joining during the year were Matt Bridge, Joanna Poon, Sarah Garry, Sarah Barnes, Dan Clarkson, and Janette Welton-Pai. Ian Dickerson completed his term, and Maria Seabright resigned from her role.

SCOTLAND NATION COUNCIL

The Scotland Nation Council had input into policy and operational matters which were of relevance to CITBs activities in Scotland. This work included the production of the 2024-25 Scotland Nation Plan, which outlined CITB priorities and support in Scotland, and the development of KPIs which reflect GB and nation priorities and allow for operational performance reporting at a Scotland specific level. The Council also advised and supported the Levy Strategy Committee in relation to the agreeing of Levy rates and threshold increases to be tabled as part of the 2025 Consensus Process along with collective support and agreement as signatories to the 'Passing on Levy' statement.

Throughout the year the Council reiterated the importance of apprenticeship provision in Scotland and worked with the Board and senior staff members to ensure this was reflected in terms of CITB's operational priorities in Scotland. The Council members were also active in ensuring CITB products and services, particularly in relation to funding streams, including current commissions and flagship funding channels such as the Industry Impact Fund, were articulated, adopted and utilised across Scotland, with standing agenda items to support and inform activity across the nation. Examples of the Nation Council support in this area can be seen in the demonstrable increase in funded activity pertaining to Scotland, which will be monitored and reported upon throughout the forthcoming financial year (2025-26).

The Council has actively supported the role of Scottish Construction Federations by inviting them to attend and present at Council meetings.

Angela Forbes, continued in her role as Council Chair, attending Board meetings as an observer and reporting into the Nations Council. The Council recruited three new members Callum Smith, Mairi Coleman and Peter Tait. The Scotland Nation Council has two vacancies currently, with efforts underway to recruit for the vacancies.

WALES NATION COUNCIL

The Wales Nation Council continued to be a strategic voice for the Welsh construction industry within CITB, helping to shape the 2024-25 Wales Nation Plan. The Plan set out the nation's priorities and identified specific forms of support, supported by a fresh set of KPIs designed to capture both shared GB objectives and outcomes unique to Wales.

The Council advised and supported the Levy Strategy Committee to refine recommendations on Levy rates and thresholds for the 2025 Consensus Process, ultimately joining other Nation Councils in endorsing the 'Passing on Levy' statement.

Apprenticeships remained a clear focus area, and the Council worked closely with CITB's leadership to ensure that investment and attention flowed into apprenticeship provision in Wales. They also worked actively to promote awareness of CITB services and funding, from key commissions to major investments like the Industry Impact Fund, with encouraging signs of increased take up across the country.

Leigh Hughes served as Chair, supported by Deputy Chair Owain Jones, who also sits on CITB's Board of Trustees. The Council welcomed four new members, Lisa Kelly-Roberts, Martyn Osborne, Ian Morgan, and Mark Bowen, while preparing for a leadership transition in the coming year as Leigh Hughes's tenure comes to an end. Martyn Osborne was appointed Chair of the Council in April when Leigh tenure in office came to an end.



RISK MANAGMENT 1 / 5

RISK MANAGEMENT

RISK MANAGEMENT

Our system of risk management and internal control is designed to: manage risks, including the risk of not making the most of opportunities, to a reasonable level consistent with the CITB Board's risk appetite; evaluate and mitigate the likelihood of those risks occurring and the impact should they be realised; and manage risks efficiently, effectively and economically. The system follows the principles set out in the "Management of Risk – A Strategic Overview" (commonly known as the "Orange Book") issued by HM Treasury, and has regard to supporting guidance, including the Risk Control Framework. The system was in place this financial year and up to the date of approval of the Annual Report and Accounts.

The framework of risk management is designed to support informed decision-making, helping to ensure CITB can take opportunities to be more effective in its support of industry while not becoming exposed to unacceptable levels of risk. During the year, the Audit and Risk Committee reviewed and proposed updates to the Risk Management Policy and Risk Appetite Statement, which were endorsed by the Board. The Executive team and the Board reviewed and updated the strategic risks to reflect changes that arose from the new 2025-29 Strategic Plan, the actions agreed in response to the ITB Review, changes in the external environment and other matters. In general, risk is managed through regular scrutiny at management and team levels, and oversight by the Audit and Risk Committee and by the Board, which receive updates on strategic risks and significant operating risks at each meeting.

A number of sources contribute to the review of risks and the assessment of risk management, including:

- Reports and recommendations from the Audit and Risk Committee
- The Annual Report and Opinion from the Head of Audit and Risk, and findings and recommendations from internal audit reports
- Self-assessment against the UK Government's Functional Standards including the "Management of Risk – A Strategic Overview" (commonly known as the "Orange Book") and consideration of the supporting Risk Control Framework
- Findings and recommendations from the NAO
- Annual accountability statements from members of the Executive team and Senior Leadership team, which outline the governance, risk management and internal control arrangements in their business areas
- External reports on CITB and its processes produced by independent organisations, such as the Education and Skills Funding Agency (ESFA), Skills Development Scotland (SDS), and Ofsted
- Legislative and regulatory requirements and guidelines, including those relating to charitable status. →



RISK MANAGMENT 2 / 5

RISK MANAGEMENT PROCESS

As a registered charity, we have a prudent and balanced attitude to risk, placing emphasis on our risk management and control framework to manage risk within the Board's risk appetite, which is set out in the Board's Risk Appetite Statement. The ways in which we managed risks for the year ending 31 March 2025 included:

- A review of our strategic risks performed in November 2024 in light of the developing 2025-29 Strategic Plan, with oversight of updates by the Audit and Risk Committee. Assessments of strategic risks and the effectiveness of mitigating actions are monitored on an ongoing basis
- Risks were also identified and assessed at an operational level by each team and at project level by each project team, with escalation where appropriate. A process is in place to ensure consistent identification, assessment, and monitoring of risks by all teams, facilitated by the Audit and Risk function
- The Executive team holds collective oversight of risks at the strategic level and undertook deep dive reviews into the management of certain, more significant risks at its monthly meetings when appropriate
- Each meeting of the Audit and Risk Committee received a risk update, including details of the strategic and significant operational risks and updates on the operation of the system of risk management. The Committee also performed its own deep dives into key risks by asking management to provide updates on the risks and mitigations.



RISK MANAGMENT 3 / 5

STRATEGIC RISKS

Below are summaries of the key strategic risks that have been the main focus of attention during the year:

RISK A - Its assessment (potential impact and likelihood) and change since 1 April 2024

CITB may not be able to implement the internal changes required to deliver its 2025-29 Strategic Plan in the timeframe committed because it does not have the people and skills, or data or data management capability, to implement new ways of working or the necessary systems and technology.

Assessment 31 March 2025:
Very Serious – Possible; new risk this year.

MITIGATIONS

A Central Portfolio Office was established to oversee change activity alongside new investment and change governance processes, and additional project/ programme management resources deployed to support the effective delivery of projects/programmes.

RISK B - Its assessment (potential impact and likelihood) and change since 1 April 2024

That the UK Government's and CITB's plans to support homebuilding may not be fully aligned or that in supporting the priority on homebuilding CITB diverts too much focus, funding or resources away from other priorities.

Assessment 31 March 2025:
Serious – Possible; new risk this year.

MITIGATIONS

CITB has been engaging closely with the UK Government in Westminster and the Governments in Scotland and Wales to ensure our strategy is aligned and to help inform policy decisions and ensuring that our Business Plan focuses on the prioritised needs of the construction industry.

RISK C - Its assessment (potential impact and likelihood) and change since 1 April 2024

Risk of serious physical injury or harm to apprentices, colleagues and others due to a failure by CITB to fully comply with Health and Safety regulations or not having taken all necessary and appropriate actions to reduce the risks.

Assessment 31 March 2025:
Very Serious – Possible; unchanged (identified mitigations in place).

MITIGATIONS

CITB places a high priority on supporting safety in the construction industry and on safety in its construction and other activities. A Health, Safety and Wellbeing framework accredited to formal ISO45001 and ISO45003 standards is in place and its performance is monitored by regular reporting to management, the Audit and Risk Committee, and the Board.

RISK D - Its assessment (potential impact and likelihood) and change since 1 April 2024

Risk of harm to apprentices, young people, and vulnerable adults because of a failure to have implemented appropriate Safeguarding arrangements or a failure of those Safeguarding procedures.

Assessment 31 March 2025:
Very Serious – Possible; unchanged (but reducing due to additional mitigations).

MITIGATIONS

Safeguarding has been an area of focus and development for the NCC and our apprenticeships over the past 18 months. The Leaders in Safeguarding Award was achieved for England in 2023-24 and for Scotland in 2024-25. A dedicated Safeguarding team monitors the arrangements and any incidents that occur, and the overall operation of the process is monitored by the NCC and Apprenticeships Committee on behalf of the Board.

RISK MANAGMENT 4 / 5

RISK E - Its assessment (potential impact and likelihood) and change since 1 April 2024

Sensitive information may be exposed and/or significant disruption caused to services as a result of a breach of cyber security.

Assessment 31 March 2025:
Serious – Possible; unchanged.

MITIGATIONS

There is an ongoing process to monitor cyber security risks and to implement actions where necessary, and all CITB colleagues are required to undertake annual training. It is recognised that the threat of a cyber-attack requires continued vigilance and development of the framework of controls.

RISK F - Its assessment (potential impact and likelihood) and change since 1 April 2024

CITB may suffer fraud which is damaging reputationally and financially due to the amount involved because of failure to embed a culture of fraud awareness and prevention or not implementing actions to mitigate significant risks.

Assessment 31 March 2025:
Significant – Possible; unchanged.

MITIGATIONS

Arrangements are in place to assess the risks of fraud and to take action should any new or increasing exposures be identified, which are reviewed at least annually by the Audit and Risk Committee. Proactive and reactive reviews and investigations are undertaken by the CITB Counter Fraud team.



RISK MANAGMENT 5 / 5

In addition to the specific risks detailed above, management has been alert to the possibility that policy and funding changes by the UK Government in Westminster and by the Governments in Scotland and Wales could have implications for CITB's Strategic and Business Plans, including the risk that CITB fails to realise opportunities that changes may provide to benefit the skills system for construction. A programme of regular engagement with national Governments is in place to inform planning, thereby ensuring that knowledge of emerging policy changes enables plans to be aligned, where appropriate.

The process of regular risk reviews throughout the year helped to maintain the focus on mitigating the potential impacts of risks and supported actions that ensured that the risks did not have a significant adverse impact on delivery of priority outcomes and the 2024-25 Business Plan.

Activity to monitor the mitigation of risks during the year had a significant focus on actions to embed the controls implemented in 2022-23 and 2023-24 over the delivery of quality apprenticeships, further mitigate the risk in relation to cyber security and reduce the potential for significant interruption of services were there to be a business continuity incident. The risk of CITB having the resources and capabilities to implement the necessary change to deliver its strategic objectives identified above was also the subject of particular attention by the Executive team throughout the year, recognising that implementation of new systems and enhanced ways of working are key to delivering the 2025-29 Strategic Plan.

The Head of Internal Audit was satisfied that sufficient work had been completed during the year to enable an opinion to be provided.

HEAD OF INTERNAL AUDIT'S OPINION

The Internal Audit team, working to the Public Sector Internal Audit Standards, delivered the 2024-25 programme of reviews as approved by the Audit and Risk Committee. The Committee agreed to defer a planned review of managing dependencies across 'change' activity as steps were still being taken by management to develop the structures and processes for this. Completed audits covered a wide range of areas within governance, risk management, and internal control, focusing on those where there was the greatest need for assurance or potential benefit from review. The Head of Internal Audit was satisfied that sufficient work had been completed during the year to enable an opinion on governance, risk management and internal control to be provided.

An annual report, summarising the work undertaken and containing the Head of Audit's opinion, was presented to the Audit and Risk Committee and stated that the systems of governance, risk management, and internal control are generally satisfactory.



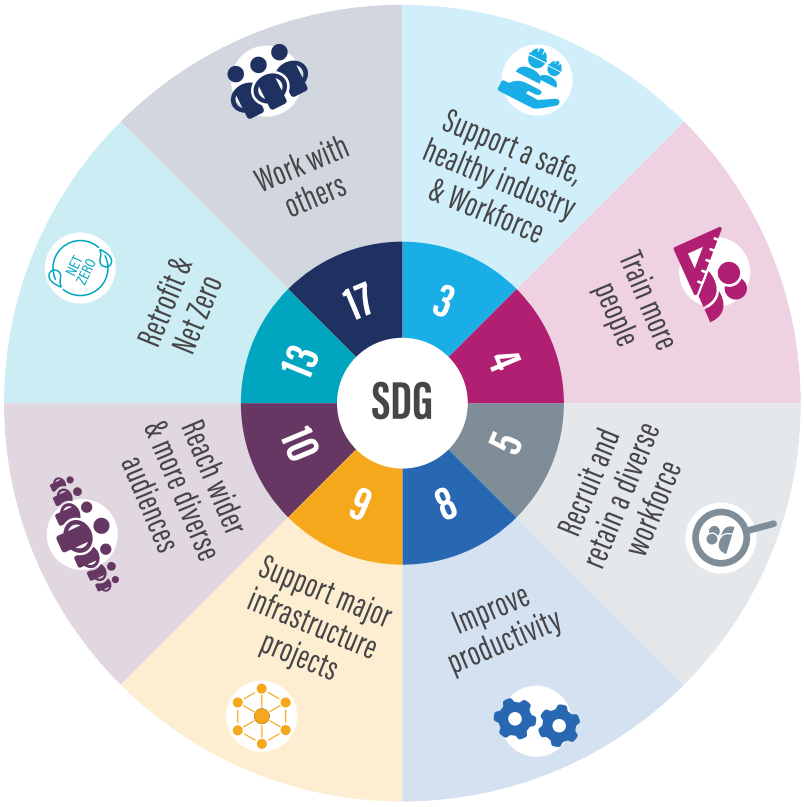
Sustainability

UN SUSTAINABLE DEVELOPMENT GOALS

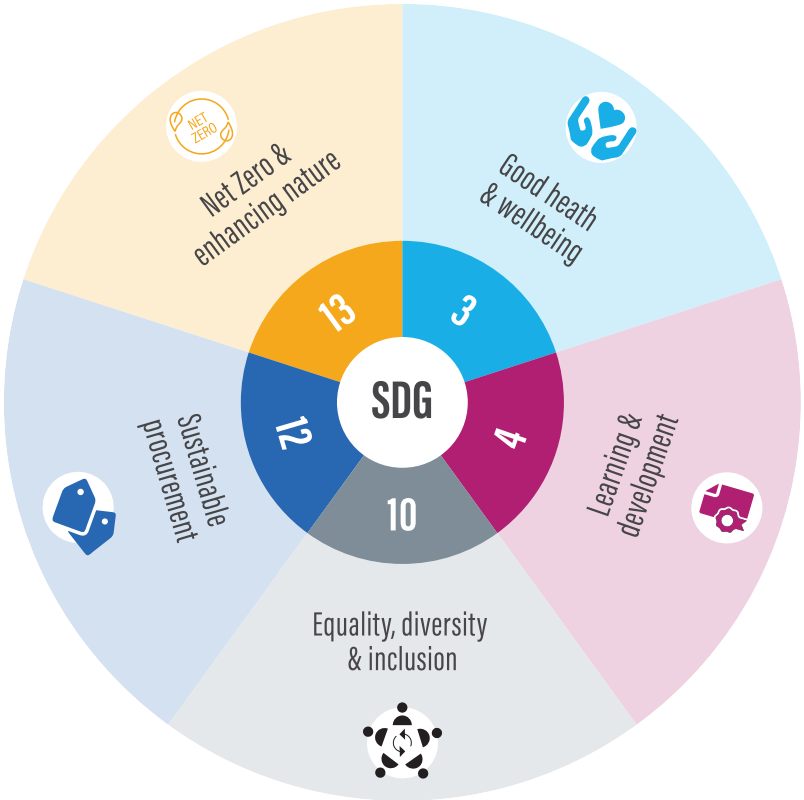
As part of the development of our sustainability strategy, we re-examined how our internal activity and the external delivery of our products and services aligns with the United Nations Sustainable Development Goals[14] (UN SDGs/the Goals) to more accurately understand our wider contribution to global objectives and this is shown in graphics 1 and 2. →



GRAPHIC 1 – HOW OUR EXTERNAL DELIVERY CONTRIBUTES TO THE UN SDGS



GRAPHIC 2 – HOW OUR INTERNAL ACTIVITY CONTRIBUTES TO THE UN SDGS



14. THE 17 GOALS | Sustainable Development

SUSTAINABILITY 2 / 5

OVERVIEW

Our Environmental Policy sets out our ambition to be net zero in Scopes 1[15]and 2[16] by 2030 and Scope 3[17] by 2040, ahead of the UK target of 2050 and Scotland by 2045. The Board and the Executive team are committed to this target and the investment required, and our teams have begun making changes to our working practices, including embedding an Environmental Management System (EMS) across all sites certified to the ISO 14001 Standard; and being integrated with our Health & Safety and Wellbeing Management System, which is certified to the ISO Standards 45001 (Health & Safety) and 45003 (Psychological Health & Safety at Work).

To ensure we can transition to a sustainable future and meet our net zero emission targets, we know that our workforce must have the knowledge, skills, competencies, and behaviours to undertake this work, known as 'Green Skills.' During the year, several colleagues became Carbon Literate following the delivery of a pilot carbon literacy training course and recommended to Executive Sponsor that a bespoke course focused on the environmental impact of construction industry be developed and accredited by the Carbon Literacy Project and rolled out across the organisation; with the aim of 10% of our workforce to be Carbon Literate within the first year.

As an arm's-length body (ALB) of DfE, we are exempt from the Central Government's Greening Government Commitments (GGCs) that set out the actions that UK Government departments and their ALBs will take to reduce their impacts on the environment for the reporting year 2024-25; however, we are voluntarily reporting, and we have applied HM Treasury's annual guidance to provide transparency in our sustainability reporting. To support greater collaboration with our sponsoring department, DfE, a CITB representative attends their ALB Sustainability Roundtable. We have confirmed with the Department for Environment, Food and Rural Affairs (Defra) and DfE, that we are in-scope of the GGCs from 2025 onwards.

To align to previous years reporting and acknowledging that little comparison can be made with the baseline year of 2017-18 due to changes made as part of our Vision 2020 divestment programme and the impact of the Covid pandemic, only data for the last four years is presented in this report. As proposed in the new GGC's for the period 2025-30, a new baseline will be set for future reporting based on data for 2025-26.

CITB delivers skills and training interventions through its NCC, which operates from three freehold training establishments. The data presented in this report is collated from these three sites, at Erith, Bircham Newton, and Inchinnan. We are not currently able to include data from our leased premises, our Head Office, Sand Martin House, in Peterborough (vacated August 2025) and our London Office, Sanctuary Buildings, in Westminster (vacated November 2024), nor the replacement provision in temporary office rental, as the freeholder is currently unable to provide relevant data broken down by demise. →

15. Scope 1: Greenhouse gas emissions (GHG) emissions from burning fossil fuels from sources that are owned or controlled by the company, for example, emissions from an onsite gas heating system, or from industrial processes or owned transport. Leaks of F-Gases (e.g. from air conditioning systems) are also classed as Scope 1

16. Scope 2: GHG emissions from burning fossil fuels from purchased electricity, heat, and steam for use in company operations. These are separated from Scope 1 as they usually occur elsewhere (e.g. at a power station).

17. Scope 3: All indirect emissions due to the activities of a business. Scope three can either be upstream – indirect emissions including: purchased goods and services; waste generated in operations; business and community travel; transportation and distribution. Or downstream – as products and services are used and disposed of by customers.

18. Greening Government Commitments 2021 to 2025 - GOV.UK (www.gov.uk)

19. HM Treasury 2023-24 Sustainability Reporting guidance

SUSTAINABILITY 3 / 5

TASK FORCE FOR CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) COMPLIANCE STATEMENT

As we witness an accelerated change in our climate due to human activity, the World Economic Forum's annual Global Risk Report 2024[20] named three key climate risks as top global challenges. It is important we identify, assess and manage climate-related risks.

CITB has reported on climate-related financial disclosures consistent with HM Treasury's TCFD-aligned disclosure application guidance[21], which interprets and adapts the framework for the UK public sector, including central Government department ALB's. The TCFD recommendations are structured around four thematic areas that relate to core elements of how organisations operate – Governance, Risk Management, Metrics and Targets, and Strategy.

CITB has complied with the TCFD recommendations as follows:

- **Governance** - all recommended disclosures
- **Risk Management** - all recommended disclosures
- **Metrics and targets** - all recommended disclosure

This is line with the central Government's TCFD-aligned disclosure implementation timetable for Phase 2. CITB plans to make the disclosures on Strategy (Phase 3) in the next reporting period.

GOVERNANCE

The role of the Board is to set and maintain the CITB vision, mission, and values, and ensure its strategy supports the construction industry to have a skilled, competent, and inclusive workforce, now and in the future. It is responsible for monitoring CITB's management and operations and obtaining assurance about the delivery of its strategy through its committees.

The role of the Board is to set and maintain the CITB vision, mission, and values

The Audit and Risk Committee provide assurance to the Board on the adequacy and effectiveness of CITB's arrangements for risk management, governance, and internal control, and this is extended to climate-related risks and opportunities, and the Committee reviews those above risk tolerance, as identified through the risk management process.

At each meeting, the Board and Audit and Risk Committee consider climate-related risks as part of their review of the CITB Strategic Risk Register. Furthermore, the Board, through the appointment of its Trustees, has two with a background and experience in climate change and sustainability, including climate-related risks and opportunities.

Holly Price is the Group Sustainability Director at Keltbray Group and accountable for the delivery of their sustainability strategy, which includes environmental sustainability and the achievement of their net zero target.

Stephen Gray in his role as Head of Engineering Development at BAM Nuttall Ltd, and as a reviewer and assessor with the Institution of Civil Engineers (ICE), embeds sustainable development as a core competency and commitment.

Climate-related responsibilities relating to internal operations are assigned to the Sustainability Group that is accountable to the Executive through the CFO as the Executive Sponsor. Membership is made up of relevant Leadership team members and functional leads.

To help support the development of CITB's Strategic and Business Plans for the benefit of the construction industry, a cross-functional Net Zero Action Group exists. →

20. Global Risks Report 2024 | World Economic Forum | World Economic Forum
21. TCFD-aligned disclosure Application Guidance - Phase 1, 2, 3 - for FRAB.docx

SUSTAINABILITY 4 / 5

TABLE 3: SUSTAINABILITY GOVERNANCE: MANAGEMENT OF CLIMATE-RELATED MATTERS

CITB BOARD LEVEL	
Audit and Risk Committee	Executive team Sustainability Lead: CFO
MANAGEMENT LEVEL	
Sustainability Group Chair: CFO Co-ordinator: Environmental, Social and Governance (ESG) Manager Attended by Leadership team members and functional leads. Remit: Oversight of internal environment, social and governance matters.	Net Zero Action Group Chair: Strategy Lead for net zero Co-ordinator: Industry Analyst and net zero Lead Attended by departmental representatives. Remit: to help develop the Strategy/Plan to support a training and skills system for the construction sector to meet net zero
WORKFORCE LEVEL	
Green Champions Group Co-ordinator: Environment and Sustainability Coordinator Voluntary membership from across the organisation	

RISK MANAGEMENT

Climate-related risks are identified with the input and guidance of the ESG Manager taking into consideration global trends, the UK's Climate Change Risk Assessment, and the NAO good practice guidance to identify those direct risks to core operations, and indirect risks via the supply chain or other dependencies, relevant to CITB. Climate-change is not currently identified as posing a strategic threat to CITB, its operations and activities; however, this is kept under review.

The risks are assessed using the risk management system as described on pages 39 to 40 and cascaded to the relevant team for including in operational risk registers, scoring, managing (determining and implementing the appropriate actions), and monitoring at the functional level. General ESG risks, including those in relation to reporting, are held centrally by the ESG Manager. Assessment, recording, and reporting of the risks is facilitated by the Audit and Risk function.

An impact and likelihood assessment supports the prioritisation of the risks and of the risk management activities to mitigate and respond to them. The impact criteria include financial and non-financial factors, such as compliance (regulatory impact), people, and technology, and are used for assessing all risks, including climate-related risks, providing a consistent basis for assessment, prioritisation, and reporting across CITB.

The Audit and Risk Committee receive updates at each meeting on the risk management process and specifically risks that fall outside of tolerance. The Committee also undertakes a programme of deep-dives into key risks, but no climate-related risks were deemed to require a deep-dive during 2024-25. →

SUSTAINABILITY 5 / 5

We have considered the climate-related physical and transitional risks relevant to CITB and identified the following in our functional risk registers:

Sustainability

- Failure to comply with key environmental legislation, regulation, and other requirements
- We are unable to develop a plan to meet our emission reduction targets and/or those set within the GGCs and make sufficient progress towards their achievement
- We do not maintain an effective Environmental Management System (EMS) to identify, assess, monitor, and maintain our interactions with the environment to prevent negative environmental impact
- Increased risk of disruption and interruption of services and operations because of infrastructure failures in interdependent networks e.g. water and power.

Estates

- Risk of physical damage to our estate, technology, and other assets due to acute physical extreme weather events (such as cold, heat, storms (wind and rain))
- Risk of adverse impact on biodiversity across our estate as a result of not identifying and incorporating relevant aspects into estates planning.

Products and services

- We do not anticipate, develop and introduce training capacity and products to meet industry needs linked to climate-related demand for new skills and capabilities (e.g. retrofit, decarbonisation, biodiversity net gain and circular economy).

Health, safety and wellbeing

- Risk to the health, wellbeing and productivity of employees and learners from acute and chronic climatic events, such as heat waves, cold spells, heavy rain and snow due to not planning for the increasing incidence and severity of such events and/or not taking steps to mitigate the impacts.

Procurement

- Risk of interruption and disruption to supply chains for food, essential goods/materials and other commodities due to global meteorological disasters and geo-political issues.

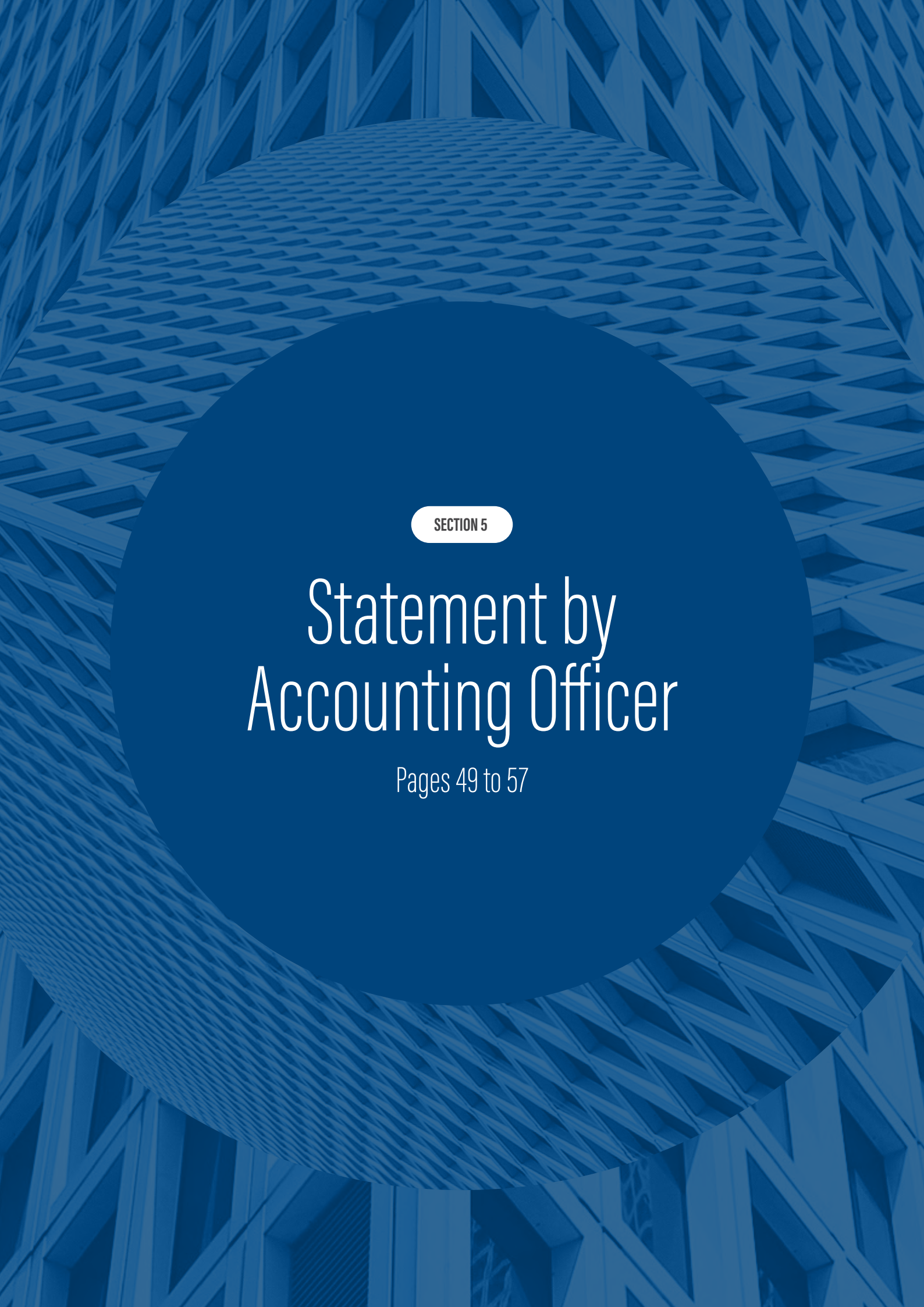
We are enhancing our business continuity capabilities to tackle climatic events to significantly mitigate risks and ensure operational stability, including conducting risk assessments, emergency response planning, infrastructure resilience, and employee training.

METRICS AND TARGETS

CITB is guided by the GGC reduction targets and has not set its own material targets. These will be developed in its sustainability strategy for 2025-29, until then, it will actively investigate and implement solutions to drive down its emissions.

CITB's carbon footprint can be found in Appendix A. ●





SECTION 5

Statement by Accounting Officer

Pages 49 to 57

STATEMENT BY ACCOUNTING OFFICER

OUR APPROACH TO DATA SECURITY

To achieve our aims, CITB processes personal information about individuals. Categories of data subjects include construction-related employers, employees and prospective employees within the construction industry, construction apprentices, suppliers, contractors and internal staff.

We are committed to protecting the rights and freedoms of individuals in respect of the processing of their personal data and undertake to comply with our legal obligations and responsibilities at all times.

We routinely review systems and processes for handling data securely against prevailing guidelines to ensure we continue to meet expected standards. We follow ISO 27001-compliant practices in relation to information security.

We comply with our legal obligations in relation to personal data, and any serious data-related incidents are published and reported to the Information Commissioner's Office (ICO). This year, one incident was reported to the ICO on 19 July 2024. No action was required, and the matter was deemed closed by ICO on 23 July 2024.

As CITB's outsourced IT service provider Shared Services Connected Limited (SSCL) is committed to protecting the security and access to our data.

As CITB's outsourced IT service provider Shared Services Connected Limited (SSCL) is committed to protecting the security and access to our data. SSCL follows ISO 27001-compliant practices in relation to information security and CITB has obtained certification for Cyber Essentials+, initially for Welsh Apprenticeships and the wider IT estate, other than two legacy applications.

SSCL investigates all security incidents relating to its service to CITB to identify suitable improvements in processes, staff education, and technical security measures. There were no high severity incidents reported in 2024-25.

OUR APPROACH TO REPORTING CONCERNS

We are committed to achieving and maintaining high standards of behaviour at work, in service to the public and in all our working practices, and to maintaining a culture where people are encouraged to speak out, confident that they can do so without adverse consequences and that appropriate action will be taken. We have arrangements for reporting concerns relating to modern slavery, safeguarding, and the Prevent duty. Our arrangements for whistleblowing were reviewed and approved by the Audit and Risk Committee during the year. There were no whistleblowing incidents reported during the year. →

REGISTER OF INTERESTS

As a non-departmental public body sponsored by DfE, CITB must abide by the principles of regularity and propriety, ensuring that its work is not adversely impacted by conflicts of interest. Trustees, Committee members and the Executive team are required to complete a declaration of interests annually. We have a process in place which allows potential conflicts of interest to be identified and, where identified, ensures that appropriate safeguards are put in place to prevent actual conflicts from arising.

In addition, all staff are required to complete a declaration of interest return annually, including those who have no interests to declare, and to also declare any gifts or hospitality offered.

MAINTAINING STAKEHOLDER SUPPORT

To continue to meet industry expectations, CITB must maintain support from a range of stakeholders. We liaise with industry at all levels and have connections with prescribed organisations and trade federations, trade unions and educational bodies. We work with DfE at Westminster, and the Scottish and Welsh Governments and we are involved in a range of stakeholder events, consultative groups and forums, and partake in various stakeholder surveys.

CONCLUSION

As Accounting Officer, I am satisfied that the governance arrangements that were in place during the year to 31 March 2025 are sufficient to continue managing risks effectively. This is informed by the work of the Executive team, who are responsible for developing and maintaining the governance structures and internal control framework. I acknowledge the comments made by the NAO in its management letter and other reports (refer to External audit on page 32). The Governance Statement represents the end product of management's review of the effectiveness of the arrangements for governance, risk management, and internal control.

Based on the review I have outlined above, I conclude that CITB has a satisfactory system of governance, risk management, and internal control that supports the aims and objectives of the organisation. ●

Tim Balcon
Accounting Officer
3 December 2025



STATEMENT OF THE BOARD AND ACCOUNTING OFFICER'S RESPONSIBILITIES

Under section 8 (1) of the Industrial Training Act 1982, the Board is required to prepare for each financial year a statement of accounts in the form and on the basis determined by the Secretary of State with the consent of the HM Treasury.

The accounts are prepared on an accruals accounting basis and must show a true and fair view of CITB's state of affairs at the year end and of its income and expenditure and cash flows for the financial year.

In preparing that statement of accounts, the Board and Accounting Officer are required to comply with the requirements of the Charities Statement of Recommended Practice (FRS 102) and have regard for the relevant requirements of the UK Government's Financial Reporting Manual and in particular to:

A. Observe the accounts direction issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis

B. Make judgements and estimates on a reasonable basis

C. State whether applicable accounting standards as set out in the Charities Statement of Recommended Practice (SORP) and the UK Government's Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements

D. Prepare the financial statements on a going concern basis unless it is inappropriate to presume that CITB will continue in operation

E. Confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable, and to take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Accounting Officer for DfE has designated the Chief Executive of CITB as Accounting Officer for CITB. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding CITB assets, are set out in Managing Public Money, published by the HM Treasury.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that CITB's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware. The Annual Report and Accounts are fair, balanced and understandable, and as Accounting Officer I take responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable. ●

Tim Balcon
Accounting Officer
3 December 2025

Approved by the Board on and signed on its behalf by:

Sir Peter Lauener KBE, CB
CITB Chair
3 December 2025

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL 1 / 5

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT AND THE SCOTTISH PARLIAMENT

OPINION ON FINANCIAL STATEMENTS

I certify that I have audited the financial statements of the Construction Industry Training Board for the year ended 31 March 2025 under the Industrial Training Act 1982.

The financial statements comprise the Construction Industry Training Board's:

- Balance Sheet as at 31 March 2025;
- Statement of Financial Activities and Cash Flow Statement for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom accounting standards including Financial Reporting Standards (FRS) 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion, the financial statements:

- give a true and fair view of the state of the Construction Industry Training Board's affairs as at 31 March 2025 and its net expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 and the Charities Act 2011.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2024)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2024*. I am independent of the Construction Industry Training Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion. →

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL 2 / 5

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Construction Industry Training Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Construction Industry Training Board's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Board and Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

Other information

The other information comprises information included in the Annual Report, but does not include the financial statements and my auditor's certificate and report thereafter. The Board and Accounting Officer are responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Industrial Training Act 1982.

In my opinion, based on the work undertaken in the course of the audit the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Construction Industry Training Board and its environment obtained in the course of the audit, I have not identified material misstatements in the Annual Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept by the Construction Industry Training Board or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 have not been made or parts of the Remuneration Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance. →

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL 3 / 5

Responsibilities of the Board and Accounting Officer for the financial statements

As explained more fully in the Statement of the Board and Accounting Officer's Responsibilities, the Board and the Accounting Officer are responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Construction Industry Training Board from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements, which give a true and fair view, in accordance with the applicable financial reporting framework;
- preparing the Annual Report, which includes the Remuneration and Staff Report, in accordance with HM Treasury's Government Financial Reporting Manual; and
- assessing the Construction Industry Training Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board and the Accounting Officer either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

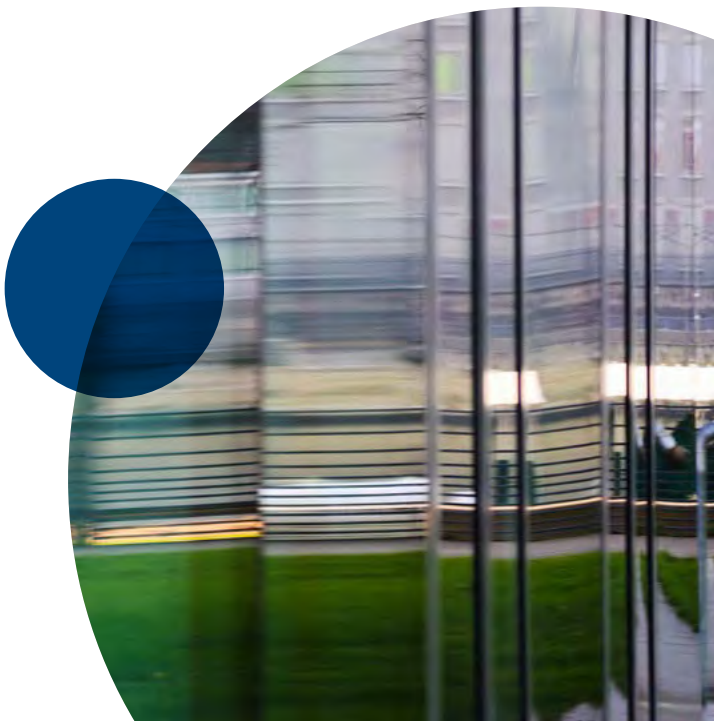
Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Industrial Training Act 1982, section 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below. →



REPORT OF THE COMPTROLLER AND AUDITOR GENERAL 4 / 5

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud I:

- considered the nature of the sector, control environment and operational performance including the design of the Construction Industry Training Board's accounting policies and performance incentives.
- inquired of management, the Construction Industry Training Board's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Construction Industry Training Board's policies and procedures on:
  - identifying, evaluating and complying with laws and regulations;
  - detecting and responding to the risks of fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Construction Industry Training Board's controls relating to the Construction Industry Training Board's compliance with the Industrial Training Act 1982, the Industrial Training Levy (Construction Industry Training Board) Orders 2022 and 2023, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006, and Managing Public Money;
- inquired of management, the Construction Industry Training Board's head of internal audit and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations;
  - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Construction Industry Training Board for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, and bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override of controls.

I obtained an understanding of the Construction Industry Training Board's framework of authority and other legal and regulatory frameworks in which the Construction Industry Training Board operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Construction Industry Training Board. The key laws and regulations I considered in this context included the Industrial Training Act 1982, the Industrial Training Levy (Construction Industry Training Board) Orders 2022 and 2023, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006, Managing Public Money and relevant employment, pension and tax legislation.

In addition, I considered the fraud and regularity risks associated with grant expenditure. →

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL 5 / 5

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports; and
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: **www.frc.org.uk/auditorsresponsibilities.** This description forms part of my certificate.

Other auditor's responsibilities

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Report

I have no observations to make on these financial statements. ●

Gareth Davies
Comptroller and Auditor General

3 December 2025

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP



SECTION 6

Financial Performance

Pages 58 to 85

FINANCIAL STATEMENTS

Statement of Financial Activities for the year ending 31 March 2025

		2024-25	2024-25	2024-25	2023-24
		£'000	£'000	£'000	£'000
	NOTES	RESTRICTED	UNRESTRICTED	TOTAL	TOTAL
INCOME					
Income from charitable activities					
Levy income	2	0	228,138	228,138	202,008
Non-Levy income					
Delivering an efficient training supply	2	12,498	33,870	46,368	46,619
Clawback of ESFA funding		0	0	0	3,902
Creating defined training pathways	2	0	84	84	99
Total non-Levy income	**2**	**12,498**	**33,954**	**46,452**	**50,620**
Income from trading activities					
Other income		0	92	92	52
Income from investing activities					
Investment income		0	5,490	5,490	5,111
Total income		**12,498**	**267,674**	**280,172**	**257,791**
Income from trading activities					
EXPENDITURE					
Expenditure on raising funds		0	2,675	2,675	2,415
Expenditure on charitable activities					
Delivering an efficient training supply	4	20,724	260,385	281,109	251,749
Improving construction's people pipeline	4	0	6,402	6,404	5,859
Creating defined training pathways	4	0	8,594	8,594	7,692
Total expenditure on charitable activities		**20,724**	**275,381**	**296,105**	**265,300**
Other expenditure		0	0	0	299
Total expenditure		**20,724**	**278,056**	**298,780**	**268,014**
Net income/(expenditure)		(8,226)	(10,382)	(18,608)	(10,223)
Net movement in funds - transfer from unrestricted fund		8,226	(8,226)	0	0
Net movement in funds		0	(18,608)	(18,608)	(10,223)
Other gains and losses					
Gain on revaluation of freehold property, plant and machinery	7	0	2,385	2,385	2,724
Net movement in funds		0	(16,223)	(16,223)	(7,499)
Reconciliation of funds					
Total accumulated funds at period start	13	0	95,155	95,155	102,654
Total accumulated funds at period end	13	**0**	**78,932**	**78,932**	**95,155**

The above results include all recognised gains and losses and are derived from continuing activities. The Notes 1 to 23 on pages 62 to 85 form an integral part of these accounts.

THE FUNDS OF THE CHARITY

BALANCE SHEET AS AT 31 MARCH 2025

	NOTES	31 MARCH 2025 £'000	31 MARCH 2024 £'000
Fixed assets			
Tangible assets	7	19,323	16,939
Intangible assets	8	3,967	2,467
Total fixed assets		**23,290**	**19,406**
Current assets			
Stock		151	338
Debtors	9	39,297	22,976
Cash at bank		86,885	114,915
Total current assets		**126,333**	**138,229**
Liabilities			
Creditors: Amounts falling due within one year		(39,482)	(25,470)
Net current assets		**86,851**	**112,759**
Total assets less current liabilities		**110,141**	**132,165**
Creditors: Amounts falling due after more than one year		(5,300)	0
Provisions for liabilities	11	(25,909)	(37,010)
Total net assets		**78,932**	**95,155**
The funds of the charity			
Unrestricted funds	13	78,932	95,155
Total charity funds	13	**78,932**	**95,155**

The Notes 1 to 23 on pages 62 to 85 form an integral part of these accounts.



Tim Balcon
Accounting Officer
3 December 2025

Approved by the Board on and signed on its behalf by:



Sir Peter Lauener KBE, CB
CITB Chair
3 December 2025



Cash flow statement for the year ended 31 March 2025

	NOTES	2024-25 £'000	2023-24 £'000
Cash flows from operating activities			
Net income/(expenditure) per the SoCF		(24,098)	(15,392)
Depreciation charges	7	1,389	972
Loss/(profit) on sale of tangible fixed assets	6	(140)	(222)
Net effect of revaluation of fixed assets		0	300
(Increase)/decrease in debtors	9	(16,321)	6,346
(Increase)/decrease in stock		187	142
Increase/(decrease) in creditors	10	19,312	7,071
Increase/(decrease) in provisions	11	(11,101)	1,293
Net cash inflow/(outflow) from operating activities		**(30,772)**	**510**
Cash flows from investing activities			
Interest received		5,490	5,111
Receipts from sales of tangible fixed assets		237	257
Payments to acquire tangible fixed assets	7	(1,485)	(3,441)
Payments to acquire intangible assets	8	(1,500)	(2,467)
Net cash inflow/(outflow) from investing activities		**2,742**	**(540)**
Increase/(decrease) in cash and cash equivalents		(28,030)	(30)
Cash and cash equivalents at the start of the year		**114,915**	**114,945**
Cash and cash equivalents at end of the year		**86,885**	**114,915**

The Notes 1 to 23 on pages 62 to 85 form an integral part of these accounts.

Reconciliation of net income/(expenditure) per the Statement of Financial Activities to net income/(expenditure) per the SoCF

	NOTES	2024-25 £'000	2023-24 £'000
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)		(18,608)	(10,223)
Adjustments for:			
VAT adjustments		0	(25)
Car grant		0	(20)
Interest received		(5,490)	(5,111)
Non-cash adjustments		0	(13)
Net cash provided by/(used in) operating activities		**(24,098)**	**(15,392)**

Notes to the accounts

1. ACCOUNTING POLICIES

Public benefit entity

As a charity, CITB is a public benefit entity, therefore "an entity whose primary objective is to provide goods or services for the general public, community or social benefit and where any equity is provided with a view to supporting the entity's primary objectives rather than with a view to providing a financial return to equity providers, shareholders or members".

Going concern

The financial statements for the year ending 31 March 2025 have been prepared on a 'going concern' basis. The use of the going concern basis of accounting is appropriate as there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of CITB to continue as a going concern.

CITB has ended 2024-25 in a strong financial position with a healthy level of Reserves and cash. Collection of the Levy during the third year of the current three-year Levy Order has been in line with forecasts. A one-year Levy Order is in place to bridge the gap in 2025-26, following the outcome of the ITB Review. A new three-year Levy Order will be in place from 2026-27 onwards. This should further secure our funding in the near term.

The Board has considered the ongoing impact of the current economic conditions on the activities of CITB and the construction industry. It has determined to keep income expectations for the foreseeable future flat, placing no further burden on Levy payers, and aims to maximise its potential commercial income generation and the return on its investments.

Grant and funding applications have risen during the year as the construction industry returns to investing in the skills and training of its workforce. This is good news for the industry, but also for CITB, where accumulated Reserves will be released over the next year to enable us to fund the 2025-29 Strategic Plan in line with an increase in demand from the industry.

CITB aims to reduce its liquid Reserves to target levels by 2026-27, acknowledging its planned investment in assets over this period will keep total Reserves close to current levels.

Accordingly, the Board properly prepares and submits the 2024-25 Annual Report and Accounts on a 'going concern' basis.

Accounting convention

The financial statements are prepared in accordance with the Industrial Training Act 1982 and directions made thereunder by the Secretary of State for Education. The accounts comply with the requirements of Accounting and Reporting by Charities: Charities SORP (FRS 102). The accounts also have regard to the disclosure requirements of the 2024-25 UK Government's Financial Reporting Manual, providing additional disclosures where (see Note 22) this goes beyond the requirements of the Charities SORP (FRS 102). These accounts are prepared under the historical cost convention, as modified to reflect the revaluation of fixed assets and investments.

As an executive NDPB sponsored by the Secretary of State for Education, CITB's accounts are consolidated into the accounts of DfE (the Government department responsible for education and skills in the UK), a copy of which can be obtained from their office in Sanctuary Buildings, Great Smith Street, London, SW1P 3PT or from their website:
https://www.gov.uk/government/collections/dfe-annual-reports

Restricted funds

Restricted funds relate to apprenticeship activity funded by ESFA and SDS and their associated expenditure, in which contractual agreements state that funds should only be used for the provision of apprenticeships.

Expenditure for apprenticeship activities is apportioned between restricted and unrestricted based on the proportion of direct and grant expenditure relating to apprenticeships, as staff may be working on both.

No surplus is made on restricted funds and, therefore, any loss is covered by unrestricted funds. →

NOTES TO THE ACCOUNTS 2 / 24

INCOME

Income is recognised when CITB can demonstrate entitlement to the income, receipt is probable, and the amount can be quantified with reasonable accuracy. The following specific policies apply to the following material categories of income.

Levy income

Levy income is that receivable from assessments based on the employment details returned by employers, with an estimate for those from which employment details have not been received. Levy income is recognised in line with the requirements of the Levy Order. Estimated assessment income is reduced by a provision for reassessments, based on historical trends, to allow for their normal write-down in value following the receipt of a Levy Return declaring actual direct employment and labour-only subcontract payments. A provision for bad debts, based on identified doubtful debts and prior years' experience is also applied against Levy debts, and both the movement in the provision during the financial year and the actual bad debts written off in the year, are set off against Levy income. Levy Assessments are recognised in the Statement of Financial Activities in the period in which they are raised.

Non-levy income

Training, development and publications

Registration fee income is recognised on the date the test is taken by the candidate. Publications income is recognised upon dispatch to customers of the items sold. Course fees and other product income is recognised on the start date of the course being delivered.

Apprenticeships

SDS income is recognised on an accruals basis, less any clawbacks which are disclosed separately, in line with the funding rules.

ESFA income is recognised on an accruals basis, based on the outstanding amount of the progress of the apprenticeship at the time.

Other income

Interest income is recognised on an accruals basis. This reflects the interest earned on CITB's surplus cash balances and is accounted for in the period to which it relates.

EXPENDITURE

Grant expenditure

The charge in the Statement of Financial Activities consists of the training grants paid during the year together with an estimate of the liability for unpaid training grants for the period and any adjustments to accruals and provisions made in earlier years. Grants are considered to be legally binding when the terms have been agreed by both parties.

CITB considers the recognition point for achievement grants to be when the official certification has been achieved and received by CITB. The grant provision is based on the evidence being submitted for certification but not authorised.

The recognition point for attendance grants is over the period that the trainee attends the course. For other grants, CITB considers the recognition point to be the point at which the employer has provided the training (or incurred the cost of providing the training), as at this point, they can claim a grant.

The clawback of grant claims verified as not meeting grant conditions is recognised when the grant is recovered by either the offset of other grant owed or cash repayment received. Any outstanding recoveries are included in other debtors. An estimate for the value of grants to yet be recovered is included in other debtors.

Funding expenditure

Lower value (no greater than £5,000 per quarter) training grants for small and micro employers are issued with no specified funding conditions and are paid in advance where the intended training is yet to commence.

Employer Networks has expanded in 2024-25. Expenditure was recognised at the point when training commenced. All known expenditure has been accrued for the training that commenced but not invoiced at year end.

Charitable activities

The charges in the Statement of Financial Activities are recognised on an accrual basis.

Leasing

Rentals paid under operating leases are charged in the Statement of Financial Activities on a straight-line basis over the lease term. →

NOTES TO THE ACCOUNTS 3 / 24

Allocation of expenditure

Direct costs are allocated accordingly, with support costs apportioned to activities by appropriate drivers. For the majority of support costs, this is an average of the full-time equivalent staff numbers for the financial year. However, funding support costs have been allocated based on funding expenditure split between the activities, while estate costs have been allocated on an office-based full-time equivalent basis.

ASSETS

Debtors

Levy debtors represent the estimated recoverable amounts of unpaid Levy Assessments, having taken account of provisions for bad debts and for reassessing estimated assessments following the late receipt of Levy Returns. CITB only writes off Levy debts when it has evidence that an employer has become insolvent, ceased to trade, is dissolved or, CITB having made all reasonable efforts to locate the debtor, is untraceable.

Non-Levy debtors are shown at their amortised value after any provision for impairment.

Tangible fixed assets

Tangible fixed assets (excluding freehold land and buildings) are stated at cost less accumulated depreciation. Adjustments to modified historical cost, to recognise the assets at fair value, are only made if material. For non-revalued assets, the depreciated historic cost is considered to be a reasonable estimate of the fair value. Costs of acquisition, comprising only those costs that are directly attributable to bringing the asset into working condition for its intended use, are capitalised. The threshold for capitalisation is £2,500, either individually or for a group of similar assets.

Freehold land is not depreciated. All other tangible fixed assets are depreciated evenly to write off their value over their estimated useful economic lives. These lie within the following ranges:

- Freehold buildings
  - 50 years (permanent buildings)
  - 20 years (improvements and temporary buildings)
  - Nil (buildings under construction).
- Motor vehicles – ten years
- Plant, machinery and equipment – four to 20 years
- Office equipment – ten years
- Computer equipment – two to five years.

Freehold land and buildings, and plant, machinery and equipment are fully revalued every five years and reviewed annually. All tangible fixed assets are subject to an annual impairment review. A full revaluation was completed this year to realign the revaluation dates for all sites and assets.

Intangible fixed assets

Intangible fixed assets are measured at cost less accumulated amortisation and any accumulated impairment losses. Expenditure incurred by CITB in relation to the development and implementation of internally generated assets, such as online services, have been capitalised at cost. These costs relate to the development stage of the project and are deemed to have a future economic benefit of more than a year. Once an asset is put into use, the amortisation of such expenditure will be charged on a straight-line basis over the estimated useful life of the asset up to a maximum of seven years.

Based on the Levy Consensus cycle and employer engagement feedback, intangible assets are amortised over a seven-year period, accounting for identified improvements and the decommissioning of existing working methods.

Cash and cash equivalents

Cash is represented by amounts held at bank.

LIABILITIES

Deferred income

Deferred income is recognised where cash has been received during the accounting period, but for which associated activities will not be carried out until subsequent accounting periods.

Income from health and safety tests and course fees is deferred where payment is received in advance for contracted services that have yet to be provided. →

NOTES TO THE ACCOUNTS 4 / 24

Grant creditors

Amounts payable in relation to grant funding authorised but not yet paid are recognised within creditors.

National Construction College fee creditors

Amounts payable in relation to college fee invoices are calculated on the basis of known learners' records. College fees relating to students whose details have not yet been received are accrued for on the basis of historical payment patterns adjusted for any known changes in circumstances. College fee creditors are recognised within non-grant accruals.

Trade creditors

Amounts payable in relation to supplier invoices are based on those due as at the year end where goods or services have been received. The liability due to ESFA of £11.3m has been reclassified from a provision, now that formal agreement has been reached on the value of the liability and repayment plan.

Provisions

CITB funds training relevant to the construction industry. There is naturally a gap (up to 52 weeks) between the funding being earned and the claim being paid by CITB. Claims are submitted with evidence of completion, which have to be verified and processed. At year end, therefore, we make an assessment for the amount of provision that is required to account for funding earned in line with the grant recognition policy but not yet paid.

Grant claims not yet received are largely provided for on the basis of historical payment patterns adjusted for any known changes in circumstances, although some parts of the provision relating to apprentices are based on the number of new entrant trainees known to have enrolled on the scheme.

Significant judgements

The financial statements include three significant judgements.

The key estimate required is determining how much of the £180.7m Levy debt (bona fide £35m and £145.7m estimated) outstanding at the year end will be collected over time. We have adhered to our standard methodology, which is based on the age of the debt, but have adjusted it to reflect the cash collection experience in 2024-25. Using our experience of cash collection over the past year, across all prior Levy Assessments, we have estimated the amount we expect to collect in the future.

The total provision is then divided into bad debt (money that is owed but not expected to be paid) and reassessment (money invoiced on an estimated assessment that is likely to be adjusted downwards when the Levy Return is received). This division helps the reader understand the difference between the Bulk Assessment and the net income received. It should be noted that although this is a judgement, the division itself does not impact our financial statements.

The second significant judgement is regarding the provision for training grants. At the year end, we make an assessment for the amount of provision that is required to account for apprenticeship, qualification and short duration training grants earned, but not yet claimed. Our methodology is largely based on historical payments and overpaid grant recovery, which we have judged to be the most appropriate, relevant, and reliable predictor of future payment requirements. However, because grant demand patterns have fluctuated over the last few years due to the pandemic and its after-effects, this estimate contains a significant level of uncertainty and the actual outcome will not be known until sometime after these accounts are certified.

The third significant judgement involves valuing CITB's freehold land and buildings, plant, machinery and equipment. This process requires making judgements about the appropriate valuation methodology, data, and assumptions to use, and there are inherent risks related to estimation uncertainty. To mitigate these risks, CITB engages an external third party with local knowledge and expertise to perform an annual desktop valuation.

VAT

Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input tax is recoverable, the amounts are stated net of VAT.

Pensions

CITB is a participating employer in the ITB Pension Funds and currently operates a defined contribution section of the Funds (see Note 14). →

NOTES TO THE ACCOUNTS 5 / 24

2. INCOME

INCOME FROM CHARITABLE ACTIVITIES

LEVY INCOME	2024-25	2023-24
	£'000	£'000
Current year's Levy Assessment receivable	267,500	244,873
Less: Change in provision for bad debts and debt write-offs	22,868	27,289
Net value current year's Levy Assessments	**244,632**	**217,584**
Reassessment of previous years' Levy receipts	(16,716)	(15,766)
Court fees and legal charges	222	190
Net Levy income for the year	**228,138**	**202,008**

The reassessment of previous years' Levy relates to the prior year Levy Assessment that has been reassessed this year. It is, therefore, an uncertain estimation refined in 2024-25.

The increase in Levy income in 2024-25 is due primarily to the continuing high levels of wage inflation in the industry as a result of ongoing competition to recruit and retain workers.

The 2023 Levy Assessment notices were issued in April 2024 with a base collection period up to March 2025. The resulting total expected income is in line with the higher Bulk Assessment outcome. →

NON-LEVY INCOME

NON-LEVY INCOME	2024-25	2023-24
	£'000	£'000
Delivering an efficient training supply		
Apprenticeships	12,498	12,115
Centre fees	666	521
E-learning	2,339	1,974
Estates	461	474
HS&E testing	12,284	12,660
NCC commercial income	4,696	4,791
Other income	144	268
Publications	7,727	7,735
Site Safety Plus	5,553	6,081
Total	**46,368**	**46,619**
Creating defined training pathways		
Quality assurance site visits and other income	84	99
Clawback of ESFA funding	0	3,902
Total non-Levy income	**46,452**	**50,620**

NOTES TO THE ACCOUNTS 6 / 24

3. MATERIAL CASH SUPPORT PAYMENTS IN RESPECT OF TRAINING

Charities SORP (FRS 102) requires material grants made to be disclosed. Disclosure must include the name of the recipient and the aggregate amount of grants made to that recipient. The following material payments made in 2024-25 are disclosed below:

RECIPIENT	2024-25
	£'000
The Skills Centre London Ltd	2,878
OHOB Group Ltd	2,016
O'Rourke Investments Limited	1,970
Royal Bam Group Nv	1,845
M Group Services Ltd	1,630
Barratt Developments Plc	1,578
Workforce Skills Support	1,491
Kier Group Plc	1,403
Persimmon Plc	1,323
Balfour Beatty Plc	1,269
Morgan Sindall Group Plc	1,064
The Construction Skills People Ltd	943
3B Training	924
Bentley Holdings Ltd	902
Willmott Dixon	896
Other recipients	161,050
Total paid or offset during the year	**183,182**

A total of 19,601 employers were included under the category "Other recipients".



NOTES TO THE ACCOUNTS 7 / 24

For comparative purposes, the material payments for 2023-24 were:

RECIPIENT	2023-24
	£'000
OHOB Group Ltd	2,146
Barratt Developments Plc	1,796
Kier Group Plc	1,742
O'Rourke Investments Plc	1,700
The Skills Centre London Ltd	1,645
Persimmon Plc	1,612
Royal BAM Group Nv	1,475
Balfour Beatty Plc	1,330
M Group Services Ltd	1,203
Morgan Sindall Group Plc	910
VGC Group	876
Taylor Wimpey Plc	870
Cyfle Building Skills Ltd	851
Bell Group UK Ltd	814
Willmott Dixon Construction Ltd	808
Other recipients	135,950
Total paid or offset during the year	**155,728**

In 2024-25 £5.1m (2023-24 £6.8m) in grants were paid directly to, or on behalf of, individuals (Travel to Train is paid on behalf of individual apprentices), £148.4m to employers (2023-24 £137.5m) and £29.7m (2023-24 £11.4m) to other institutions. →

4. EXPENDITURE ON CHARITABLE ACTIVITIES

ACTIVITY	ACTIVITIES DIRECTLY UNDERTAKEN	GRANT FUNDING ACTIVITIES	SUPPORT COSTS	2024-25 TOTAL	2023-24 TOTAL
	£'000	£'000	£'000	£'000	£'000
Delivering an efficient training supply	57,532	181,601	41,976	**281,109**	251,749
Improving construction's people pipeline	3,277	1,579	1,546	**6,402**	5,859
Creating defined training pathways	4,182	0	4,412	**8,594**	7,692
Total	**64,991**	**183,180**	**47,934**	**296,105**	**265,300**

Grant funding of £183.2m (2023-24: £155.7m) is split into two elements as below:

- Main Grants Scheme – £129.8m (2023-24: £128.6m)
- Funding (incorporating structured and flexible funding) – £53.4m (2023-24: £27.1m). The primary driver of the increase is the higher volume of grant expenditure processed through Employer Networks.

NOTES TO THE ACCOUNTS 8 / 24

5. SUPPORT COSTS

Support costs forming part of charitable expenditure are detailed below:

	DELIVERING AN EFFICIENT TRAINING SUPPLY	IMPROVING CONSTRUCTION'S PEOPLE PIPELINE	CREATING DEFINED TRAINING PATHWAYS	2024-25 TOTAL	2023-24 TOTAL
	£'000	£'000	£'000	£'000	£'000
Change	1,323	42	151	**1,516**	2,578
Commissioning	660	21	75	**756**	671
Communications and marketing	3,679	116	421	**4,216**	3,790
Estates	8,210	545	867	**9,622**	9,846
Finance	2,506	78	286	**2,870**	2,908
Grant support costs	2,758	24	0	**2,782**	3,465
Human resources	2,821	89	323	**3,233**	2,998
Legal, governance and compliance	1,954	62	223	**2,239**	1,877
Other corporate costs	2,721	86	311	**3,118**	2,731
Strategy and policy	4,248	134	486	**4,868**	4,389
Technology	11,096	349	1269	**12,714**	11,813
Total	**41,976**	**1,546**	**4,412**	**47,934**	**47,066**

6. EXPENDITURE

The following costs were included within expenditure on charitable activities:

	2024-25	2023-24
	£'000	£'000
Profit on disposal of fixed assets	(140)	(222)
Depreciation on owned assets	1,389	972
Hire of plant, machinery and equipment	156	275
Other operating leases	1,009	644
Indemnity insurance	118	100
Statutory external auditor fee	265	230
Other assurances (including internal audit)	433	251

The increase in operating lease commitments is primarily due to the commencement of a new office lease in London, alongside an expansion in the number of leased vehicles. The increase in other assurance costs, including internal audit, is primarily due to higher expenditure on professional assurance services across various areas of the business.

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7. TANGIBLE FIXED ASSETS

(a) Summary

	FREEHOLD LAND AND BUILDINGS	PLANT, MACHINERY AND EQUIPMENT	MOTOR VEHICLES	COMPUTER AND OFFICE EQUIPMENT	TOTAL
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
1 April 2024	12,060	10,849	949	3,165	27,023
Additions	0	1,059	184	242	1,485
Disposals	0	(687)	0	(270)	(957)
Revaluation	1,850	1,314	(23)	0	3,141
31 March 2025	**13,910**	**12,535**	**1,110**	**3,137**	**30,692**
Depreciation					
1 April 2024	0	7,088	112	2,884	10,084
Charges during year	263	886	101	139	1,389
Disposals	0	(591)	0	(269)	(860)
Revaluation	(263)	1,020	(1)	0	756
31 March 2025	**0**	**8,403**	**212**	**2,754**	**11,369**
Net book value					
31 March 2025	**13,910**	**4,132**	**898**	**383**	**19,323**
31 March 2024	**12,060**	**3,761**	**837**	**281**	**16,939**

(b) Historical cost information

If the valuations had not been included, then freehold property would have been included at the following amounts:

	2024-25	2023-24
	£'000	£'000
Cost	18,855	18,855
Accumulated depreciation	(6,094)	(5,831)
Total	**12,761**	**13,024**

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(c) Freehold land and buildings

	2024-25	2023-24
	£'000	£'000
Freehold land valuation	4,305	3,800
Freehold property valuation	9,605	8,260
Total	**13,910**	**12,060**

(d) Historical cost information of plant, machinery and equipment

If the valuations had not been included, then plant, machinery and equipment would have been included at the following amounts:

	2024-25	2023-24
	£'000	£'000
Cost or valuation	**10,850**	**7,667**
Additions	1,059	2,180
Disposals	(687)	(557)
Total	11,222	9,290
Accumulated depreciation	(7,233)	(6,473)
Net book value	**3,989**	**2,817**

(e) Revaluation

Freehold land and buildings

An independent valuation of all CITB freehold property was carried out by Montagu Evans LLP. The valuation as at 31 March 2025 was based on the principles of fair value and prepared using the existing use method of valuation.

Freehold property includes both land and buildings.

The assumptions applied within the valuation of CITB's properties this financial year include:

- Rental values – £1.00 to £10.00 per sq. ft. (£1.00 to £5.75 per sq. ft. in 2023-24)
- Yield – 9% to 20% (9% to 20% in 2023-24)
- Land values per acre – £4,500 per acre to £7,500 per acre (£4,500 per acre to £7,500 per acre in 2023-24).

The valuation assumes that each property is occupied and/or operated in accordance with a valid planning permission and that there are no matters that would affect value.

Plant, machinery and equipment

The valuation of plant, machinery and equipment has been carried out by an independent external valuer, Cheffins (who is RICS qualified), in March 2025. The Valuer has sufficient current knowledge of the market for this type of asset and the necessary skills and understanding to undertake the valuation in a competent manner.

The valuation has been undertaken on the basis of market value as defined in the RICS Valuation - Global Standard 2022.

The plant, machinery and equipment at CITB are somewhat unique. Most of the items are in excellent condition and have low recorded hours and mileage. This in turn makes it challenging to value, as most of the comparable evidence is of lesser quality and has recorded more hours and mileage. Values are based on the price we would expect to achieve at auction. →

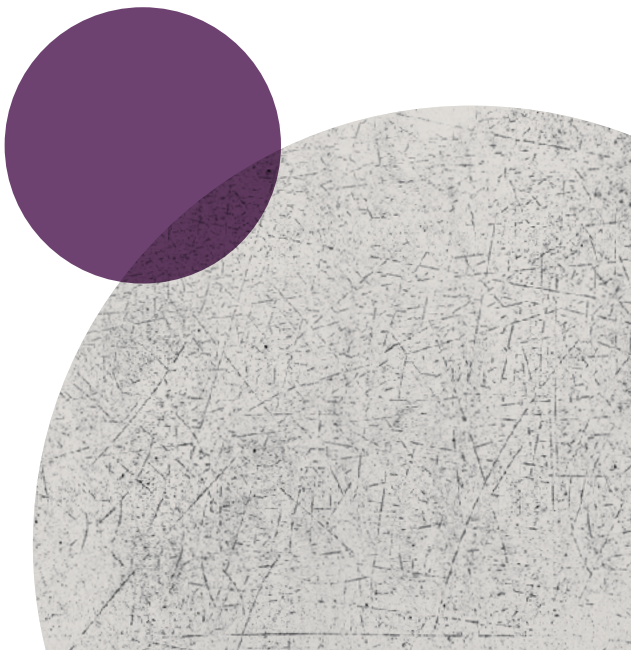
NOTES TO THE ACCOUNTS 11 / 24

(f) Capital commitments

There was a capital commitment of £554k as at 31 March 2025 for a new crane at NCC (2023-24: £Nil). →

(g) Tangible fixed assets 2023-24 (comparative table)

	FREEHOLD PROPERTY	PLANT, MACHINERY AND EQUIPMENT	MOTOR VEHICLES	COMPUTER AND OFFICE EQUIPMENT	TOTAL
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
1 April 2023	10,880	7,666	201	3,332	22,079
Additions	0	2,180	892	392	3,464
Disposals	0	(559)	(144)	(559)	(1,262)
Revaluation	1,180	1,562	0	0	2,742
31 March 2023	**12,060**	**10,849**	**949**	**3,165**	**27,023**
Depreciation					
1 April 2023	0	6,531	195	3,330	10,056
Charges during year	229	568	61	114	972
Disposals	0	(557)	(144)	(560)	(1,261)
Revaluation	(229)	546	0	0	317
31 March 2024	**0**	**7,088**	**112**	**2,884**	**10,084**
Net book value					
31 March 2024	**12,060**	**3,761**	**837**	**281**	**16,939**
31 March 2023	**10,880**	**1,135**	**6**	**2**	**12,023**



NOTES TO THE ACCOUNTS 12 / 24

8. INTANGIBLE ASSETS

ASSETS UNDER CONSTRUCTION	2024-25	2023-24
	£'000	£'000
Cost		
Opening balance	2,467	0
Additions	1,500	2,467
Disposals	0	0
Impairment	0	0
Closing balance	**3,967**	**2,467**

9. DEBTORS

	2024-25	2023-24
	£'000	£'000
Levy debtors	180,684	149,998
Less: provision for bad debts	(153,828)	(132,467)
Total levy debtors	**26,856**	**17,531**
Trade debtors	9,922	4,615
Other debtors	131	134
Less: provision for bad debts	(731)	(1,530)
Total trade and other debtors	**9,322**	**3,219**
Accrued income	1,116	958
Prepayments	2,003	1,268
Total debtors	**39,297**	**22,976**
Debtors due within one year	**39,297**	**22,976**

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As outlined in the Accounting Policies (see Note 1), CITB writes off Levy debts—totalling £3.9m in the year—only when there is sufficient evidence that an employer has become insolvent, ceased trading, been dissolved, or is untraceable despite all reasonable efforts to locate them. In addition to write-offs, CITB also makes provisions for bad debts where it is considered unlikely that the Levy will be collected.

Generally, collection of the Levy has been slightly better than anticipated, while grant and funding claims have been higher than expected, therefore we have had sufficient funds to enable us to operate as normal. The key estimate required is how much of the £180.7m Levy debt (bona fide £35m and estimated £145.7m) outstanding at the year end will be collected in the fullness of time. We have followed our normal methodology, which is based on age, but adjusted it to reflect our cash collection experience in 2024-25.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024-25	2023-24
	£'000	£'000
Trade creditors	10,909	6,234
ESFA	6,000	0
Taxation and social security	1,191	1,009
Deferred income	1,449	1,562
Accruals		
Grant funding	12,217	4,221
Other	7,716	12,444
Total creditors	**39,482**	**25,470**

The ESFA provision of £11.3m disclosed in 2023-24 has been reclassified as a creditor following the formal agreement on the liability. We have agreed to repay the liability in two instalments, the first being £6m in August 2025. →

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CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2024-25	2023-24
	£'000	£'000
ESFA	5,300	0

The ESFA provision of £11.3m disclosed in 2023-24 has been reclassified as a creditor following the formal agreement on the liability. This £5.3m represents the balance that is due in June 2026.

Deferred income analysis

Income has been deferred where cash has been received for products and services in the financial year, but for which associated activities will not be carried out until subsequent accounting periods. →

	2024-25	2023-24
	£'000	£'000
Balance brought forward at start of year	1,562	1,949
Deferred income in current year	1,449	1,562
Prior year released	(1,562)	(1,949)
Closing balance	**1,449**	**1,562**

11. PROVISIONS FOR LIABILITIES AND CHARGES

	GRANT PROVISION	ESFA REPAYMENT PROVISION	OTHER PROVISIONS	TOTAL PROVISIONS	TOTAL PROVISIONS
	2024-25	2024-25	2024-25	2024-25	2023-24
	£'000	£'000	£'000	£'000	£'000
Balance as at period start	22,675	11,300	3,034	37,009	35,717
Utilised	(22,675)	0	(2,393)	(25,068)	(19,836)
Released	0	0	(120)	(120)	(4,169)
Reclassified	0	(11,300)	0	(11,300)	0
Provided in year	22,455	0	2,933	25,388	25,298
Balance as at period end	**22,455**	**0**	**3,454**	**25,909**	**37,010**

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Grant provisions

CITB pays out grants to employers to fund relevant training. There is naturally a gap (up to 52 weeks) between the grant being earned (the learner has had their training) and the claim being received by CITB. At the year end, therefore, we make an assessment for provision that is required to account for grants earned but as yet not claimed:

- Apprenticeship grant provisions (£10.6m) are based on expected claims for known named apprentices with confirmed start dates and this is used as a basis to provide for those not yet known about (received) at year end
- Short duration grant (£5.6m) and qualification grant (£6.2m) provisions are based on current and historical experience payment values.

Other provisions

Included within the provisions is a value of £701,475 (2023-24: £511,744) for the payment of interest and compensation for late payments, in accordance with the obligations under the Late Payment of Commercial Debt (Interest) Act 1998 and Regulations 2013. The increase is primarily attributable to the higher volume of invoices processed during the year (2024-25: 44,383, 2023-24: 29,347).

Other provisions also include small dilapidation provisions.

ESFA repayment provision

The ESFA provision (£11.3m) has been reclassified as a creditor following the formal agreement of the liability with ESFA (see Note 10). →

12. 2023-24 RESTRICTED AND UNRESTRICTED FUNDS

		2023-24	2023-24	2023-24	2022-23
		£'000	£'000	£'000	£'000
	NOTES	RESTRICTED	UNRESTRICTED	TOTAL	TOTAL
INCOME					
Income from charitable activities					
Levy income	2	0	202,008	202,008	170,608
Non-Levy income					
Delivering an efficient training supply		12,123	34,496	46,619	43,379*
Clawback of ESFA funding		3,902	0	3,902	(10,915)
Improving construction's people pipeline		0	0	0	55*
Creating defined training pathways		0	99	99	120*
Total non-Levy income		**16,025**	**34,595**	**50,620**	**32,639***
Income from trading activities					
Investment income		0	5,111	5,111	883*
Other income		0	52	52	207*
Total income		**16,025**	**241,766**	**257,791**	**204,337**
EXPENDITURE					
Expenditure on raising funds		0	2,415	2,415	2,232*
Expenditure on charitable activities					
Delivering an efficient training supply	4	22,056	229,693	251,749	184,545*
Improving construction's people pipeline	4	0	5,859	5,859	3,511*
Creating defined training pathways			7,692	7,692	6,094*
Total expenditure on charitable activities		**22,056**	**243,244**	**265,300**	**194,150***
Other expenditure		0	299	299	(242)
Total expenditure		**22,056**	**245,958**	**268,014**	**196,140**
Net income/(expenditure)		(6,031)	(4,192)	(10,223)	8,197
Net movement in funds - transfer from unrestricted fund		6,031	(6,031)	0	0
Net movement in funds		0	(10,223)	(10,223)	8,197
Other gains and losses					
Gain on revaluation of freehold property, plant, machinery and equipment	13	0	2,724	2,724	204
Net movement in funds		0	(7,499)	(7,499)	8,401
Reconciliation of funds					
Total accumulated funds at period start	13	0	102,654	102,654	94,253
Total accumulated funds at period end		**0**	**95,155**	**95,155**	**102,654**

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13. ACCUMULATED FUNDS

	2024-25 GENERAL RESERVE	2024-25 FIXED ASSET REVALUATION RESERVE	2024-25 TOTAL UNRESTRICTED FUNDS	2023-24 TOTAL UNRESTRICTED FUNDS
	£'000	£'000	£'000	£'000
Opening balance	**92,227**	**2,928**	**95,155**	**102,654**
Net movement in funds	(18,608)	2,385	**(16,223)**	(7,499)
Transfer between funds	250	(250)	**0**	0
Closing balance	**73,869**	**5,063**	**78,932**	**95,155**

ACCUMULATED FUNDS 2023-24 (COMPARATIVE TABLE)	2023-24 GENERAL RESERVE	2023-24 FIXED ASSET REVALUATION RESERVE	2023-24 TOTAL UNRESTRICTED FUNDS	2022-23 TOTAL UNRESTRICTED FUNDS
	£'000	£'000	£'000	£'000
Opening balance	**102,450**	**204**	**102,654**	**94,253**
Net movement in funds	(10,223)	2,724	(7,499)	8,401
Closing balance	**92,227**	**2,928**	**95,155**	**102,654**

The accumulated unrestricted fund is available for use at the discretion of the Board in furtherance of the general objectives of the charity.

14. ITB PENSION FUNDS

CITB is a participating employer in the ITB Pension Funds which comprises two funds: The Open Fund and the Closed Fund.

- The Closed Fund has no participating employers paying contributions
- The Open Fund consists of four separate sections:
  - The original section of the Open Fund, known as the 'Old Section'
  - The 'New Section', which was introduced on 1 September 2003
  - The '2007 Section', which was introduced on 1 January 2007
  - The 'DC Section', which was introduced on 1 April 2012.

The Old, New and 2007 Sections provide DB (defined benefit) benefits, and the DC section provides DC (defined contribution) benefits.

As the '2007 Section' is a multi-employer scheme for which CITB's proportion of assets and funding/liabilities cannot be separately identified, the Charity SORP (FRS 102) requires it to be accounted for as a defined contribution plan.

CITB's current and former employees will have benefits accrued in all four sections. However, from 1 April 2017, CITB elected not to offer further DB benefits and since that date the DC section has been the only section open for CITB and its employees to pay contributions into. →

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The most recent triennial valuation of the scheme was performed as at 31 March 2022. A valuation as at 31 March 2025 is not planned, as the ITB Pension Fund is being wound-up by 31 August 2025, with the assets and liabilities transferred to the Legal and General Worksave Mastertrust.

The 2022 triennial valuation indicated that the actuarial value of the assets held by the scheme in total showed a surplus of £24.8m against the scheme liabilities on a statutory funding basis. There were no deficit funding contributions paid to the scheme in the 12-month period (2023-24: £Nil).

The principal future assumptions used are:

- **Discount rate for determining the technical provisions (or, equivalently, the expected return on the assets)** – The overall discount rate assumed for the valuation is based on consideration of the expected rates of return on the Fund's assets and the yields available, at the valuation date, on Government bonds (gilts). The expected nominal return on the assets is assumed to be the redemption yields on gilts plus a prudent margin of 0.15% a year to allow for expected returns on the Fund's assets exceeding those from gilts. An inflation risk premium of 0.25% is also deducted
- **Future Retail Price Inflation (RPI)** – An implied RPI curve for future RPI is determined by comparing the annually compounded redemption yield from nominal gilt yield curves minus 0.25% for an inflation risk premium, and index-linked gilt yield curves
- **Future Consumer Price Inflation (CPI**) – CPI increases are assumed to be 0.9% a year less than RPI increases up to 2030 and in line with RPI from 2030
- **Pension increases** – These are assumed to be in line with the provisions under the Fund's rules, with the assumption for future CPI or RPI as appropriate, allowing for any caps and floors
- **Mortality (post-retirement)** – Assumed to be in line with 85% of the S3NMA, S3NFA_H and S3DFA tables published by the UK actuarial profession. Ill health pensioners are assumed to experience the same rates of mortality as under the unadjusted S3IM/FA tables
- **Mortality improvements** – Longevity improvements are assumed to be in line with the 2021 Continuous Mortality Investigation projection model using a smoothing factor of 7.5 and a 1.5% long-term improvement per year.

The range for standard employee contributions is 4-7% (2023-24: 4-7%), although employees can elect to contribute more at their discretion, and the employer contributions will match the employee contribution plus 2% but are capped at 9% (2023-24: 9%). Expenses related to the CITB defined contribution scheme are attached to individual employees and allocated across activities on the same basis as total employee costs. These expenses are funded from unrestricted reserves.

As shown in Note 17, employer's pension contributions totalled £3m for 2024-25 (2023-24: £2.6m). The operating cost of CITB's defined contribution pension scheme for 2024-25 was £49,450 (2023-24: £44,906). →



15. LEASE COMMITMENTS

CITB is committed to the following annual payments under non-cancellable operating lease agreements:

	2024-25 LAND AND BUILDINGS	2024-25 OTHER	2023-24 LAND AND BUILDINGS	2023-24 OTHER
	£'000	£'000	£'000	£'000
Operating leases				
Leases expiring within one year	12	349	1	341
Leases expiring within two to five years	0	500	0	296
Leases expiring after five years	0	0	0	0
As at 31 March 2025	**12**	**849**	**1**	**637**

16. BOARD MEMBERS' REMUNERATION

Remuneration of Board members was as follows:

	2024-25	2023-24
	£	£
Chair – Sir Peter Lauener KBE, CB	22,500	21,673

The authority under which payments were made to the Chair is contained within Schedule 1 Sections 4 and 5 of the Industrial Training Act 1982. No other trustees receive remuneration from CITB.

Expenses paid to Board members during 2024-25 amounted to £6,256 (2023-24: £6,255) in respect of travel and subsistence. The total number of recipients was five (2023-24: six). No material expenses were waived by Board members during this period. →



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17. PARTICULARS OF STAFF

During the period, the average number of staff directly and temporarily employed by CITB (expressed in full-time equivalents) was as follows:

	DIRECTLY EMPLOYED	TEMPORARY STAFF	2024-25 TOTAL	2023-24 TOTAL
Total	844	17	861	763

We have increased staff numbers to rebuild the organisation's capacity and capability, ensuring we are fully equipped to deliver on the ambitions of our new Strategic Plan.

During the period, the following costs were incurred in respect of the above:

	2024-25	2023-24
	£'000	£'000
Salaries of directly employed staff	42,388	36,491
Temporary and agency staff costs	2,382	2,512
Redundancy cost	(52)	308
Social security costs	4,761	4,058
Pension costs	3,009	2,571
Total	**52,488**	**45,940**

The remuneration and pension entitlements of CITB's Executive Directors can be found in the Remuneration Report on pages 86 to 95.

Redundancy costs in 2024-25 represents the net release of the provision following a reassessment of the estimated redundancy costs of restructuring.

The number of employees whose emoluments exceeded £60,000, including benefits in kind but excluding pension contributions, are outlined within the ranges shown below:

	2024-25	2023-24
£60,001 - £70,000	93	114
£70,001 - £80,000	56	24
£80,001 - £90,000	17	23
£90,001 - £100,000	9	7
£100,001 - £110,000	0	1
£110,001 - £120,000	1	1
£120,001 - £130,000	0	3
£130,001 - £140,000	3	0
£140,001 - £150,000	1	0
£150,001 - £160,000	0	1
£160,001 - £170,000	1	0
£170,001 - £180,000	0	0
£180,001 - £190,000	0	1
£190,001 - £200,000	1	0

The total employer contributions paid in 2024-25 to the defined contribution section of the ITB Pension Fund in respect of those employees earning over £60,000 was £977,438 (2023-24: £788,437).

NOTES TO THE ACCOUNTS 21 / 24

Details of staff headcount by grade and gender as at period end are:

	2024-25	2024-25	2024-25
GRADE	FEMALE	MALE	TOTAL
Chief Executive	0	1	1
Leader L3	0	1	1
Leader L2	3	2	5
Leader L1	8	15	23
Specialist Lead SL3	15	12	27
Specialist Lead SL2	34	30	64
Specialist Lead SL1	52	45	97
Specialist Contributor SC4	29	47	76
Specialist Contributor SC3	51	99	150
Specialist Contributor SC2	164	109	273
Specialist Contributor SC1	22	12	34
People Manager PM3	4	3	7
People Manager PM2	4	2	6
People Manager PM1	1	0	1
Team Leader TL3	12	1	13
Team Leader TL2	3	2	5
Team Leader TL1	3	2	5
Team Member TM3	49	21	70
Team Member TM2	27	17	44
Team Member TM1	10	9	19
APP 18 Plus	0	1	1
Total	**491**	**431**	**922**

	2023-24	2023-24	2023-24
GRADE	FEMALE	MALE	TOTAL
Chief Executive	0	1	1
Leader L3	1	1	2
Leader L2	2	2	4
Leader L1	8	14	22
Specialist Lead SL3	12	8	20
Specialist Lead SL2	22	29	51
Specialist Lead SL1	42	36	78
Specialist Contributor SC4	22	32	54
Specialist Contributor SC3	45	92	137
Specialist Contributor SC2	113	78	191
Specialist Contributor SC1	42	32	74
People Manager PM3	3	3	6
People Manager PM2	6	4	10
People Manager PM1	2	1	3
Team Leader TL3	13	3	16
Team Leader TL2	3	1	4
Team Leader TL1	3	1	4
Team Member TM3	44	20	64
Team Member TM2	27	12	39
Team Member TM1	4	3	7
APP 18 Plus	1	2	3
Total	**415**	**375**	**790**

Details of staff sickness absence and off-payroll engagements are shown in the Remuneration Report (pages 93 and 95).

Details of staff leaving the organisation during 2024-25 for whom contractual redundancy exit packages were payable are:

	NUMBER OF COMPULSORY REDUNDANCIES		NUMBER OF OTHER AGREED DEPARTURES		TOTAL NUMBER OF EXIT PACKAGES BY COST BAND	
EXIT PACKAGE COST BAND	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
£0-£25,000	0	0	2	8	2	8
£25,001-£50,000	0	0	0	2	0	2
£50,001-£100,000	0	0	1	1	1	1
Total number of exit packages	**0**	**0**	**3**	**11**	**3**	**11**
Total cost £	**0**	**0**	**75,668**	**186,621**	**75,668**	**186,621**

NOTES TO THE ACCOUNTS 22 / 24

18. TAXATION

As a registered charity, CITB is exempt from corporation tax on its charitable activities under section 505 of the Income and Corporation Taxes Act 1988.

19. RELATED PARTY TRANSACTIONS

The sponsoring department for CITB is DfE and is regarded as a related party with which CITB has had various material transactions during the year. ESFA closed on 31 March 2025, with its key functions integrated into DfE.

	INCOME RECOGNISED BY CITB		OWING TO CITB	
	2024-25	2023-24	2024-25	2023-24
	£'000	£'000	£'000	£'000
ESFA	2,658	6,182	217	252

	EXPENDITURE RECOGNISED BY CITB		OWED BY CITB	
	2024-25	2023-24	2024-25	2023-24
	£'000	£'000	£'000	£'000
ESFA	0	0	11,300	11,300

In addition, some members of the Board hold positions of influence and decision-making with organisations with which CITB has transacted during the year. Details of such positions and employments are declared in the following appendices to this report:

- **Appendix B** (pages 107 to 110) shows the register of interests of Board members
- **Appendix C** (pages 111 to 112) shows Board and Committee attendance
- **Appendix D** (pages 113 to 115) lists the members of the Board and its Committees, also giving the names of their employers.

The transactions detailed in the tables include receipts from the Levy and income from the sale of training-related products and services, as well as payments for grants, materials, and services to organisations classified as related parties.

CITB's Board defines the organisation's vision, mission and values. Therefore, only transactions involving parties related to Board members are considered related party transactions and are included in the tables.

During the year, no key managers, employees, or other related parties engaged in any material transactions with CITB beyond their remuneration, as outlined in the Remuneration Report and Staff Costs notes. All transactions were conducted on normal commercial terms and at arm's length. No funds were held in an agency capacity. →

NOTES TO THE ACCOUNTS 23 / 24

	INCOME RECOGNISED BY CITB		AMOUNTS OWING TO CITB AT PERIOD END	
	2024-25	2023-24	2024-25	2023-24
	£'000	£'000	£'000	£'000
Levy	7,161	3,767	0	137
Sale of training-related products and services	57	51	5	6
Overpaid grants	0	0	0	137
Total	**7,218**	**3,818**	**5**	**280**

	EXPENDITURE RECOGNISED BY CITB		AMOUNTS OWED BY CITB AT PERIOD END	
	2024-25	2023-24	2024-25	2023-24
	£'000	£'000	£'000	£'000
Payment of grants	5,488	3,260	0	20
Purchase of materials and services	264	279	0	0
Total	**5,752**	**3,539**	**0**	**20**

The above totals relate to the following related parties:

RELATED PARTY	LEVY	SALE OF PRODUCTS AND SERVICES	PAYMENT OF GRANTS	PURCHASE OF MATERIALS AND SERVICES	OWING TO CITB
	£'000	£'000	£'000	£'000	£'000
BAM Nuttall Ltd	1,314	20	1,774	71	2
Cyfle Building Skills	0	0	816	192	0
Abbey Access Centre	0	0	29	0	0
Carmarthenshire Construction Training Association Ltd	0	0	35	0	0
Heart of Wales Property Services	5	0	0	0	0
Keltbray Group	206	2	316	0	0
Kier Group	1,978	22	1,291	0	0
Laing O'Rourke	2,817	0	879	0	0
Leeds College of Building	0	10	0	1	3
Lindum Group Ltd	172	2	99	0	0
Lincoln Group Training Association	0	1	0	0	0
McLoughlin Group Holdings Ltd	35	0	15	0	0
Novus Property Solutions	455	0	111	0	0
RED Systems Ltd	37	0	7	0	0
Robertson Group	89	0	77	0	0
T. Richard Jones (Betws) Ltd	53	0	39	0	0
Total	**7,161**	**57**	**5,488**	**264**	**5**

NOTES TO THE ACCOUNTS 24 / 24

Related party disclosures also include Board-level individuals who were no longer appointed at the year end, with the date of cessation marking the point at which they are excluded from such disclosures.

20. FINANCIAL INSTRUMENTS

CITB only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

A significant amount of CITB's Reserves is held as cash. As well as instant access accounts CITB utilises a short-term deposit account and loans excess balances overnight on its current accounts to benefit from a higher interest rate. These are low risk and sufficient to meet CITB's liquidity requirements.

21. LOSSES AND SPECIAL PAYMENTS

The total Levy bad debts written off, principally related to insolvent employers, amounted to £12m from 3,306 individual items (2023-24: £34.6m, from 6,171 items).

No interest was paid under the Late Payments of Commercial Debts (Interest) Act 1998 (2023-24: Nil).

22. CONTINGENT LIABILITY

Shortly before the year end CITB determined to terminate its outsourced contract early with SSCL and issued a notice on 31 March to take effect on 1 April 2025, after the year end. Subsequently a phased exit has been agreed, which includes contractual compensation, breakage and other exit related charges of up to a maximum cap of £2m which will be reduced as each phase of the exit is completed. The value has not been recognised in the accounts as the amount cannot be measured reliably at this stage.

23. EVENTS AFTER THE BALANCE SHEET DATE

The termination of our outsourcing contract with SSCL was affected by notice being served on 1 April 2025. The financial statements were authorised for issue by the Board on the date the Comptroller and Auditor General signed. Events after this date have not been considered and the charity's Trustees do not have the power to amend the financial statements after issue.

On 16 September 2025, the Prime Minister made a written ministerial statement to announce a machinery of Government change that will impact CITB. Responsibility for apprenticeships, adult further education, skills, training and careers, and Skills England, will move from the Department for Education to the Department for Work and Pensions. This event has been classed as a non-adjusting post balance sheet event, with no impact on the reported financial performance or position. ●



SECTION 7

Remuneration Report

Pages 86 to 95

Membership

The Nomination, Appointments, and Remuneration Committee is a Committee of the Board. Its terms of reference provide, among other matters, that the Committee will advise and provide assurance to the Board on senior appointments, their remuneration policy, the succession planning of the Executive and Leadership team members, and the monitoring of people-based KPIs.

The Committee normally has three Board Trustees, one of whom is appointed as Chair. The CEO and People Director provide information to the Committee to inform its decisions.

Policy on the remuneration of directors

The individual remuneration for Executive Directors is reviewed annually with regard to external market changes and an assessment of individual performance, evidenced by the performance management process. Individual performance payments, which are not consolidated into annual salaries, are set within a range from 0%-10% of basic pay for the Executive Directors. All employees, including Executive Directors, are eligible for membership of the ITB Pension Funds.

Policy on contracts, notice periods and termination payments

All the Executive Directors are permanent employees of the organisation and have a notice period of six months.

Termination payments, if applicable, are paid in accordance with CITB contractual terms and conditions. No additional or discretionary payments are made outside of contractual terms.

Non-cash remuneration

With the exception of company cars, health insurance, dental insurance and critical illness cover (the last two are not provided as a right of office), no non-cash remuneration is provided. The provision of company cars and insurance are part of the standard terms and conditions of employment for senior grades of staff. As an alternative, a car allowance may be paid in place of a company car being provided.

Salary and pension entitlements

The sections on the following pages provide details of the remuneration for the year and the pension benefits of the most senior members of CITB staff.

Board members' remuneration

The Nomination, Appointments and Remuneration Committee is not responsible for considering Board members' remuneration. Payments to the Chair are approved by the Secretary of State with the approval of HM Treasury under Schedule 1 section 4 of the Industrial Training Act 1982. Note 16 – Board members' remuneration provides details of the Chair's remuneration as well as Board members' expenses. →





TIM BALCON

Chief Executive

Tim became Chief Executive of CITB in September 2021. He's focused on creating a skills system that better recognises individuals' capabilities and personal strengths, whilst giving employers the competencies and capabilities they need.

He previously led the Institute of Environmental Management and Assessment, transforming its vision and performance. He was also Chief Executive of the Energy and Utility Sector Skills Council (EU Skills), creating the National Skills Academy for Power and securing major Ofgem funding.

Tim's expertise in education and skills is reflected in his former roles on the Ofqual board during major reforms and the UK Vocational Qualifications Reform Board.



NICHOLAS PAYNE

Chief Financial Officer

Before joining CITB in November 2022, Nick worked in a variety of senior finance, commercial, and operational roles across Government, policing, and the private sector. This included latterly as the Chief Operating Officer for the Northern Ireland Office, Finance Operations and Digital Director at the Government Legal Department, and Director of Commercial Scrutiny and Industrial Policy at the Ministry of Defence.

As Chief Financial Officer, Nick is a qualified accountant of more than 30 years and a qualified commercial professional, whose portfolio includes finance, Levy administration, payroll, commercial and contract management, procurement, estates, facilities and fleet management, business planning, performance and portfolio management, and data, digital, and technology. In addition, he has corporate responsibility for sustainability, business continuity, and health and safety.

Nick's priorities are creating an environment for colleagues to deliver successful outcomes for employers, learners, and providers, whilst demonstrating CITB's value and impact for the industry.



KIRSTY EVANS

Executive Principal – NCC and CITB Apprenticeships Scotland

Kirsty Evans joined CITB in March 2024 as Executive Principal of the National Construction College (NCC) and CITB Apprenticeships Scotland. She oversees apprenticeship and training delivery across NCC sites in England and Scotland, and leads Modern Apprenticeships in partnership with Scottish colleges.

Previously, Kirsty held senior roles at the Department for Education, including Director of Regions and Providers, where she managed the financial health of further education institutions. She also served in the Education and Skills Funding Agency, focusing on post-16 education funding and oversight.

Kirsty is passionate about ensuring training delivers real value for learners, employers, and the wider economy.



DEBORAH MADDEN

Executive Director – Nations Engagement

Since joining CITB in 1997, Deb has taken up several area and regional management roles focused on operational delivery, followed by a leadership position in apprenticeships and as Engagement Director in England.

She now oversees the engagement teams in England, Scotland, and Wales, as well as the Marketing and Customer Experience teams, focusing on actively engaging with customers and stakeholders, delivering effective internal and external communications, driving the development of new interventions, and supporting the uptake of CITB products and services.

Deb is passionate about developing and nurturing people to get the best possible results for industry.



ADRIAN BECKINGHAM

Strategy and Policy Director

Adrian became CITB's Strategy and Policy Director in June 2022. Adrian has enjoyed a variety of senior roles during his time at CITB after joining in 2001. Posts include Head of Cskills Awards; Head of Business Improvement; Change Director; and most recently, Corporate Performance Director.

In his current role, Adrian leads the strategy, industry analysis and forecasting, policy and Government relations, and product development functions. His primary focus is ensuring CITB has clear visibility of both current and future skills needs, and that the organisation is equipped with the infrastructure and solutions necessary to meet those demands.



NADINE PEMBERTON JN BAPTISTE

Legal, Governance, and Compliance Director

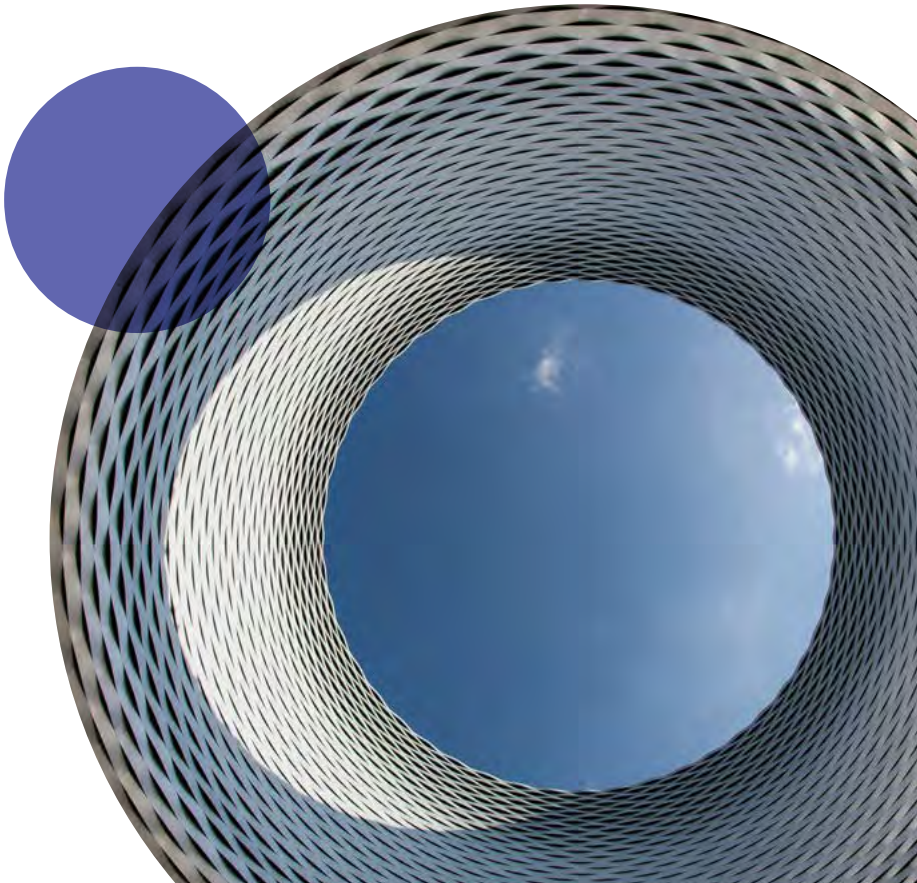
Nadine joined CITB in December 2023. Her portfolio includes legal, ITA compliance, information governance, corporate governance, audit and risk. Previous roles include Executive Director and General Counsel at the Gambling Commission, Executive Director at Social Work England, and Head of Governance and Legal Services at the Care Quality Commission.

A qualified solicitor for over 20 years, Nadine has transformed organisations and delivered major UK Government projects. She is a civil and commercial mediator, a certified coach, a Thinking Environment facilitator and a Council Trustee at the Nursing and Midwifery Council. Nadine is committed to equity and inclusion in all areas of her work.

The aggregate total of employee benefits received by Trustees and the Executive Directors for their services to CITB during the year was £977,438 (2023-24: £796,284).

2024-25 Remuneration (audited)

	SALARY AND ALLOWANCES	BENEFITS IN KIND	BONUS	PENSION BENEFITS	2024-25 TOTAL
	£'000	TO NEAREST £100	£'000	£'000	£'000
Tim Balcon Chief Executive	175-180	1,100	10-15	15	205-210
Adrian Beckingham Strategy and Policy Director	125-130	1,500	5-10	11	140-145
Kirsty Evans Executive Principal, National Construction College (NCC) and CITB Apprenticeships Scotland	135-140	900	0	8	140-145
Deborah Madden Executive Director, Nations Engagement	135-140	900	5-10	12	155-160
Nicholas Payne Chief Financial Officer	155-160	1,100	5-10	13	175-180
Nadine Pemberton Jn Baptiste Legal, Governance, and Compliance Director	130-135	2,100	0-5	8	145-150



2023-24 Remuneration (audited)

	SALARY AND ALLOWANCES	BENEFITS IN KIND	BONUS	PENSION BENEFITS	2023-24 TOTAL
	£'000	TO NEAREST £100	£'000	£'000	£'000
Tim Balcon Chief Executive	175-180	1,00	5-10	15	200-205
Adrian Beckingham Strategy and Policy Director	115-120	1,900	5-10	10.5	135-140
Emma Black Legal, Governance and Compliance Director	65-70	900	5-10	4.5	80-85
Jackie Ducker Customer and Product Director	10-15	100	0	0.7	10-15
Kirsty Evans Executive Principal, National Construction College (NCC) and CITB Apprenticeships Scotland	0-5	0	0	0.2	0-5
Deborah Madden Executive Director, Nations Engagement	115-120	800	0	9.6	125-130
Nicholas Payne Chief Financial Officer	150-155	1,000	0-5	12.8	165-170
Nadine Pemberton Jn Baptiste Legal, Governance, and Compliance Director	40-45	500	0	2.5	45-50

The full-year equivalent annual salary bandings (£'000) of those who left during 2023-24 were: Jackie Ducker: 125-130, Emma Black: 115-120.

The full-year equivalent annual salary bandings (£'000) of those who joined during 2023-24 were: Nadine Pemberton Jn Baptiste: 130-135, Kirsty Evans: 130-135.



Fair pay disclosures (audited)

HIGHEST-PAID DIRECTOR RATIOS COMPARED TO THE ORGANISATION'S WORKFORCE

CITB is required to disclose the relationship between the remuneration of its highest-paid Executive Director and the lower quartile, median and upper quartile remuneration of the organisation's workforce (based on full-time equivalents).

	2024-25	2023-24
Highest-earning Executive Director's total remuneration (£'000)	190-195	185-190
Median total remuneration (£)	47,840	46,122
Ratio of remuneration of highest-earning Executive Director to remuneration of employee on lower quartile	4.7:1	4.7:1
Ratio of remuneration of highest-earning Executive Director to median remuneration	4.0:1	4.1:1
Ratio of remuneration of highest-earning Executive Director to remuneration of employee on upper quartile	3.3:1	3.4:1

The percentage increase from the previous financial year for salary and allowances of the highest paid Executive Director was 3%.

The percentage increase from the previous financial year for performance pay and bonus of the highest paid Executive Director was 67%.

The percentage increase from the previous financial year for average salary and allowances for all FTE employees was 1%.

The change in the average performance pay and bonus for FTE employees in 2024-25 was an increase of 18%.

In 2024-25, no employees received remuneration in excess of the highest-paid Executive Director (2023-24: none).

In line with fair pay guidance, the remuneration stated above excludes pension benefits. Percentages and ratios are calculated using the mid-point of the highest paid director's pay band. →

EMPLOYEES REPRESENTING EACH QUARTILE OF PAY

	2024-25	2024-25	2023-24	2023-24
	TOTAL PAY AND BENEFITS	SALARY AND ALLOWANCES	TOTAL PAY AND BENEFITS	SALARY AND ALLOWANCES
QUARTILE	£'000	£'000	£'000	£'000
Lower quartile	41	41	40	40
Median	48	48	46	46
Upper quartile	58	58	56	56

Full-time equivalent remuneration ranged from £20,000 to £193,000 (2023-24: £20,000 to £185,000).

Details of staff sickness absence (unaudited)

2024-25	2024-25	2023-24	2023-24
DAYS LOST	ABSENCE RATE	DAYS LOST	ABSENCE RATE
7,096	3.3%	6,884	3.7%

The absence rate is calculated as a percentage of those staff available to work.

Staff turnover (audited)

As shown in the below table, turnover has decreased during the reporting period compared to 2024-25.

	2024-25	2023-24
Staff turnover	8.7%	12.2%

Employment policies

We have a range of employment policies to support our staff in line with our ambition to be an employer of choice. In addition, we have a Colleague Ambassador Forum that focuses on positive engagement with colleagues across the business to encourage feedback and share best practice about business improvements.

Equality, diversity and inclusion

Full and fair consideration is given to applications for employment by disabled persons, having regard to their aptitudes and abilities. Existing colleagues are also supported during their employment journey to enable them to work at their performance potential. Reasonable Adjustments training is delivered to managers on a regular basis, providing education on our legal duties to make reasonable adjustments and the importance of fostering open conversation with colleagues.

We maintain Business Disability Forum membership which highlights our commitment and provides access to advice and support on disability inclusion to remove barriers for disabled colleagues.

The CITB Fairness, Inclusion and Respect (FIR) strategy ensures that we raise awareness, challenge stigma and bias, and drive change in creating the right environment for colleagues to flourish and to be their 'authentic and best selves' at work. The FIR strategy focuses on how we engage, enable and empower colleagues in achieving the delivery of these outcomes, not just the processes or transactions required to support these people-focused policies, but to ensure they reflect the needs of the CITB workforce.

We are committed to maintaining a respectful and inclusive work environment where all colleagues feel valued and supported. In line with this commitment, and during 2024-25, we have reviewed and updated our Dignity at Work, Anti-Harassment and Anti-Bullying Policy to better address concerns, clarify expectations, and enhance our procedures for handling any related incidents. →



Bullying and harassment, victimisation, or discrimination of any kind has no place at CITB and will not be tolerated. This includes all forms of sexual harassment. Where concerns arise, we want colleagues to raise these as soon as possible and feel supported in doing so. Concerns raised will be taken seriously and managed sensitively, as quickly as possible, with individuals offered support via our Employee Assistance Programme, our managers, and leaders at CITB.

The Colleague Ambassador Forum has regularly met throughout the year and has focused on ways the organisation can best support its colleagues. The forum has continued its successful recognition scheme, which has seen over 250 individuals receive recognition for their efforts to go above and beyond to support their colleagues. It has championed work around pay and benefits, (alongside NARCO) to deliver positive change, and has met with members of the CITB Board to discuss the views of colleagues. A new cohort of Colleague Ambassadors was elected during the year, with six colleagues from across CITB joining the existing group of seven.

Health, safety and wellbeing support

During 2024-25, there have been a total of 80 health and safety incidents recorded. 38 were at NCC East (Bircham Newton), two at SMH (Peterborough), 22 were at NCC Scotland (Inchinnan), 12 at NCC South (Erith), one at home, and five reported by our mobile teams.

Of the 80 reported incidents, 38 were minor injuries, 16 near misses, 19 unsafe acts, four RIDDOR reportable and three environmental.

Reported figures have decreased this year for all sites, with the most significant decrease being at NCC East (down 43%), NCC South decreased by 33% (smaller data set) and there was a 15% reduction at NCC Scotland. The most significant reduction by type of report is unsafe acts, which decreased by 71%. This is a favourable outcome given the increase in learner delivery days at NCC (up 16%) and an increase in colleague head count of 19%.

CITB retained its certification to BSI 45001 for health and safety and to the BSI 45003 for wellbeing. →

Consultancy and temporary staff

	2024-25	2023-24
	£'000	£'000
Temporary and agency staff costs	2, 360	2,512
Consultancy	248	85

> The increase in consultancy expenditure in 2024–25—from £85,357 in the previous year to £248,077—was primarily due to additional support provided to NCC.

Off-payroll engagements as at 31 March 2025, for more than £245 per day	2024-25
Number of existing engagements as at 31 March 2025:	
Less than one year at time of reporting	0
Between one and two years at time of reporting	0
Between two and three years at time of reporting	0
Between three and four years at time of reporting	0
For four or more years	0

Off-payroll workers engaged at any point during the year ending 31 March 2025 and earning at least £245 per day	2024-25
Number of off-payroll workers engaged during the year ending 31 March 2025 of which:	
Number determined as in-scope of IR35	0
Number determined as out-of-scope of IR35	2
Number of engagements reassessed for compliance or assurance purposes during the year	0
Number of engagements that saw a change to IR35 status following review	0

The following table excludes trustees who act as unpaid non-executive directors.

For any off-payroll engagements of Board members, and/or, senior staff with significant financial responsibility, during the year ending 31 March 2025	2024-25
Number of off-payroll workers engaged during the year ending 31 March 2025 of which:	
Number of off-payroll engagements of Board members, and/or, senior staff with significant financial responsibility, during the financial year	0
Total number of individuals on payroll and off-payroll that have been deemed "Board members and/or senior staff with significant financial responsibility", during the financial year	3



Tim Balcon
Chief Executive
3 December 2025



Sir Peter Lauener KBE, CB
CITB Chair
3 December 2025



SECTION 8

Professional Advisers

Pages 96 to 97

Bankers

Barclays Bank Plc
Leicester
Leicestershire
LE87 2BB

Auditors

Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
London
SW1W 9SP

Legal advisers

CITB Legal Team
4 Cyrus Way
Peterborough
PE7 8HP

Principal office

See Appendix F (page 116) for details of principal and registered offices.



Appendix A: CITB's carbon footprint

CITB is committed to driving down the carbon emissions related to its own estate and operational activities, working towards net zero.

A sustainability dashboard has, and continues to be developed, so that emissions are collected, monitored and reviewed on a quarterly basis by the Sustainability Group, enabling actions to be implemented to drive change.

Table 4 shows the overall greenhouse gas emissions (GHG) emissions for the reporting period against previous years. →

TABLE 4: GHG EMISSIONS

			2024-25	2023-24	2022-23	2021-22
Non-financial indicators (tCO_2e)	**Scope 1**	**Fuel combustion[1]**	983	937	1,050	783
		Owned/leased transport[2]	142	444	319	126
		Fugitive emissions	0	22	18	0
	Scope 2	**Purchased electricity**	0	388	381	519
	Scope 3	**Business travel[3]**	479	197	91	31
		Hotel stays[4]	157	Not collected	Not collected	Not collected
		Use of purchased materials (paper)[5, 6]	400	190	192	3
		Waste disposal[7]	8	5	5	4
		Homeworking[8]	219	350	331	-
		T&D purchased electricity[9]	37	34	Not collected	Not collected
Financial indicators (£)		**Business travel**	545,839	817,179	529,426	166,841
		Hotel stays[4]	1,761,471	Not collected	Not collected	Not collected
		Purchased offsets[10]	0	0	0	0
	Per FTE[11]		2.59	3.24	3.35	2.3

APPENDIX A 2 / 9

Table 4 Notes:

The Defra GHG conversion factors (condensed set) for 2024 have been applied, unless otherwise stated and rounded to the nearest metric tonne.

[1] Data includes white diesel used for training vehicles from 2022-23 onwards.

[2] Car engine size and fuel type conversion factors have now been applied rather than the conversion factor for a medium car unknown fuel, as used in 2021-22, giving greater accuracy on emissions. The decrease in 2024-25 is due to a separate reporting category for car allowance being added to the expenses system that allows the figures to be reported under Scope 3 as privately owned cars.

[3] Includes personal car mileage, air, rail, and, as of 2022-23, hotel stays. No mileage was available for buses, taxis, underground or hire cars to enable tCO_2e to be calculated. The tCO_2e applied for rail and air travel was calculated and supplied by CTM, the travel management company used by CITB. The increase in 2024-25 is due to a separate reporting category for car allowance being added to the expenses system that allows the figures to be reported under Scope 3 as privately owned cars, that were previously reported under Scope 1 company owned/leased vehicles.

[4] As of 2024-25, staff and Trustee hotel stays have been separated from business travel and now includes data on emissions from the NCC off-site hotel accommodation used by learners. For 2022-23 and 2023-24, staff and Trustee hotel stays were included in business travel.

[5] The conversion factor applied relates to the primary source. Some paper products are from recycled sources, although it is not possible to evidence that they are from a closed-loop supply.

[6] The data includes printed material printed by CITB's third-party printing company and includes the Levy Return and guidance note products, publications, materials for Go Construct and teaching material for NCC as of 2022-23.

[7] Excludes emissions from ICT waste as they are unknown; and conversions have been applied per waste stream rather than using an overall combustion conversion factor of 21.280 as applied before 2023-24, improving accuracy.

[8] Calculated based on total number of working hours of FTEs who are contractually or flexibly working from home, and mobile staff averaging one day a week working at home, minus the average number of sickness days, and in-person training days and contracted volunteering days. Figures restated for 2023-24 from 350 to 179.

[9] Additional Scope 3 data added from 2023-24 onwards.

[10] CITB see the purchase of accredited offsets as a last resort and aims to reduce its carbon emissions as much as possible before any purchases are made.

[11] The number of staff directly and temporarily employed by CITB as an average over the year (expressed in full-time equivalents) was 936 (2023-24: 763). →



APPENDIX A 3 / 9

Mitigating climate change: working towards net zero

GHG EMISSIONS – SCOPE 1 (DIRECT)

Improving energy efficiency

The single skin cladding on the three training hangers at NCC Bircham Newton was replaced with insulated cladding, reducing heat loss and improving energy efficiency.

The roll out of the installation of triple glazed windows continued at NCC Bircham Newton with another six buildings completed, providing better insulation and thermal efficiency.

Increased use of electric heating and cooling over kerosene use

The training establishment at NCC Bircham Newton is not connected to mains gas. Energy is provided by bringing fuel (mostly kerosene) onto site, together with some on-site energy generation from a biomass boiler fuelled by woodchips. Kerosene is non-renewable and has a high carbon footprint.

We continue to review the opportunities for transitioning to clean and sustainable energy sources. An additional building (Building 12) at NCC Bircham Newton has moved to air con heating and cooling from kerosene and alongside the extension of the biomass network, further buildings are planned to have electric heaters installed, however, this is dependent on the capabilities of increasing the power network capacity to the site in 2025.

Company leased and owned cars

As part of our transition to phase out petrol and diesel cars from our fleet to zero emissions by tailpipe, company car allowances were enhanced in 2023 to incentivise staff to transition and to enable a greater availability of electric cars through our partner, LEX Autolease. The number of Zero and Ultra Low Emission Vehicles (ULEVs), i.e. those producing less than 75g/CO_2 per km, represent 47% of staff leased vehicles.

As of March 2025, 53% of CITB's owned and pool car vehicles were Zero and ULEV's, and all remaining diesel vehicles are due to be replaced with Zero or ULEV's during 2025-26.

Commercial fleet, plant, machinery and equipment

A review of our commercial fleet, plant, machinery and equipment was conducted and assessed against the Supply Chain Sustainability School's Plant Charter and minimum standards. Low emission fuel alternatives, such as electric, hydrogen and biofuel have been considered and a replacement plan developed to enable a transition away from diesel.

During the year, two mobile cranes and an Articulated Dump Truck (ADT) have been replaced with Stage V/Tier 4f engines that were Tier 2, resulting in a reduction in related emissions by 93.9%.

We are also looking at the possible introduction of Hydrotreated Vegetable Oil (HVO) fuel, which would further reduce the net CO_2 emissions, starting with an initial trial on selected machines in 2025. We will monitor their performance and consider whether to extend the rollout thereafter.

Fugitive emissions

All air con units at our training establishments have a carbon loading of less than 30 tonnes and are fully serviced and visually inspected once a year. Some units at NCC Bircham Newton are no longer in use and have been made safe and decommissioned. During the reporting period, no 'top-ups' were required.

100% renewable mains gas

We currently utilise a mains gas supply at NCC Inchinnan and Erith and continue to purchase units from an environmentally friendly renewable energy source, namely, biogas, significantly reducing our natural gas carbon emissions. →

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GHG EMISSIONS – SCOPE 2 (ENERGY INDIRECT)

100% zero carbon electricity from April 2024

As of April 2024, our procured electricity is on a zero emissions tariff. We have seen an increase in our electricity usage, as training activities at all three NCC sites have increased and as we move to greater electrification, for example, installing new heating/cooling systems and purchasing new electrified plant and machinery replacing old versions fuelled by finite resources (kerosene and diesel).

Confirmation was provided by the Environment Agency that we are not required to participate in Phase Three of the Energy Saving Opportunities Scheme (ESOS), however, we still plan to complete an energy audit to help us identify actions we can take to reduce our energy consumption and costs as part of our Estates Strategy.

GHG EMISSIONS - SCOPE 3 (OFFICIAL BUSINESS TRAVEL)

All modes of business travel are detailed in Table 5. This shows business travel has increased over the reporting period due to an increase in workforce numbers, principally to address increased demand for employer engagement, from 763 in 2023-24 to 936 in 2024-25; and there has been an increase in colleagues being eligible for a car allowance or company car, with the former being the greater preference of new colleagues. A business travel plan will be developed by March 2026, in line with the GGC's 2025-30 requirements.

Despite an increase in overall workforce numbers on various contractual arrangements, including mobile and flexible working options, our homeworking emissions have decreased. This reduction is due to the greater accuracy of the assumptions applied. →

TABLE 5: SCOPE 3 – OFFICIAL BUSINESS TRAVEL

		2024-25		2023-24		2022-23	
Mode of transport[1,2]		**tCO_2e**	**km**	**tCO_2e**	**km**	**tCO_2e**	**km**
Domestic air travel		45	166,538	42[3]	155,867	23	99,598
International flights		0.5	3,026	0	None	0	None
Rail		46	1,294,147	30	837,578	18	516,447
Hotel stays	**Staff**	56	n/a	50	n/a	30	n/a
	Apprentices[4]	101		-		-	
Private vehicle (Grey Fleet)		479	3,846,273	20	116,887	19	111,704

Table 5: Notes

[1] Data set for 2023-24 uses departure date not the invoice date as used in 2022-23 and 2024-25.

[2] Data includes Trustee/Committee expenses.

[3] Restated from 97 to 42 as previously reported incorrectly.

[4] Data now includes NCC apprentice hotel stays as of 2024-25.

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WASTE MINIMISATION AND MANAGEMENT

Our overall waste arisings and the tonnage sent to landfill has decreased through improved resource efficiency and from previous years' housekeeping efforts, however, our overall emissions have increased due to increased training activities and greater accuracy in applying GHG conversions per waste stream.

Our waste to landfill was 7%, just missing the GGC target of less than 5% to landfill – this is a general target for Government and does not reflect the nature of CITB's training activities. We are seeking opportunities to generate social value through collaborating with local community groups who can benefit from reuseable items. In December 2024, following a refurbishment of a student accommodation block at NCC Bircham Newton, the charity (REMO) collected 35 beds, 27 bedside tables, 26 chests of drawers, over 100 plates and over 150 glasses, to provide support to those in need.

The overall recycling rate increased to 39% compared to 35% in 2023-24 but remains below the GCC general target of 70%. To comply with the new waste legislation introduced in 2024, we have introduced additional bins to help with the separation of waste, including extending our vapes recycling collections at NCC Bircham Newton and Erith. We have highlighted the need to raise awareness of the importance of reuse and recycling, and it forms part of our Sustainability Communications Plan in 2025-26.

CITB's catering partner (Sodexo) have been actively working towards food waste reduction at all NCC sites. In 2024, they introduced a system (known as 'Leanpath') to measure both pre- and post-consumer waste, and to identify potential areas of focus for reducing wastage. The 'Leanpath' programme will be extended to the other sites during 2025. →

TABLE 6: WASTE

		2024-25	2023-24	2022-23	2021-22
Non-financial indicators (tonnes)	**Total waste arisings (not including ICT waste)**	365	385	257	183
	ICT waste recycled	2.53	0.35	2.56	2
	ICT waste reused	2.48	0.9	1.03	3
	ICT hazardous waste	2.89	1.02	1.27	2
	Waste recycled	154	157	87	116
	Waste composted/food waste	4.5	3.6	4.3	3.4
	Waste incinerated with energy recovery	215	179	133	57
	Waste incinerated without energy recovery	0	0	0	0
	Waste to landfill	27	49	11	13
	Other non-ICT WEEE waste[1]	0	3.2	n/a	n/a
Financial indicators (£)	**Main contract[2]**	73,536	76,922	57,550	42,973
	ICT waste	0	216	0	0
	Confidential waste service[3]	2,312	8,566	2,228	2,546

Table 6: Notes

[1] Previously collected white goods were included in ICT hazardous waste tonnage.

[2] The performance data does not currently enable us to break down the costs per waste category.

[3] The contract cost for confidential paper waste prior to 2024-25 included the collection for plastics and non-ICT WEEE.

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PAPER USE

Whilst we continue to actively encourage employers to switch to online Levy Returns, our paper usage has risen due to an increase in materials printed in connection with our publication schemes, Go Construct, and training activities at the NCC.

We continue to explore opportunities to move more products and services from a print to a digital footprint. In 2025-26, we are reducing the amount of grammes per metre (gsm) from 100 to 90gsm, providing a paper saving of 10%, with an overall anticipated weight reduction from 16-24 tonnes.

WATER

Water consumption is consistent with previous reporting periods, except for 2023-24, due to a major water leak at NCC Bircham Newton.

Through our estates' redevelopment programme, we shall look at the potential opportunities for reducing water consumption, and increasing water recovery and reuse, particularly at non-office locations, and set a reduction target that will be measured against our re-baseline for 2025-26. →



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TABLE 7: FINITE RESOURCE CONSUMPTION

			2024-25	2023-24	2022-23	2021-22
Non-financial indicators	**Energy**	**Total purchased electricity (kWh)[1]**	2,025,427	1,875,538	1,971,380	2,443,197
		Natural gas (kWh)	0	167,505	520,154	326,704
		Biogas (kWh)[2]	652,466	477,699	0	0
		LPG (litres)	15,600	13,759	14,037	7,392
		Oil kerosene (litres)	263,583	307,237	352,909	291,000
		Biomass (tonnes)	871	716	743	567
		Diesel (for plant vehicles)[3] (litres)	54,507	41,385	Not collected	Not collected
	Finite	**Water from third parties (m^3)[4]**	23,708	13,929	23,736	20,504
		Paper (reams)[5]	119,362	83,144	83,655	1,277
Financial indicators (£)	**Energy**	**Electricity**	637,946	608,338	581,786	486,650
		Gas (natural and LPG)	6,076	19,609	40,892	21,594
		Biogas	69,664	44,771	-	-
		Kerosene	156,317	231,770	327,607	175,256
		Diesel	72,516	57,736	-	-
		Biomass	35,963	28,582	32,183	21,123
	Finite	**Water[6]**	105,750	168,997	83,337	68,984
		Paper[7]	9,444	9,509	6,511	4,235

Table 7: Notes

[1] Purchased electricity is on a zero-carbon emissions tariff as of 1 April 2024.

[2] As of 1 October 2023, we switched our tariff from natural gas to biogas.

[3] Diesel figures were previously included in kerosene invoices, and the data is now logged separately.

[4] CITB do not extract water (Scope 1) nor collect any water (Scope 3). A leak allowance credit of 27,843m^3 was granted against sewage for the period 22/12/2023 and 18/03/2024 for a major water leak.

[5] The volume of paper used saw a sharp increase since 2021-22 due to the inclusion of printed material by CITB's third-party printing company that includes the Levy Return and guidance notes and Publications. Volumes have continued to increase with the uptick in training activity at NCC and greater engagement with employers.

[6] As a result of a water leak at NCC Bircham Newton in 2023-24, a credit is included in 2024-25.

[7] The costs reflect purchases made through CITB's stationary provider and does not include costs related to item 4 above. We hope to be able to extract the cost to purchase the paper from the printing, and to report this in future years. →

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PROCURING SUSTAINABLE PRODUCTS AND SERVICES

In April 2024, we introduced our Supplier Code of Conduct, which aligns with the UK Government's standards. This document outlines our expectations for suppliers, particularly regarding their environmental performance, and is incorporated into our Contractual Terms and Conditions.

With the introduction of the Procurement Act 2023, and the Transforming Public Procurement (TPP) programme, we have updated our procurement policies and processes, strengthening our approach to sustainability. Where a procurement has a relevant and proportionate impact on the environment, tender questions are required and weighted appropriately.

Our Procurement team complete the annual Chartered Institute of Procurement and Supply's (CIPS) ethics e-learning, which covers the three key pillars of the ethical procurement and supply profession, one of which is environmental procurement.

NATURE RECOVERY AND BIODIVERSITY ACTION PLANNING

We do not hold significant natural capital; however, we are looking at what opportunities there are to achieve net biodiversity gain across the CITB estate. Preliminary Ecological Assessments are being conducted during 2025-26 at all NCC sites to establish a baseline for future measurement and to inform the development of site-specific nature enhancement plans.

Our richest biodiversity is at our largest site at NCC Bircham Newton in Norfolk. Due to its rural location, it has various habitats and related species, including mammals (lizards and bats), breeding birds, such as stone curlew, oyster catchers and owls, and a variety of insects, with the latter benefitting from the planting of pollinator-friendly plants outside our reception area.

ADAPTING TO CLIMATE CHANGE

We have identified climate-related risks, and the process is outlined in the TCFD Risk Management section on pages 47 to 48.

REDUCING ENVIRONMENTAL IMPACTS FROM ICT AND DIGITAL

CITB continues to pursue a programme focused on the removal of older systems and applications that are no longer fit for purpose, and the migration of services to platforms that offer a lower running cost and environmental impact. This mature programme continues to review the ever-changing IT estate and is approaching this proactively, identifying services that are in scope.

While work continues to focus on an ever reducing on-premises estate, there is an increasing focus on the maintenance and optimisation of the cloud estate in Azure. This will result in a reduced cloud footprint, optimised to provide services at the time of consumption, rather than providing availability 24/7. This will lead to a reduction in our Scope 3 emissions.

In alignment with our regeneration plans and new Head Office provision, the IT and Estates teams are working closely to ensure that we provide technology solutions that reflect the need to be environmentally conscious. Low wattage devices, the reuse of serviceable items, and support for greener facilities technologies, feature in these plans. →

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IT equipment (laptops/desktops etc.) is reprovisioned where possible to get the most life from them and reduce the need to purchase new. Where new laptops/desktops are required, these are now sourced from a supplier providing repurposed hardware, thereby further reducing the environmental impact of manufacture.

Equipment that is no longer in service is disposed of in line with its waste hierarchy.

CITB procures its cloud services through the Government framework 'G-Cloud' and Crown Commercial Service (CCS), ensuring that the suppliers are "approved" and "sanctioned" by central Government.

SUSTAINABLE CONSTRUCTION

To support the greening of our estate, we have selected a design and engineering partner. They share the belief that sustainability should be embedded at the heart of what we do and will support us in developing the plans we need to achieve our net zero targets, through a combination of new build and retrofit, factoring in embodied carbon. The training establishment at NCC Erith has been prioritised for redevelopment and planning approval is to be sought from the local authority. ●



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Appendix B: Register of Board members' interests

RELATED PARTY TRANSACTIONS

Employer Board Trustees must be concerned in the management of the activities of an employer engaging in the construction industry in order for their appointment by the Secretary of State to be valid. Therefore, with the exception of the independent members, all Trustees would have had business interests, as Levy payers and/or potential grant recipients, at the date of their appointment, which may be perceived to conflict with their responsibilities as Board members. The following Board members have, in addition, declared other personal or business interests.

Sir Peter Lauener KBE, CB
CITB Chair

Sir Peter Lauener was appointed as CITB Chair in May 2018. Peter came to CITB with a wealth of experience in the education and skills sector, having previously held the roles of Chief Executive of the Education and Skills Funding Agency and interim Chief Executive of the Institute for Apprenticeships (IfA), now the Institute for Apprenticeships and Technical Education.

Along with his work on the CITB Board, Peter has also been Chair of the Student Loans Company (SLC), since April 2020. SLC is a Government-owned non-profit-making company, which is also an executive NDPB. This organisation administers loans and grants to students in universities and colleges in the UK.

Peter is also the Chair of Orchard Hill College, which is an independent special needs college based in South and West London. This college is a sponsor of a special needs academy trust with a number of academies in the same area.

In addition, Peter is a Trustee of Educators International, a small charity helping developing countries to improve their teaching technology and administration.

In June 2025, Peter was awarded a knighthood for services to education, in recognition of over 40 years of service in the public sector.

EMPLOYER BOARD TRUSTEES

Kevin McLoughlin
Managing Director, McLoughlin Group Holdings Ltd

Kevin McLoughlin MBE is the founder and Managing Director of London-based SME McLoughlin Group Holdings Ltd. The company is an avid supporter of apprenticeships.

Kevin was awarded an MBE in 2014 for his services to skills and apprenticeships and is a Fellow of the Chartered Institute of Building (CIOB). Kevin is a member of GMB, Liveryman of Painters and Stainers, and Freeman of the City of London.

He is also a Partner of Maxine and Kevin Property Business Partnership.

Tony Elliott
Executive Director of People, Robertson Group
(tenure ended 21 June 2024)

Tony Elliott has over 30 years of experience in the fields of talent, people and learning, and is part of the executive team at Robertson, one of the UK's largest privately owned construction and infrastructure services companies. Tony feels strongly about the development of people and the growing of internal talent, the attraction of new talent, and ensuring skillsets are enhanced and future-proofed within construction. →

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HOLLY PRICE
Group Sustainability Director, Keltbray Group

Holly Price was the Training and Development Director at Keltbray Group from 2007 until 2022, playing a crucial role in engineering sustainable and considerable growth through getting the right people in the right place at the right time. Holly started her career in the demolition industry aged just 17, training to be an engineer, and went on to become Europe's only female explosives engineer in the sector. Throughout her time at Keltbray, Holly also took the lead on social value delivery and played an active role in industry partnerships with trade associations and other educational establishments promoting skills in the construction sector.

In early 2022, Holly was appointed as Group Sustainability Director and her collaborative leadership approach has best placed her to take responsibility for the implementation of Keltbray's published targets for environmental, social and economic sustainability.

Holly actively promotes the need to widen the talent pool by embracing diversity and attracting newcomers from all backgrounds to the industry, and she tirelessly campaigns for continuous improvement of industry standards. Holly is also an Honorary Life Vice President of the National Federation of Demolition Contractors, which has financial management of the National Demolition Training Group, and benefits from CITB funding. She is also a Trustee of Construction Youth Trust, which receives CITB funds to support disadvantaged youth into construction jobs through training and mentoring.

SOPHIE SEDDON
Non-Executive Director, Novus Property Solutions

Sophie Seddon has worked in construction for over 10 years, having joined her family business after graduating in Business Management. Starting her career at Seddon Property Services, Sophie was instrumental in the company's rebrand to Novus. She was appointed as the Head of Client Engagement and Communication in 2018, before becoming People and Culture Director in 2020 and then a Non-Executive Director in 2022. Sophie understands the importance of nurturing young talent, as Novus offers numerous routes into construction for young people. She is passionate about the use of new technology, improving sustainability issues, and encouraging inclusivity within the industry.

Sophie is also a shareholder of JSSH Ltd, the group holdings of Novus Property Solutions Ltd and a Director and a shareholder of Hall Estates Ltd, a property development company. In addition, Sophie is a Board member of WISH Women in Social Housing (NW), a body empowered to mentor, inspire and provide opportunities for women in social housing through networking and events, and the Chair of the Northwest Regional Board for Business in the Community (BITC).

LOUISA FINLAY
Chief People Officer, Kier Construction Ltd
(resigned 31 January 2025)

Louisa Finlay was appointed Chief People Officer at Kier Group in March 2023, following more than 30 years of continual service with the business. In this role, Louisa has responsibility for HR, environmental and social sustainability, health, safety and wellbeing as well as asset management and business assurance.

Before becoming Chief People Officer, Louisa worked in various national, regional and sector roles across its construction business, including as Managing Director of the southern business and most recently as Managing Director of the clients and markets function.

Louisa started her career as a trainee engineer on a sandwich degree. She is passionate about delivering the next generation of infrastructure across the UK and is committed to having a culture at Kier where everyone feels they belong, are supported and able to thrive.

Louisa is a member of both the Chartered Institute of Building (CIOB) and the Construction and Property Industry Mentoring Circle.

OWAIN JONES
Director, T. Richard Jones (Betws) Ltd

Owain Jones has over 30 years of experience in the construction industry having joined the family SME business after graduating initially in Business and Finance and latterly in Construction Management. Based in Southwest Wales, TRJ was recognised in 2015 as CITB Apprentice Employer of the Year for both Wales and Great Britain.

Owain is a founding Trustee and Chairperson of Cyfle Building Skills, a charity which operates the largest Construction Shared Apprenticeship Scheme in the UK. Cyfle's achievements were recognised with two Queen's Awards, for innovation and for promoting opportunity in respect to social mobility. Owain has been an Executive Director of Carmarthenshire Construction Training Association Ltd since its inception and is passionate about upskilling the local workforce.

Owain is a Trustee of the Jac Lewis Foundation, a mental health and wellbeing charity. A fluent Welsh speaker, Owain is a passionate supporter of the Welsh language and culture. →

APPENDIX B 3 / 4

MICHAEL GREEN
Managing Director, RED Systems Ltd

Michael Green has risen through the ranks, from his initial CITB Technicians Youth Training Scheme placement with Alfred McAlpine at Bircham Newton in 1989, to now, running his own, rapidly expanding glazing and curtain walling company, RED Systems.

Founded in 2003, the company has grown to become a £20m+ turnover business and is now one of the industry's most respected specialist glazing contractors. A passionate advocate for training, development and professional advancement, with over 60% of his own team studying for some kind of qualification, he is committed to nurturing skills and attracting new talent to the industry. With over 35 years' experience in the industry, and having recently completed the most challenging step on his own educational journey, an MBA, Michael is now a member of the Chartered Management Institute.

Michael is also a Director and shareholder of RED Optimal Ltd, RED Open Ltd and REDLine Facades, Managing Director of M&A Property Ltd, and a Director of Peninsula Multi Academy Trust.

HERMAN KOK
Company Secretary, Lindum Group Ltd
(appointed 1 April 2024)

Herman Kok is the Company Secretary at Lindum Group, where he has been instrumental in driving organisational strategy and governance. He joined Lindum in 1987, having previously been Finance Director for Almet Aluminium and head of Treasury for Pechiney Ugine Kuhlmann in the UK. As Company Secretary for Lindum, he leads the training and community involvement activities. He is a Director of a number of Lindum Group Ltd (subsidiary) companies, most of which are dormant, as well as Director and major shareholder in South Park Investments (Lincoln) Ltd.

Herman is Chairman of Investors in Lincoln Ltd, a public/private sector partnership dedicated to the regeneration of Greater Lincoln, and a director of Lincoln City Football Club.

He also holds Trusteeships with Abbey Access Training Ltd, a charity which offers programmes that develop voluntary, training and educational skills and community activities, and which has received CITB funds in the past; BNA Charitable Incorporated Organisation, an independent, grant-making charity based in Lincoln; and Lincoln Group Training Association, which is funded by CITB.

He has also held directorships with Greater Lincolnshire LEP (GLLEP), the Lincolnshire Chamber of Commerce and was Chairman of the Employment and Skills Board for Lincolnshire.

RACHAEL CUNNINGHAM
Bid Lead, Laing O'Rourke
(appointed 1 April 2024)

Rachael Cunningham is a Bid Lead at Laing O'Rourke. Her role combines all aspects of major project work winning within the Clients and Markets team, from bid management through to preconstruction project delivery.

During a 17-year career in the construction industry, Rachael has been responsible for winning many distinguished projects across the public and private sectors, as varied as swimming pools, high-rise residential, schools and universities, laboratories and defence estates portfolio projects. Rachael is passionate about showcasing the construction sector as much more than bricks and mortar – it is an industry that delivers social change through building assets that shape how we live and work. Supporting the development of talent through CITB will ensure that individuals have a chance to be part of that social change to future-proof the industry.

STEPHEN GRAY
Head of Engineering Development, BAM Nuttall Ltd
(appointed 1 April 2024)

Stephen Gray was appointed Head of Engineering Development at BAM Nuttall Ltd in 2023, following an operational career in the construction industry of more than 35 years.

Stephen started his career in 1988, as an assistant engineer with Edmund Nuttall Ltd and has held various engineering and project management roles throughout more than 30 years of service with BAM in southeast England and within the Major Projects business unit.

In his current role, Stephen is heavily involved with Early Careers technical apprentices, undergraduates and graduates, particularly civil engineers. He provides guidance on their technical and managerial careers as well as professional development routes within the Institution of Civil Engineers.

Stephen is a Chartered Civil Engineer and member of the Institution of Civil Engineers where he plays an active role in reviewing Chartered and Incorporated Engineers as well as being an approved Assessor for accredited Apprenticeship End Point Assessments. →

APPENDIX B 4 / 4

INDEPENDENT BOARD TRUSTEES

JULIA HEAP

Principal and CEO, Hopwood Hall College and University Centre
(appointed 1 April 2024)

Julia Heap is the Principal and Chief Executive Officer of Hopwood Hall College and University Centre. In her role heading a further education college Julia leads a vibrant, inclusive college that offers a high-quality broad offer of technical, vocational, apprenticeships and higher education in Rochdale and North East Greater Manchester. Hopwood Hall College is an anchor institution in Rochdale and Julia works in partnership across Rochdale and Greater Manchester, with responsibility for strategic liaison with key public and industry stakeholders such as the Government, Greater Manchester Combined Authority, Rochdale Council and GMColleges Group.

Before joining Hopwood Hall College in 2015 and being appointed Principal and CEO in 2019, Julia was an Assistant Finance Director for Oldham Council. With over 25 years of financial experience in the public sector including local authorities and NHS, Julia has a wealth of experience in delivering multi-million complex revenue and capital programmes and supporting transformation projects working in multi-disciplinary teams.

Julia is a Fellow of the Chartered Institute of Public Finance Accountants (FCPFA), a board member of the Rochdale Development Agency, an advisor on skills to Atom Valley Board, a Director of The Rochdale Pioneers Trust, and is the lead for Careers for the GMColleges Group.

NIKKI DAVIS

Principal and CEO, Leeds College of Building
(appointed 1 April 2024)

Nikki Davis is the Principal and CEO at Leeds College of Building. Her role at Leeds College of Building is to ensure high-quality delivery of education programmes to support the construction and built environment sector, with a particular focus on apprenticeships. The College is working to improve diversity in its student population and ensure that everyone can access career opportunities within the construction sector.

Before joining Leeds College of Building, Nikki worked at York College as Vice Principal of Technical and Professional Education and preceding that has worked in further education for over 20 years, across several colleges in West Yorkshire. Nikki started her career in the hospitality sector before training to teach in further education and is passionate about providing opportunities for all students.

Nikki is also a Trustee of Leeds Art University, as well as at the Leeds Learning Alliance, an education partnership focused on developing inclusive practice.

APPENDIX C 1 / 2

Appendix C: Board and Committee attendance

BOARD ATTENDANCE	2024-25
Sir Peter Lauener KBE, CB (Chair)	4/5
Tony Elliott (tenure ended 21 June 2024)	1/1
Kevin McLoughlin	5/5
Holly Price	3/5
Sophie Seddon	2/5
Owain Jones	4/5
Michael Green	3/5
Julia Heap	4/5
Nikki Davis	4/5
Rachael Cunningham	5/5
Stephen Gray	4/5
Herman Kok	3/5
Louisa Finlay	2/4
Total	**44/60**

AUDIT AND RISK COMMITTEE ATTENDANCE	2024-25
Sir Peter Lauener KBE, CB (Interim Chair for 2 May and 6 Dec only)	2/2
Lee Jones	3/5
Richard Plumb	4/5
Sophie Seddon	1/1
Julia Heap (Chair from July 2025)	3/4
Herman Kok	3/4
Total	**16/21**

NOMINATION, APPOINTMENTS AND REMUNERATION COMMITTEE ATTENDANCE	2024-25
Tony Elliott (Chair) (tenure ended 21 June 2024)	1/1
Louisa Finlay (Chair from June 2024 to January 2025)	4/4
Stephen Gray	4/4
Nikki Davis (Chair from February 2025)	2/4
Sir Peter Lauener KBE, CB	5/5
Sophie Seddon	2/5
Total	**18/23**

INDUSTRY FUNDING COMMITTEE ATTENDANCE	2024-25
Holly Price (Chair)	3/3
Steve Drury	1/1
Kacey O'Driscoll	2/3
Hannah O'Sullivan	1/3
Rupert Perkins	2/2
Claire Smithson	3/3
Sophie Seddon	2/3
Stephen Gray	3/3
Mike Wharton	1/1
Sarah Garry	0/1
Total	**18/23**

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LEVY STRATEGY COMMITTEE ATTENDANCE	2024-25
Sir Peter Lauener KBE, CB (was Interim Chair from February 2024)	1/1
Monique Jones	1/2
Gareth Davies	4/4
Neil Rogers	4/4
Vikki Skene	2/4
Rob Tansey	3/4
Annette Jones	4/4
Ken Miller	1/2
James Butcher	3/4
Steve Anderson	4/4
Rachael Cunningham (Chair)	3/3
Herman Kok	1/3
Total	**31/39**

CYMRU WALES NATION COUNCIL ATTENDANCE	2024-25
Leigh Hughes (Chair)	3/4
Gareth Davies	3/4
Monique Jones	3/4
Terry Edwards	1/4
Andrew Dobbs	2/4
Owain Jones (Deputy Chair)	4/4
Paul Tedder	2/2
Mark Bowen	3/4
Ian Morgan	2/3
Martyn Osborn	3/3
Lisa Kelly-Roberts	3/3
Total	**29/39**

ENGLAND NATION COUNCIL ATTENDANCE	2024-25
Sharon Llewellyn (Chair)	4/4
Kevin McLoughlin (Deputy Chair)	4/4
Bola Abisogun	3/4
Sarah Garry	3/3
Ian Dickerson	0/2
Sara Barnes	3/3
David Sargent	2/4
Annette Jones	3/4
Dan Clarkson	3/3
Matthew Bridge	3/3
Joanna Poon	3/3
Janette Welton-Pai	1/1
Total	**32/38**

SCOTLAND NATION COUNCIL ATTENDANCE	2024-25
Angela Forbes (Chair)	4/4
Tony Elliott (Deputy Chair until 21 June 2024, then Member)	2/4
Craig Bruce	3/4
Marion Forbes	3/4
Mairi Coleman	2/3
Kevin Urquhart	2/4
Ken Millar	2/4
Callum Smith	3/3
Peter Tait	3/3
Total	**24/33**

NATIONAL CONSTRUCTION COLLEGE AND APPRENTICESHIPS COMMITTEE ATTENDANCE	2024-25
Nikki Davis	3/3
Michael Green (Chair)	4/4
Tony Elliott (tenure ended 21 June 2024, then Member)	3/4
Owain Jones	4/4
Total	**14/15**

APPENDIX D 1 / 3

Appendix D: Membership of the Board and its Committees

This table shows all membership during the 12-month period between 1 April 2024 and 31 March 2025.

KEY

CB CITB Board
ARC Audit and Risk Committee
NARCO Nomination, Appointments and Remuneration Committee
IFC Industry Funding Committee
LSC Levy Strategy Committee
NAC NCC and Apprenticeships Committee
CWNC Cymru Wales Nation Council
ENC England Nation Council
SNC Scotland Nation Council

NAME	EMPLOYER	CB	ARC	NARCO	IFC	LSC	NAC	CWNC	ENC	SNC
Bola Abisogun	Digital Twin Skills Academy CIC								Yes	
Steve Anderson	Construction Skills People					Yes				
Craig Bruce	Pert Bruce Construction									Yes
Mark Bowen	Andrew Scott Ltd							Yes		
Matthew Bridge	Colonial Construction								Yes	
James Butcher	National Federation of Builders					Yes				
Rachael Cunningham	Laing O'Rourke	Yes				Chair				
Mairi Coleman	MacLeod Construction Ltd									Yes
Gareth Davies	Knox and Wells Ltd					Yes		Yes		
Dan Clarkson	Lee Marley Group								Yes	
Ian Dickerson	Kier Group Plc								Tenure ended 31/08/24	
Andrew Dobbs	LiteSteps Ltd				Yes					
Steve Drury	Rooff Limited and Rooff Residential Ltd				Tenure ended 18/08/24					
Terry Edwards	John Weaver Construction							Yes		
Tony Elliott	Robertson Group	Tenure ended 21/06/24		Tenure ended 21/06/24			Yes			Yes
Louisa Finlay	Kier Group Plc	Resigned 31/01/25		Resigned 31/01/25						
Angela Forbes	BuildForce									Chair
Marion Forbes	AC Whyte & Co Ltd									Yes

APPENDIX D 2 / 3

KEY

CB CITB Board
ARC Audit and Risk Committee
NARCO Nomination, Appointments and Remuneration Committee
IFC Industry Funding Committee
LSC Levy Strategy Committee
NAC NCC and Apprenticeships Committee
CWNC Cymru Wales Nation Council
ENC England Nation Council
SNC Scotland Nation Council

NAME	EMPLOYER	CB	ARC	NARCO	IFC	LSC	NAC	CWNC	ENC	SNC
Sarah Garry	Property Care Association			Yes					Yes	
Stephen Gray	BAM Nuttall Ltd	Yes		Yes	Yes					
Julia Heap	Hopwood Hall College and University Centre	Yes	Chair							
Michael Green	RED Systems Ltd	Yes					Chair			
Leigh Hughes	Felicitas Consultancy							Chair		
Annette Jones	Foundation Developments Ltd					Yes			Yes	
Lee Jones	Kier Group Plc		Yes							
Monique Jones	J Randall Roofing Contractors					Yes		Yes		
Owain Jones	T Richard Jones (Betws) Ltd	Yes					Yes	Deputy Chair		
Peter Lauener	CITB Chair	Chair		Yes						
Lisa Kelly-Roberts	John Kelly Construction							Yes		
Herman Kok	Lindum Group Ltd	Yes	Yes			Yes				
Sharon Llewellyn	JPR Roofing and Flooring Ltd								Chair	
Karen McGahan	William Waugh & Sons (Builders) Ltd									Resigned 07/05/24
Kevin McLoughlin	McLoughlin Group	Yes							Deputy Chair	
Ken Millar	Springfield Group					Resigned 24/10/24				Yes
Ian Morgan	Morganstone Ltd							Yes		
Kacey O'Driscoll	Danny Sullivan Group				Yes					
Hannah O'Sullivan	VolkerWessels				Yes					
Sarah Barnes	Interclass Plc								Yes	
Rupert Perkins	John Perkins Construction Ltd				Tenure ended 18/11/24					
Martyn Osborne	Borne Consult Ltd							Yes		

APPENDIX D 3 / 3

KEY

CB CITB Board
ARC Audit and Risk Committee
NARCO Nomination, Appointments and Remuneration Committee
IFC Industry Funding Committee
LSC Levy Strategy Committee
NAC NCC and Apprenticeships Committee
CWNC Cymru Wales Nation Council
ENC England Nation Council
SNC Scotland Nation Council

NAME	EMPLOYER	CB	ARC	NARCO	IFC	LSC	NAC	CWNC	ENC	SNC
Richard Plumb	Black Swan Internal Audit Services Ltd		Yes							
Holly Price	Keltbray Group	Yes			Chair					
Joanna Poon	University of Derby								Yes	
Neil Rogers	Scottish Decorators' Federation					Yes				
David Sargent	National Infrastructure Solution								Yes	
Maria Seabright	Greendale Construction Ltd								Resigned 16/05/24	
Sophie Seddon	Novus Property Solutions	Yes		Yes	Yes					
Vikki Skene	Galliford Try					Yes				
Callum Smith	Revival Joinery									Yes
Clare Smithson					Yes					
Peter Tait	DITT Construction Ltd									Yes
Rob Tansey	Barratt Developments Plc					Yes				
Paul Tedder	Atlantic Dwellings Ltd							Yes		
Kevin Urquhart	Barratt & David Wilson Homes									Yes
Janette Welton-Pai	Willmott Dixon								Yes	
Mark Wharton	Complete Roofing Systems				Yes					

Appendix E: Prescribed Organisations

During 2024-25, CITB maintained close contact with the following Prescribed Organisations:

- British Woodworking Federation
- Build UK
- Civil Engineering Contractors Association
- Construction Plant-hire Association
- Federation of Master Builders
- Finishes and Interiors Sector
- Hire Association Europe
- Home Builders Federation
- National Association of Shopfitters
- National Federation of Builders
- National Federation of Demolition Contractors
- Scottish Building Federation
- Scottish Decorators' Federation
- Scottish Plant Owners Association.

Appendix F: Location of principal CITB offices

Head Office and Registered Office

4 Cyrus Way
Hampton
Peterborough
PE7 8HP
Tel: 0344 994 4400

London Office

Spaces Victoria
25 Wilton Rd
Pimlico
London
SW1V 1LW

National Construction College – England East

Bircham Newton
Kings Lynn
Norfolk
PE31 6RH
Tel: 0300 456 7841

National Construction College – England South East

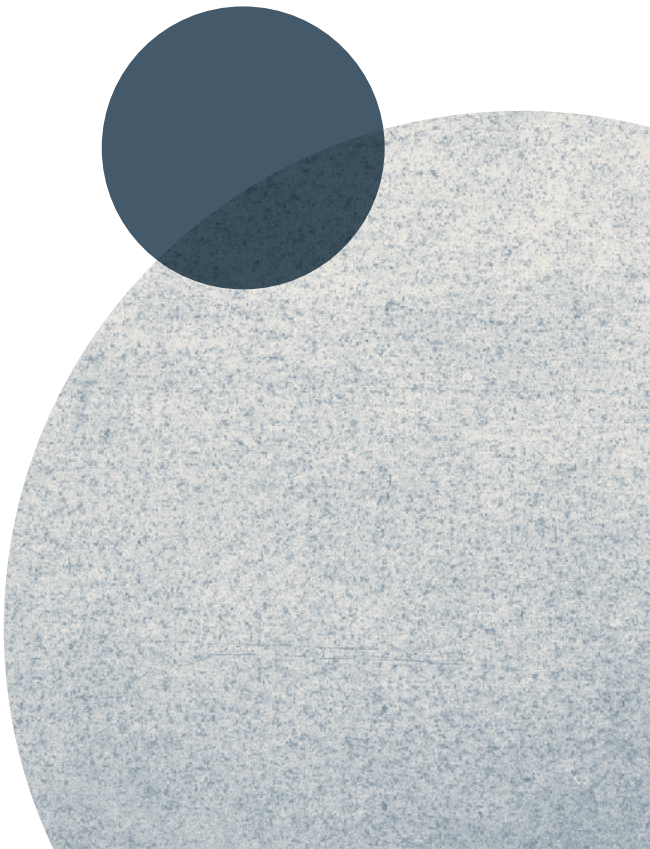
Manor Road
Erith
Kent
DA8 2AD
Tel: 0300 456 5333

National Construction College – Scotland

4 Fountain Avenue
Inchinnan Business Park
Inchinnan
Renfrewshire
PA4 9RQ
Tel: 0344 994 8800

Appendix G: Glossary

ALB	Arm's-length body
CCS	Crown Commercial Service
CIOB	Chartered Institute of Building
CIS	Construction Industry Scheme
CPI	Consumer Prices Index
DfE	Department for Education
DWP	Department for Work and Pensions
ECITB	Engineering Construction Industry Training Board
ESFA	Education and Skills Funding Agency
ESG	Environmental, Social and Governance
ICO	Information Commissioner's Office
IfATE	Institute for Apprenticeships and Technical Education
ISAs	International Standards on Auditing
ITB	Industry Training Board
KPI	Key performance indicator
LSC	Levy Strategy Committee
MMC	Modern methods of construction
NAO	National Audit Office
NCC	National Construction College
NDPB	Non-departmental public body
NEST	New Entrant Support Team
OCPA	Office for the Commissioner of Public Appointments
SAP	Specialist Applied-skills Programme
SDS	Skills Development Scotland
SME	Small and medium-sized enterprises
SORP	Statement of Recommended Practice
SSCL	Shared Services Connected Limited
SSP	Site Safety Plus
STEM	Science, technology, engineering and mathematics



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CITB

England & Wales - Charity number 264289

Accounts

CONSTRUCTION INDUSTRY TRAINING BOARD

Annual Report and Accounts



For the year ending
31 March 2024

HC 287
SG 2024/90

Construction Industry Training Board (CITB)

Annual report and accounts 2023-24

For the period 1 April 2023 to 31 March 2024

Presented to Parliament pursuant to section 8 (4) of the Industrial Training Act 1982

Ordered by the House of Commons to be printed on 12 December 2024

HC 287
SG 2024/90



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Interactive PDF

Click across to jump direct to each section.

Chair's foreword

2023-24 was a turbulent year for the economy, and one which had a significant impact on the construction industry.

Growth in construction was subdued, despite the sector outperforming the overall economy. The slowdown in growth towards the end of the year came from a decrease in new work and private housing, which had become a challenging area throughout the year due to higher borrowing costs for both builders and buyers. In addition, a shortage of skilled workers in many construction businesses has meant that employees have been working at near-full capacity, with some employers telling us that their staff have often been too busy to take up training opportunities.

In the face of uncertain economic conditions and continuing skill shortages, CITB's support for the construction industry has remained steadfast. Our response has been to remain focused on supporting the industry, particularly smaller employers, with training and skills. Our continued work to simplify the support we offer is paying off, with a 7% increase in the number of people trained or supported and a 12% increase in the amount of training support being accessed by employers. This demonstrates that the industry has been ready to train and upskill its workforce despite the challenges highlighted above. We continue to work hard to make it as easy as possible for employers to access training opportunities.

We have also redoubled our efforts to get more people into the industry to safeguard the future pipeline of talent. Alongside the increase in people accessing CITB career support via our dedicated construction careers website Go Construct, over 29,000 taster sessions were delivered through our Engagement Team in 2023-24, providing young people and career changers with an exciting and immersive experience of what a career in construction could mean for them. Additionally, our New Entrant Support Team (NEST) has gone from strength to strength, making it easier for employers to apply for grants and funding and to arrange apprenticeships, directly supporting 2,300 new apprentices. →

At the start of 2024-25, we published our new Business Plan, setting out a new direction for CITB - including rolling out our new Employer Network model to address the immediate needs of employers - but also planning for the future and the long-term skills challenges the industry will face. We are responding to the priorities industry told us they wanted CITB to support: getting more people into the industry; providing high-quality training; and supporting the ongoing skills development of the existing workforce, at a local level and led by local employers.

In July 2024, a new Labour Government was elected. We welcome the opportunity to work with the new Government on their priorities, including sustained growth in construction and skills training. We will also work with them on the next steps they take on the Industry Training Board (ITB) Review.

In the previous year (2022-23), our direct and previously subcontracted construction apprenticeship provision in England was inspected by Ofsted. This confirmed what we already knew and the issues we were working on. It also led to our withdrawal from subcontracting as we recognised that the quality of provision needed to be better. We have responded quickly and effectively and, to the credit of all involved, we have seen huge improvements this year. Ofsted has reported Significant Improvement in three areas and Reasonable Improvement in one of their four inspection theme areas. We hope the speed and quality of our response demonstrates that we can provide a high benchmark for the industry.

Furthermore, as part of our Business Plan commitments, we will be investing in our National Construction College's (NCC) estate and plant to improve our learners' experience and to futureproof our sites, as well as in the technology to best support and increase the efficiency of operations across the business.

I am grateful to all our Trustees, our Nation Council Chairs and our committee members for their hard work, passion and support over this year. There is more work to do, and I am enthused by our future plans to support the industry. ●



Peter Lauener
CITB Chair

Chief Executive's introduction

The construction industry has significant skills challenges, and this year we continued with our plans to put employers in the driving seat to ensure our approach is co-owned and transparent.

This year has been a particularly important one for us as it has laid the foundations for a new Strategic Plan. We overachieved on six of our eight Business Plan targets, a testament to our ability to work together to meet the needs of construction employers who are investing in training and upskilling their workforce. Our renewed focus on making skills training accessible to all has resulted in a shift change, with us now engaging employers in training activity predominantly via our Employer Networks and NEST.

This Annual Report and Accounts confirms that our impact is growing, and that our initiatives and support are having a positive outcome on more employers and individuals than ever. Over £128.6m in grants was invested through our Grants Scheme, supporting the training needs of 15,710 employers and 26,349 apprentices. Over £27.1m was spent on funding and targeted interventions, with £7.5m going directly to 2,400 small and micro businesses, supporting more than 38,000 individuals with their training and upskilling needs. And this year's achievements extend beyond the financials. Onsite Hubs provided the experience and skills for 1,150 people to go on and start their careers in construction. Our NEST has worked tirelessly to support employers taking on apprentices and there has been a 5% increase in the numbers of people trained through NCC.

These results are a direct result of the work undertaken to achieve CITB's stated purpose – to support the construction industry to have a skilled, competent and inclusive workforce, now and in the future. Our purpose is uniting and enthusing colleagues and our employer-led committees and councils to drive for the best performance of our support products and services. →

We need to usher in a new era for construction and embark on a paradigm shift in thinking around construction skills.

Our NCC transformation plans, following our Ofsted inspection in 2022-23, are already delivering results with Ofsted reporting Significant Improvement in three areas and Reasonable Improvement in one area of their inspection theme following their monitoring visit in June 2024. Our ambition is for NCC to become a beacon for construction training and skills, and we are committed to a longer-term programme of work, including investing over £40m in the three sites' buildings, infrastructure, and plant, and machinery, over the next three years, with sustainability at the forefront of these changes.

In delivering our plans for 2023-24 we have drawn down nearly £7.5m from the Cash element of our Reserves this year and the trend of spending more than our income will continue whilst our Cash-in-Hand is above our target level. This means that we are able to support more of industry's skills and training needs, while the financial envelope of our Business Plan for 2024-25 includes a further £29.5m reduction in our Cash balances. Further proposals to reduce Cash levels will be considered by the Board to invest in our new Strategy and Strategic Plan for 2025-29.

Looking ahead, our overarching goal is clear: we need to eradicate the skills gap and help bring about a competent and productive workforce. Doing what we do but doing it better is no longer enough, we need to usher in a new era for construction and embark on a paradigm shift in thinking around construction skills. Our 2024-25 Business Plan is a significant step towards changing the skills landscape and future-proofing construction, radically overhauling our targets to ensure they aligned with employers' priorities.

Following the General Election and the appointment of a new Government earlier this year, we are ready to work with the Government, industry and training providers to ensure sustained growth in construction and achieve the Government's homebuilding targets. Our research shows that under the Government's homebuilding plans, up to an additional 152,000 workers will need to be found. The proposed Growth and Skills Levy will have an essential role to play in driving up construction apprenticeship numbers that have declined under the Apprenticeship Levy.

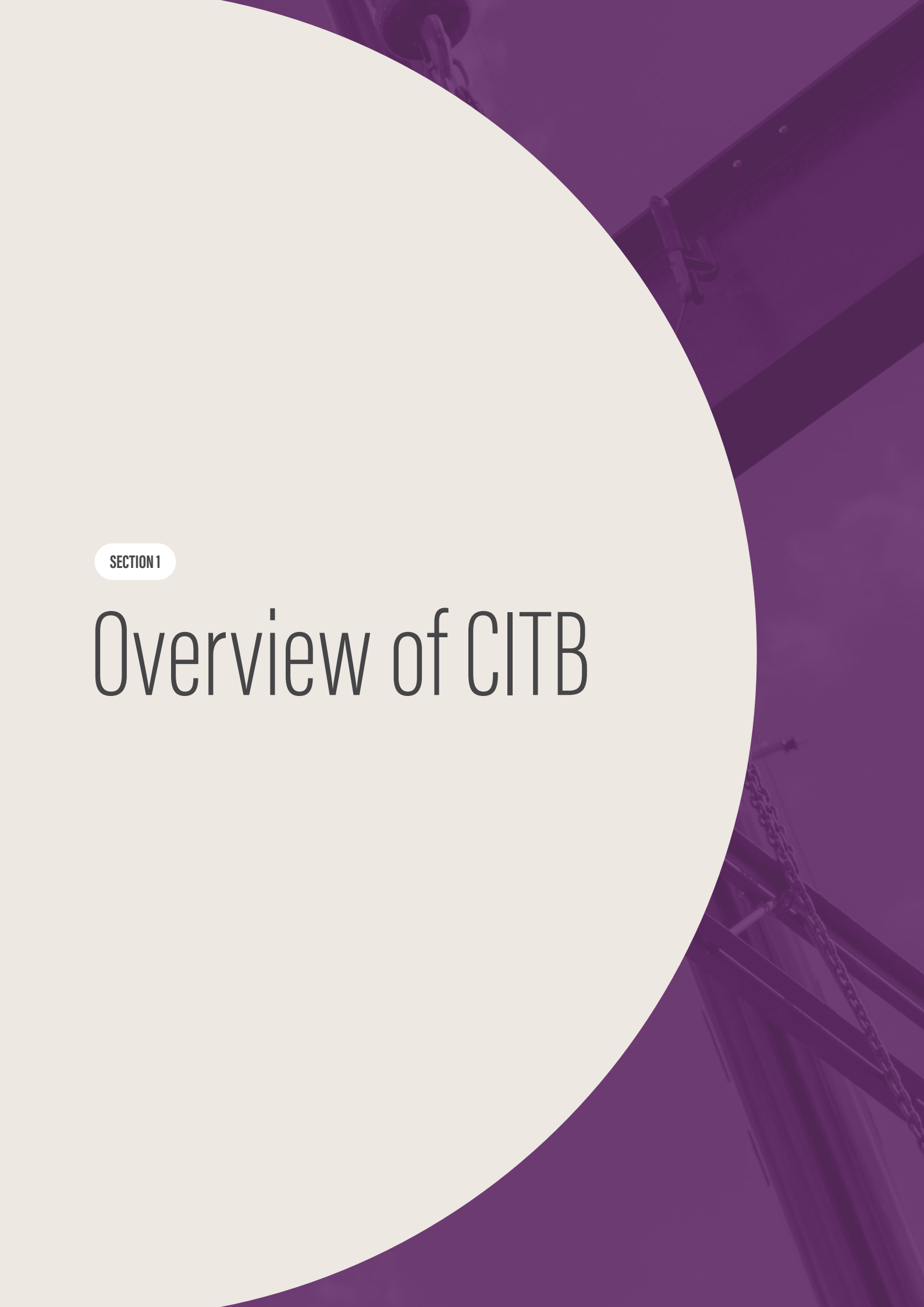
I am excited about the future, and so are my dedicated colleagues. Our shared purpose and vision are clear to see, and we will continue to work with our partners to ensure the skills system is fit for purpose and fit for the future. ●



Tim Balcon
Chief Executive

SECTION 1

Overview of CITB



Our statutory basis

CITB is a statutory corporation and a non-departmental public body (NDPB) sponsored by the Secretary of State for Education. CITB is also registered as a charity in England and Wales (264289) and in Scotland (SC044875).

CITB's charitable activities are mainly funded by the statutory Levy raised pursuant to the Industrial Training Act 1982 and confirmed through Levy Orders passed by both Houses of Parliament. The most recent Levy Order came into force on 29 April 2022. Full details of CITB's powers and responsibilities, as well as the restrictions placed on it, can be found in the Industrial Training Act 1982[1], as amended, and the latest Scope Order 1992[2].

Who we are

CITB is the Industry Training Board for construction in England, Scotland and Wales. Since 1964, we've worked with industry and Government to equip the employers and their workers with the skills and talent they need to succeed. A key part of this, then and now, is to help keep workers safe onsite. CITB's work has contributed to an 85% reduction in onsite deaths since the 1960s.

We help employers attract more people to join the industry, and for them to access high-quality, accredited training when and where it is needed. This includes delivering a variety of training interventions at our NCC.

We provide practical support to employers through a range of products and services. We play a strategic role for the construction industry, identifying immediate and future skills needs and working out how they can be met. Where emerging needs are identified, we commission innovative pilot projects, delivered by employers, that can be ramped up if they are successful. We use our unique position to listen to employers and influence Government policy, so they have the right support.

We help workplaces to become safer, more diverse and productive. This, in turn, helps create and maintain a world-class, sustainable built environment that is of benefit to us all.

Purpose

To support the construction industry to have a skilled, competent and inclusive workforce, now and in the future.

Our charitable status

CITB has been a registered charity in England and Wales since 1972 and in Scotland since 2014. The Board has regard to the Charity Commission's (in England and Wales) and the Office of the Scottish Charity Regulator's (in Scotland) general guidance on public benefit and the Charities Act 2011 when planning activities to achieve its aims. ●



1. Industrial Training Act (www.legislation.gov.uk/ukpga/1982/10)
2. Scope Order (www.citb.co.uk/media/kdxaicg4/02_the_scope_order_1992.pdf)

SECTION 2

Operating Environment

Pages 12 to 15

The construction industry experienced mixed fortunes over the course of 2023-24.

After returning to pre-pandemic levels of output in 2022, growth remained subdued throughout 2023, as a result of deteriorating economic conditions that resulted in the UK entering a technical recession during the second half of the year.

Despite outperforming the wider economy in 2023[1], construction output tailed off over the course of the year with the decrease in output in the fourth quarter resulting from negative growth in all three months of the quarter. In fact, the fall in output in Quarter 4 2023 was the largest negative quarterly growth since Quarter 3 2021[2]. The quarterly fall also came entirely from a decrease in new work, mainly in private housing – a subsector which endured a difficult year due to higher borrowing costs.

Construction output was maintained across 2023 by relatively strong demand for repair and maintenance work, which grew at 8.3% compared to a 2.1% decline in new build. Private new-build housing contracted particularly badly with output falling by 13.6% in 2023 compared to 2022[3].

In a sign that buyers were coming back to the market, UK mortgage approvals climbed in January 2024 to their highest level in six months[4]. However, transactions remained at their lowest level for 17 years[5], highlighting the weakened state of the housing market.

The Bank of England (BoE) raised interest rates three times between April and August 2023 with the base rate reaching 5.25%, the highest level since February 2007[6]. High interest rates have impacted businesses and consumers alike, leading to lower levels of private investment and consumer spending. Persistent inflation pressures continued to add to the uncertainty over when lending rates might come down.

Anecdotal evidence also suggested that the adverse weather of 2023 had a dampening effect on output. Heavy rainfall, strong winds, cold temperatures and frost are all believed to have led to decreasing levels of new work. →

1. Gross Domestic Product: Year on Year growth: CVM SA % - Office for National Statistics (www.ons.gov.uk)
2. ONS Census 2021 data on the Construction Industry (www.ons.gov.uk)
3. ONS Census 2021 data on the Construction Industry (www.ons.gov.uk)
4. Financial Conduct Authority report on mortgage lending statistics, September 2014 (www.fca.org.uk)
5. Monthly property transactions completed in the UK with value of £40,000 or above (www.gov.uk)
6. Official Bank Rate history (www.bankofengland.co.uk)

Highlighting the fall in demand, total new work orders decreased by 20.9% in 2023, compared with the previous year, with falls of 19.0% in private new housing and 22.7% in private commercial[7]. These two sectors combined typically represent 60% of all new-build construction.

On the price front, purchasing costs continued to ease in respect of materials, but wage pressures remained relatively high, despite easing back from 2022 levels, due to widespread skills shortages. Vacancies in construction also continued to ease across the year as a result of decreasing activity and were 10.4% lower in March 2024 compared to a year earlier[8]. However, they remained over a third (37.0%) above pre-pandemic levels and over 50% higher than historic levels. Increasing transportation costs were also a theme in 2023-24 partly as a result of increased tensions in the Middle East.

Slowing growth has undoubtedly taken some of the heat out of the labour market, but it has also led to a rise in the number of insolvencies, which reached their peak in May 2023. They have since fallen back closer to pre-pandemic levels, but with potentially fewer firms competing for work, it is another reason why workloads for those remaining firms have remained reasonably buoyant despite decreasing demand.

In numbers:

Construction remains about

17%

below pre-pandemic levels

Up to a

50%

reduction in self-employment numbers in some occupations

Many businesses have been working at full or near to full capacity due to a shortage of workers. This has also impacted levels of training, with a significant proportion of firms reporting that staff have been too busy to offer training, or that a shortage of staff has been a constraint on training activity. This is a situation that highlights the self-reinforcing nature of skills shortages, with a shortage of skilled staff available to train people leading to further skill shortages.

In terms of the construction workforce, the number of redundancies[9] and long-term unemployed[10] whose last job was in construction increased across the course of 2023 despite high levels of vacancies, highlighting the mismatch between supply and demand. The construction workforce was 1.0% smaller at the end of 2023 compared with a year earlier, with the reduction coming from a fall in the number of those in direct employment[11]. However, it is worth noting that the number of self-employed workers in construction remains about 17% below pre-pandemic levels whereas the number in direct employment remains broadly comparable. The reduction in self-employment has been particularly apparent among skilled tradespeople and older workers, where some occupations have experienced up to a 50% reduction in self-employment numbers. →

7. Dataset: New orders in the construction industry (www.ons.gov.uk)
8. Dataset: VACS02, Vacancies by industry (www.ons.gov.uk)
9. Dataset: RED02, Redundancies by age, industry and region (www.ons.gov.uk)
10. Dataset UNEM03: Unemployment by previous industrial sector (www.ons.gov.uk)
11. Dataset EMP13: Employment by industry (www.ons.gov.uk)

There appears to have been little further success in attracting back self-employed workers lost as a result of the pandemic and those who left the industry due to ill health or early retirement. Research in 2023 showed that one in five employers failed to recruit the sub-contractors or self-employed workers they needed in the previous 18 months[12].
Many also had to change their approach to recruitment due to applicants being unsuitable or of poor quality. Businesses have had to increase their use of social media and look to recruit less experienced or younger staff. So, even with a high number of job openings and strong wage growth, construction has struggled to meet its recruitment needs even in a relatively fallow period of demand. A period of sustained growth is likely to exacerbate skills shortages.

Despite high levels of confidence from firms that they will survive this period of low growth (eight in ten firms say they are confident that their business will survive), many are planning on making redundancies, laying off self-employed or temporary staff, or cutting back planned recruitment of apprentices[13].
Data on potential redundancies have shown an elevated number of firms planning to make redundancies since January 2023[14].

While such cuts may be necessary to navigate difficult and uncertain economic conditions, they also potentially undermine the capacity for medium- and long-term growth. What has become abundantly clear from the labour market shocks caused by Brexit and the pandemic is that the UK labour market is facing unparalleled and unpredictable supply-side challenges. Record levels of labour market inactivity and increased competition to find the right skills mean that sectors are increasingly likely to be presented with fewer and less suitable applicants. Retaining the workers already in the industry has never been more important.

This is a challenge when having a reliable pipeline of work is so crucial to business planning and demand is stagnating, but finding a way to retain and upskill existing staff during this period of weak growth is possibly a greater challenge than that of attracting new recruits. If the industry can't hold on to what it's got, then it has little chance of attracting new entrants.

The present downturn will pass, and growth will return in time. The challenge for industry is to find a way of meeting today's needs without jeopardising tomorrow's future.

12. CITB Employer Panel (August 2023), Unpublished
13. CITB Employer Panel (August 2023), Unpublished
14. Dataset: HR1, Potential redundancies (www.ons.gov.uk)

SECTION 3

Strategic Report

Pages 16 to 27



Review of 2023-24: Achievements

PUTTING EMPLOYERS IN THE DRIVING SEAT

CITB exists to support skills and training needs of construction employers across Britain. This year we empowered employers by giving them a greater say on how their short- and long-term training needs were supported. Our three long-term priorities (outlined below) were the focus of our work, and these were underpinned by ensuring employers had easy access to our existing products and services, allowing them to secure affordable skills training.

We invested over £268m during the year, with more than £155.7m of that invested in direct employer funding. This included grants, such as for apprenticeships and training courses, and other funded training activity, such as through commissioning.

Our work this year focused on tackling three key challenges: improving the construction industry's people pipeline; creating defined training pathways; and delivering an efficient training supply. These challenges impact on each part of the talent pipeline, from inspiring people outside of the industry to choose construction as their career, through to retaining existing talent.

We raised the profile of construction careers through our popular Go Construct and Go Construct STEM Ambassador initiatives. Meanwhile, our Onsite Experience Hubs and Taster Experiences offered an alternative route into construction, building a bridge between education and work. Apprenticeships remain at the heart of addressing the skills demand, so we continued to invest in and support thousands of apprentices and their employers.

Demand for training has returned, and we saw significant increases in the number of employers and individuals supported and trained through our interventions. There was strong demand for our apprenticeship and qualification grants and the doubling of short duration grants has led to an increase in training undertaken by employers. These increases show that demand for our training and support services was buoyant in 2023-24 and that more employers were making use of the CITB support available to them.

Our network of advisers helped businesses across the country access the funding, training and support that CITB offers. We placed a particular focus on supporting SMEs. Our NEST has supported employers with apprenticeships, helping them access the right training and financial support to allow apprentices to thrive.

Underpinning all this work are our standards and the development of our Competence Frameworks. Together, these help us give employers and individuals the assurance that their training and qualifications are of the highest quality and delivered to a universal standard.

We have used our unique position to listen to employers and influence Government policy, so they have the right support when it comes to complying with and adapting to new legislation. ●

Improving construction's people pipeline

Over
1.4m

Visits to the Go Construct website

858

Go Construct STEM Ambassadors recruited

Over
6.3k

Individuals registered with Talentview

2,340

Individuals helped by NEST to start an apprenticeship

> **"It's great to see a local company help inspire the next generation of construction employees and it is clear that the sessions had a huge impact on the children's perception of and interest in a career in construction."**
>
> **Laurence Stone,** Senior Customer Engagement Manager, Taster Session delivered by RG Kellow Ltd in conjunction with CITB.

Over
29.4k

Learners supported with apprenticeship grants

26.5k

Taster sessions delivered by our Customer Engagement team

Creating defined training pathways

9

Competence Frameworks have now been completed

> **"The Plant Sector Representative Organisation (PSRO) recognises the importance of the introduction of these CITB (plant) training standards and their role in ensuring the high-quality and consistent learning, coupled with robust quality assurance processes, that is required to develop the skills and knowledge for the safe operation of plant."**
>
> **Peter Brown,** PSRO Secretariat, on the new plant standards and grant that were introduced this year.



REVIEW OF 2023-24: ACHIEVEMENTS 3 / 3

Delivering an efficient training supply

19.4k

Qualification grants issued

£77.9m

Issued in apprenticeship grants

An increase of

218%

Employers joining and accessing training through Employer Network

> **"The CITB grant will enable Novus to implement several leadership programmes to equip managers with the tools for today and tomorrow. With an ageing workforce and fewer people joining construction it is essential that we progress in this space."**
>
> **Matt Pitt,** People Director, Novus Solutions, on the Leadership and Management Fund made available to employers.

An increase of

5%

Individuals trained through NCC

173k

Short duration training courses received grant support

An increase of

16%

Individuals supported through Site Safety Plus

11,403

Individuals supported by Employer Network



KEY PERFORMANCE INDICATORS 1 / 4

Key performance indicators

MEASURING SUCCESS FOR THE CONSTRUCTION INDUSTRY

We report on our performance supporting employers and the industry through a series of key performance indicators (KPIs). The Board agreed eight Business Plan KPIs for 2023-24, covering three key priorities. These are measured via interventions either delivered by industry, by CITB, or nationwide to pursue continual improvement in our support of the construction industry.

Of the eight measures (as per table 1 on page 21), six exceeded their targets, with three achieving 'Better' performance and three 'Best'. Of the two which fell short of their targets, one did not meet its volumetric target. For the final indicator, Competence Frameworks, we successfully completed them, but the Frameworks still need to be agreed with industry. In addition to the 2023-24 Business Plan KPI measures, we have undertaken several new activities and initiatives with some outlined in the next pages: →

Six out of eight business plan KPIs exceeded their targets, with three achieving 'Better' performance and three 'Best'.



KEY PERFORMANCE INDICATORS 2 / 4

TABLE 1: SUMMARY OF BOARD KPIs – RESULTS AND STATUS

PRIORITY	KPIs	TARGET	PERFORMANCE
Improving construction's people pipeline	Increase in the number of Taster Opportunities available	4%	105%
	Increase in the number of people accessing CITB careers support	4%	12%
	Increase in the number of CITB Apprenticeship starts	4%	-3%
	Increase in people in sustained employment for three months through Onsite Hubs	15%	85%
	Increase in individuals supported into employment from FE	7%	20%
Creating defined training pathways	Industry skills demand covered by agreed competence and training pathways	20%	0%
Delivering an efficient training supply	Increase in individuals trained or supported	4%	7%
	Increase CITB training support accessed by employers	5%	12%

Continuous Improvement Framework Key
Need Improvement: Volumetric below target
Good: Volumetric on target/below 3%
Better: Volumetric between 3% and 15% of target
Best: Volumetric 15% or more of target

KEY PERFORMANCE INDICATORS 3 / 4

IMPROVING CONSTRUCTION'S PEOPLE PIPELINE

We delivered more than 29,000 sessions in 2023-24, representing a significant increase over the previous year. Taster opportunities enlighten and excite more and different people into the construction industry, providing career changers and young people with an engaging and positive experience. Increasing Taster Opportunities allows more potential entrants to explore options to progress their interest in a construction career.

We have seen increases in people accessing CITB career support via Go Construct, Talentview Construction, Go Construct STEM Ambassadors and SkillBuild. The increase in visitors to our Go Construct website suggests that more people are considering a career in the industry. The Ambassador Programme also continues to grow, completing more engagements and reaching more young people than previous years. SkillBuild also reached more competitors and more diverse audiences, implying that construction careers are being increasingly seen as attractive by potential entrants from a wider cross section of society.

Apprenticeships starts have, however, decreased. In England, we paused recruitment until we had a more robust programme and resources in place to deliver successful outcomes for learners, while in Scotland the slight drop off was due to employer fall out. In Wales, numbers showed a small increase.

Our Onsite Hubs initiative also grew, with more than 1,150 people accessing sustained employment for three months or more, while our two new Onsite Hub Commissions in England and Scotland attracted more than 730 people, which demonstrates that more people are filling skills gaps and shortages.

We have seen a significant increase in the number of individuals supported into employment from Further Education, with more than 29,400 supported through the Apprenticeship Grant. NEST has supported employers to claim grant and funding for skills and training for more than 2,300 individuals. The increase in starts demonstrates that new entrants have access to skills and longer-term opportunities that will enhance their understanding of the construction industry and will contribute to filling skills gaps/shortages and improving employability.

In numbers:

More than

29k

tasters delivered, significantly above last year

1,150

people accessing sustained employment for three months or more

200

apprentices receiving mental health awareness training

A key priority for CITB is to promote Fairness, Inclusion and Respect (FIR) initiatives and to support changes to the construction industry's culture. The FIR commission significantly exceeded its end-year targets for SMEs and individuals trained, driving greater inclusivity in businesses across the industry.

The importance of working to create a more open and inclusive environment, where learners can get the mental health support they need, has been supported by the Mental Health Commission with 200 apprentices receiving awareness training during the year.

CREATING DEFINED TRAINING PATHWAYS

Competence Frameworks are a set of skills, knowledge and behaviour statements that set out what a person needs to do in a particular role to be deemed competent. There are 70 Competence Frameworks, of which nine have been completed and have been passed to their relevant Super Sector working groups for agreement, who are industry experts familiar with an occupation. These Frameworks are now expected to be agreed with industry mid-year, and the full set will be completed in 2024-25. The overarching aim is for CITB to train and develop a more competent workforce.

We have continued our ongoing cycle of updating standards to ensure training delivers the skills that the industry needs both now and in the future. We have worked with the Welsh and Scottish Governments throughout the year to influence apprenticeships, with degree apprenticeships launched in Wales, while in Scotland we hosted a reception in the Scottish parliament for more than 100 stakeholders. →

KEY PERFORMANCE INDICATORS 4 / 4

DELIVERING AN EFFICIENT TRAINING SUPPLY

The increase in the number of individuals supported exceeded our target, with Employer Networks supporting more than 11,000 individuals and qualifications grant more than 19,600. We saw a 5% increase in people trained through NCC, which was short of our Business Plan target of 7%. This suggests that employers are continuing to train their staff, with in-house training increasing since last year.

In addition, our Specialist Applied-skills Programme (SAP) has supported more than 200 starts and more than 40 achievements in Level 2 and 3 National or Scottish Vocational Qualifications. Our new Homebuilding Bricklaying and Roofing Commission and Brickwork Upskilling Commission have supported more than 750 individuals between them, and our Leadership and Management Commissions has delivered more than 2,100 modules.

Furthermore, our Digital Leadership, Procurement Practice, Roof Certificate Accreditation, Bricklaying (ABC) and Brickwork Masterclass Commissions are all significantly exceeding their targets through to 2023-24, delivering more than 26,600 beneficiaries, with over 5,000 in 2023-24 alone.

We saw increases in the number of employers supported through grants and funding, NCC, Training Groups and Employer Networks. The most significant increase was from our new Employer Networks, demonstrating that employers are continuing to increase their investment in training.

Recognised training provision has expanded with an increase of 5.49% in Approved Training Organisations (ATOs), showing that more approved providers are actively involved in construction training than previously.

CITB continues to offer core skills in Health, Safety and Environment (HS&E) and Site Safety Plus (SSP) training to industry, and the Leadership and Management Fund has seen significant numbers of both employers and individuals supported. Three commissions have been set up to support the provision of competent Trainers and Assessors, demonstrating delivery of an effective training supply to industry. •



FINANCIAL REVIEW 1 / 4

Financial review

Supporting skills acquisition and economic recovery in the construction industry

OVERVIEW

2023-24 saw the construction industry continue its post-pandemic recovery, and employers' confidence grew sufficiently for them to begin reinvesting in the development and training of their workforce. We saw a significant upturn in grant claim applications across the board and in applications for access to funding, resulting in a large increase in both the number of employers and individuals being supported compared to the previous year.

Levy income, our primary source of funding, increased compared to last year, and the collection of the Levy remained strong across the year. This performance reflected the strengthening post-pandemic economic environment across the industry and supplemented by increased receipts of Non-Levy income and support from our reserves, enabled us to deliver more support to industry than was initially forecast in our Business Plan 2023-24.

RESULTS FOR THE PERIOD

In 2023-24, CITB drew down £7.5m from the Cash element of its Reserves (2022-23 saw an increase in reserves of £8.4m), which was £4.4m lower than anticipated in the published Business Plan, where we expected a £11.9m deficit. This variance comprises industry increasing its demand for training and support through our various grants (£21.9m), whilst the distribution of monies from our funding initiatives was slower than expected (being £15.4m below budget) as employers increased their investment in non-mandatory training. Our professional fees and charges were £2.9m higher than expected, principally to support improvements in the NCC following its Ofsted inspection, while our staff related costs were £5.1m higher than budget following the outcome of a long-delayed salary benchmarking exercise, which was also impacted by the changes in economic circumstances and the increase in the cost of living.

Employers' confidence grew sufficiently for them to begin reinvesting in the development and training of their workforce.

Non-Levy income recognition was also £10.9m higher than expected, driven mainly by increased investment income (£3.9m) as interest rates increased throughout the year, additional support for English (£0.2m) and Scottish (£1.7m) apprenticeships, and our commercial products outperforming expectations and generating £1.9m more than was budgeted for. Commercial income arising from training conducted through the NCC, however, was £0.8m below expectations as the College focused on addressing the recommendations arising from its Ofsted inspection. The conclusion of the audit by the Education and Skills Funding Agency (ESFA) of CITBs former sub-contracted apprenticeship provision in England and Wales has resulted in £3.9m being released from the provision. →

Non-Levy income and support from our reserves, enabled us to deliver more support to industry than was initially forecast.



LEVY INCOME

Statutory Levy income is the principal source of funding for CITB, and its main use is for the provision of grants to support the construction industry to retain, train and upskill new entrants and existing employees in response to changing demands for skills, to expand and focus the capacity and capability of training provision, and to address the future skills needs of the industry.

Levy income for the period was £202m (2022-23: £170.6m), comprising £201.8m (2022-23: £169m) in respect of the current year assessment (net of current Levy year's bad debt), and an increase in respect of prior years' assessments of £190k (2022-23: £1.5m). The total amount of Levy recognised was higher than predicted in our Business Plan 2023-24.

The Levy rates applied in 2023-24 were unchanged, at 0.35% on direct labour payments (PAYE) and 1.25% on net Construction Industry Scheme (CIS) payments. We also maintained the exemptions and reductions for small businesses. Employers with a turnover below £120,000 were exempt from the Levy, while companies with a turnover above £120,000 but below £400,000 received a 50% reduction in the Levy.

On 31 March 2024, the number of employers on the Levy and Grant register was 75,832 (74,670 on 31 March 2023). The increase is due to the fluctuations in the register with new employers added and employers who are no longer in-scope removed. It also takes into account write-offs for employers who have gone into liquidation and ceased to trade.

NON-LEVY INCOME AND OTHER INCOME

Non-Levy income in 2023-24 was £55.8m (2022-23: £33.7m). This mainly comprises health and safety testing £12.7m (2022-23: £13.3m), managed apprenticeships income £12.1m (2022-23: £10.2m), the release of the apprenticeship clawback provision (£3.9m) to reflect the outcome of the 2018/19 and 2019/20 ESFA audits, eLearning and publications £9.7m (2022-23: £8.6m), Site Safety Plus £6.1m (2022-23: £6.1m), NCC commercial income £4.8m (2022-23: £5.1m), and other miscellaneous income (£1.4m). Additionally, with the change in economic conditions and the raising of interest rates, the income earned from notice accounts grew substantially this year to £5.1m (2022-23: £900,000).

GRANTS SCHEME

Grant expenditure in the year was £128.6m, significantly up from £85.3m (51%) in 2022-23. The increase was 25% higher than expected as industry returned to investing in training its workforce following the pandemic and as economic conditions improved over the last 18 months. As an example, CITB grants helped support 26,349 (2022-23: 22,803) apprentices through Attendance and Achievement Grants and 17,046 (2022-23: 14,300) learners achieving vocational qualifications. The total number of employers, from micro to large, who were supported by the receipt of grant was 15,710 (2022-23: 14,523). →

26,349 **apprentices helped through attendance and achievement grants**

FINANCIAL REVIEW 3 / 4

FUNDING SCHEMES

In total we spent £27.1m on funding (2022-23: £20.2m). That figure is 34% up from the prior year, but £15.4m less than planned. We invested £12m through our Skills and Training Fund, £7.7m of which supported 38,248 individuals in 2,400 small and micro businesses, £4m in our successful Onsite Experience Taster commissions, £3.1m through our Training Groups, and £2.6m via our new Employer Networks for businesses to access skills and training provision in their locality.

NON-GRANT EXPENDITURE

Our non-grant expenditure, including staff costs, totalled £114.8m (2022-23: £90.6m), reflecting our investment in rebuilding the capacity and capability of the organisation to deliver our new Strategic Plan. This figure was £11m above our expectations, driven by modest growth in resourcing and the cost of living crisis significantly impacting upon our cyclical benchmarking of salaries (£3.9m), as well as investment in the NCC. This was, in part, offset by a reorganisation of our Communications and Marketing function (£1m) and other minor efficiencies and savings.

RESERVES

Reserves are required to cover delays in income receipts, accelerated grant claims, costs that are outside of our control, and to ensure continued construction industry funding, in line with our charitable objectives.

Reserves as of 31 March 2024 are £95.2m (2023: £102.7m). Although reducing, the Board recognises that our Cash reserves are still substantially higher than our policy floor minimum level of £40m. The draw down of £7.5m was £4.4m less than expected, due to additional income being recognised in year, but this still meant that we were able to further support industry's skills and training needs beyond our plans this year, and to utilise the receipt of Levy which held-up during the pandemic, as well as when there was a lack of demand for training grants and funding, leading to this accumulation.

It is acknowledged that the industry's demand for skills and training is cyclical and mirrors economic conditions. Our Business Plan 2024-25 continues to plan for a reduction in our Cash balances of £29.5m by 31 March 2027. Further proposals to reduce the accumulated level of Cash-in-Hand will be considered by the Board in 2024-25 to invest in our new Strategy and Strategic Plan 2025-29, which was delayed a year pending the outcome of the ITB Review and will underpin the next Consensus and Levy Order. →

TABLE 2: RESOURCE ALLOCATION

RESOURCE TYPE	2023-24	2022-23
Levy income	**£202m**	**£170.6m**
Grants Scheme	**£128.6m**	**£85.3m**
Apprenticeship grants	£77.9m	£61.5m
Qualification grants	£18.6m	£8.1m
Short duration grants	£32.1m	£15.8m
Funding	**£27.1m**	**£20.2m**
Skills and Training Fund	£12m	£8.9m
Employer and industry support funding	£15.1m	£11.3m

OUR FUTURE PLANS

Our Business Plan 2024-25 sets out our detailed plans for the year ahead and outlines those for the next three years as we prioritise investment against improving the skills system, focusing on putting the foundations in place so employers and individuals can access the right training, in the right place and at the right time for them. In essence, the Plan reflects CITB's purpose demonstrating how we will "support the construction industry to have a skilled, competent and inclusive workforce, now and in the future" by:

- Informing and enabling diverse and skilled people into construction
- Developing a training and skills system to meet current and future needs
- Supporting the industry to train and develop its workforce.

These three key priorities will impact on each part of the talent pipeline, from inspiring new people – young and old – to choose construction as their career, through to retaining and upskilling the existing talent in the industry. ●



Our Purpose

"Support the construction industry to have a skilled, competent and inclusive workforce, now and in the future."

SECTION 4

Structure, Management and Governance

Pages 28 to 57

Structure

The Construction Industry Training Board (CITB) is a statutory corporation, an executive Non-Department Public Body (NDPB) sponsored by the Secretary of State for Education and is required to comply with its statutory obligations and functions as set out in the Industrial Training Act 1982. CITB is also a registered charity in England, Wales and Scotland and is regulated respectively by the Charity Commission (in England and Wales) and Office of the Scottish Charity Regulator (in Scotland).

The CITB Board comprises non-executive directors, known as Trustees, to reflect CITB's charitable status. For the period 2023-24, in accordance with statutory requirements, the Board comprised a majority membership of employer Trustees supported by independent Trustees. The Board is also supported by an Executive Team and the following five Board Committees: Audit and Risk; Industry Funding; Nomination, Appointments and Remuneration; Levy Strategy; and National Construction College and Apprenticeships. Additionally, the Board receives strategic insights and feedback from three Nation Councils – Scotland; Cymru Wales; and England.

Trustees make the high-level strategic decisions about the organisation. The CITB has Board Reservations and a Scheme of Delegation in place which sets out the authorities reserved by the Board and the authorities delegated to its committees. All other authorities are delegated to the CEO. The CEO can then determine which of these authorities to retain for themselves, and which to delegate to other officers in the organisation.

The CITB Board complies with the principles and provisions within the Code of Good Practice for Corporate Governance in Central Government Departments as appropriate and in line with CITB's statutory duties. The only departure from this is in respect of CITB and the Department for Education (DfE) having an agreed Framework Document in place, appropriately reflecting the charitable status of CITB. This document is currently being finalised. The CITB Board also adheres to the Charity Governance Code. ●

Trustees

For the period 2023-24, the CITB Board consisted of:


Peter Lauener (CITB Chair)


Tony Elliott (left on 21 June 2024)


Louisa Finlay


Diana Garnham (left on 31 December 2023)


Michael Green


Owain Jones


Kevin McLoughlin


Holly Price


Sophie Seddon

On 1 April 2024, five new Trustees were appointed to the Board of Trustees:


Herman Kok


Rachael Cunningham


Stephen Gray


Julia Heap


Nikki Davis

As specified in Schedule 1 Section 1 of the Industrial Training Act 1982, Board members are appointed by Secretary of State following a public appointment process governed by the Office for the Commissioner of Public Appointments (OCPA), including the advertising of vacancies on the Government's Public Appointments website.

https://apply-for-public-appointment.service.gov.uk/roles

TRUSTEES 2 / 3

Whilst the Secretary of State has the discretion to decide upon the length of tenure for Trustees, the usual tenure is four years with the possibility of re-appointment for another four years. By exception, the Secretary of State may decide to reappoint a Trustee for a third consecutive term in office, although there is a strong presumption that no individual should serve in one post for more than 10 years.

The Board is headed by the Chair Peter Lauener, who took up this post on 1 May 2018 and was reappointed on 1 May 2022 to serve a second term of office. All Trustees, apart from the Chair, are unremunerated but reimbursed reasonable expenses. Trustees are required to have relevant senior experience, with the majority of their work within the construction industry, having been recruited for their broad range of industry skills, background, and experience. The other Trustees have been appointed as independents and bring additional and appropriate insight to ensure that there is a good balance of skills, knowledge, and experience across the Board as a whole.

With the addition of a fifth standing Board Committee – the National Construction College and Apprenticeships Committee – it has been agreed with DfE that Board membership be increased from 11 Trustees to 13 during the 2024-25 financial year to support the additional work that has come with this change, and to further enhance the Board's succession management processes.

The advert for new Trustees went live in August 2023, with interviews in December 2023. Appointments were made on 1 April 2024. All incoming Trustees receive a comprehensive induction process, supported by CITB's Governance Team. Further support and training (both formal and informal) is provided to Trustees on an ongoing basis. Trustees liaise regularly with relevant Executive Team members in relation to specific Board, Committee and Nation Council matters. →



Further information relating to the Board of Trustees is available on our website:

www.citb.co.uk/trustees

TRUSTEES 3 / 3



BOARD PERFORMANCE

The purpose of the Board is to ensure that CITB fulfils its statutory and charitable purposes by setting and maintaining the vision, mission and values of the organisation, to develop and shape its future direction and strategy, whilst adhering to the principles of the Framework Document (currently in draft) negotiated and agreed with DfE, and to ensure good corporate governance. It acts in accordance with the Board's standing orders and delegations, and provides leadership, advice and challenge to the Executive Team on the management and performance of the organisation.

Every three years, we commission an external review of the effectiveness of the Board. The next of these is due in 2024-25. This review cycle is also supplemented by annual internal effectiveness reviews of the Board, its Committees and the Nation Councils. The connectivity between these governance groups continues to strengthen. Over the coming year, there will be an increased focus on offering members relevant training opportunities to help support them to discharge their governance responsibilities, which include holding CITB to account in the delivery of its purpose: "To support the construction industry to have a skilled, competent and inclusive workforce, now and in the future". Additionally, an annual appraisal of the Board Chair is undertaken by DfE, while individual appraisals of Trustees and Nation Council Chairs are conducted by the Board Chair.

The Board met eight times in 2023-24 and considered key issues such as the ITB Review and the development of the new Strategic Plan. With the ITB Review having commenced in June 2023, the Board decided to delay the publication of the then 2024-28 Strategic Plan pending the outputs from the Review. This resulted in the Board seeking a one-year Levy Order for 2025 and delaying the Consensus process for a year. During the 2023-24 financial year, the Board also considered the 2024-25 Business Plan, the development and delivery of the Employer Network pilot scheme and the impact this would have on Training Groups; the introduction of the NEST; the continued delivery and performance of Onsite Hubs; and competency in the industry and CITB's role in this area.

Overall, the Board has been pleased with the quality of data and information provided to support Board discussions and decisions. The establishment of the NCC and Apprenticeships Committee in March 2023 has ensured that the Board have an overview of the NCC and Apprenticeships performance and this has resulted in more robust decision making. ●

GOVERNANCE 1 / 8

Governance

AUDIT AND RISK COMMITTEE (ARC)

The Audit and Risk Committee is a committee of the Board that supports its strategic leadership with corporate oversight of strategy and performance. The Committee is charged with ensuring that the Board and the Accounting Officer gain the assurance they need on the adequacy and effectiveness of CITB's arrangements for risk management, governance and control. Within this, the Committee engages with internal audit, the work of the external auditor, financial reporting issues, and annually reviews key corporate policies for recommendation to the Board for approval. There were five meetings of the Audit and Risk Committee during 2023-24, and the Committee fulfilled its Terms of Reference.

The Committee has three Trustee members: Diana Garnham was the Chair until December 2023; Louisa Finlay and Peter Lauener subsequently chaired one meeting each as interim Chairs; Julia Heap took on the Chair from July 2024. The Committee benefits from the contribution of two external members, who bring additional depth of experience and expertise. In addition, other observers and attendees from our Internal Audit delivery partners (Grant Thornton), Sponsor Department (DfE) and the External Audit team from the National Audit Office (NAO) contribute to the breadth and robustness of scrutiny and discussion.

RISK

A strategic and operational risk management process has operated throughout the year. Strategic Risks were reviewed and updated to reflect those that might impact on the achievement of the updated Strategic Plan, and the process has been strengthened by a formalised assessment of risks against the Board's Risk Appetite, which had been formally defined in February 2023. Regular reports on risks provided the Committee with assurance that risks were being identified, assessed and managed appropriately against the tolerances set by the Board. Where risks were identified as exceeding tolerable levels, related action plans prepared by management were considered, and progress to bring the risk to within tolerance monitored. The Committee also undertook a horizon scan to consider potential upcoming risks.

GOVERNANCE

The Committee supported the work of the Board in reviewing its Risk Management Policy, including its risk appetite. Maintaining its focus on key risks and the implementation of risk mitigation plans, the Committee carried out deep dives into several high-risk areas including HR, IT systems, cyber security, grant claims, countering the risk of fraud, and business continuity. The Committee continued to take a particular interest in the operation of controls for the delivery of apprenticeships and training through NCC and monitored the progress of work to resolve issues and improve governance and processes. The Committee noted that controls in this area had been strengthened significantly over the course of the year providing a foundation for performance enhancements in 2024-25. →



GOVERNANCE 2 / 8

INTERNAL AUDIT

The Committee approved the internal audit plan for 2023-24, kept the plan under review and approved amendments during the year. The full 2023-24 plan was completed, except for the deferral of a planned audit of Communications because of changes taking place in that function. Internal audit work provided the Committee with assurance across a wide range of areas, including Information Governance, Contract Management, income from Health, Safety and Environment Tests, Health and Safety processes, and controls to counter the risk of fraud. The effectiveness of internal audit activities was monitored through progress reports from the Head of Audit and Risk received at each meeting. These set out the findings from each audit and the actions that management had agreed to undertake in response. The results of internal audit work evidenced that the framework of controls had been maintained during the year and strengthened in certain areas, in particular in relation to delivery of apprenticeships, but also highlighted that in some operational areas internal controls required improvement. These included enhancing business continuity planning and processes for follow-up actions in respect of unpaid Levy. The Committee will continue to monitor the completion of agreed actions in response to audit recommendations and the revised assessment of risk and controls derived from further audits in 2024-25.

The Committee received and endorsed the Head of Audit and Risk's annual opinion that CITB's systems of governance, risk management and financial control are generally satisfactory, but that improvement is required to internal controls in areas other than these. While this opinion was similar to that for 2022-23, it was recognised that there had been significant improvements to controls during 2023-24 and that as audits had not identified any significant new areas requiring improvement, the required further actions were already planned to be taken in 2024-25.

EXTERNAL AUDIT

The statutory external audit of the Annual Report and Accounts was performed by the NAO on behalf of the Comptroller and Auditor General, in accordance with the Industrial Training Act 1982. The NAO attended all five meetings of the Committee in 2023-24. An update report was provided for each Committee meeting and an interim audit enabled the Committee to understand progress and pinch points, and to identify issues for further review. The Committee reviewed the Audit Plan in advance of the audit commencement and reviewed the Audit Report and findings. CITB had received an unqualified certification for the 2022-23 year, and the Committee continues to monitor the implementation of the Management Letter recommendations and Management Responses to the audit findings.

The Committee acknowledges the recommendations resulting from the NAO 2022-23 Audit Completion Report and interim update report on the 2023-24 Financial Statement Audit. The recommendations have either been actioned or form part of an ongoing action plan for completion. The Committee supports the delivery of this action plan, which has been closely monitored.

CITB also receives additional assurance from other external bodies on specific activities and/or functions, including from Ofsted for NCC and Apprenticeships, and the BSI where CITB holds accredited standards, e.g. in Health and Safety. →



NOMINATION, APPOINTMENTS AND REMUNERATION COMMITTEE (NARCO)

The Nomination, Appointments and Remuneration Committee (NARCO) supports the Board in the delivery of its responsibilities in respect to proposals regarding organisational-wide remuneration and bonus schemes, CITB's people and culture strategy, pension arrangements, senior appointments, departures, and key HR policy and practice across the organisation. The Committee has three Trustee members. Tony Elliott was the Chair throughout 2023-24. The Committee met five times and provided advice to the Board regarding appropriate pay awards, performance management and the People Strategy.

A major focus for the Committee in 2023-24 was the development and benchmarking of a new pay and grading framework, which was approved by the Board and then implemented.

During the year, NARCO members worked with CITB's Chief Executive Officer to recruit and appoint Nadine Pemberton Jn Baptiste as interim Executive Director for Legal, Governance and Compliance in December 2023 following the departure of Emma Black in September 2023. Additionally, Deborah Madden was appointed as Executive Director for Nations Engagement in December 2023 and Kirsty Evans as Executive Director and Principal for National Construction College (NCC) in March 2024.

NARCO also recommended to the Board the re-appointment of the England and Scotland Nation Council Chairs for a second term and was involved in the appointment of a new Wales Nation Council Chair from July 2024.

Succession planning for Executive Director and Leadership roles will continue to be a focus for NARCO, as well as the development of CITB's Total Reward Framework. Additionally, NARCO continues to support the Executive Team to embed CITB values and culture, fostering a customer-led, productive and engaged workforce in support of our mission. →

GOVERNANCE 4 / 8

INDUSTRY FUNDING COMMITTEE (IFC)

The Industry Funding Committee (IFC) is a decision-making body with delegated authority from the Board to authorise industry funding of up to £5m for any one commission or funding scheme. The Committee is tasked with assisting the Board in adopting a funding strategy which supports CITB's strategic aims, then monitoring the delivery and impact of this funding strategy and ultimately making resultant recommendations to the Board as necessary.

During the 2023-24 financial year, the Committee moved to focus more sharply on reviewing the funding investment proposed as part of the Strategic Plan and annual Business Plan. All budget allocated via funds, the Grants Scheme and commissions were reviewed by the Committee. There was also an increased focus on the alignment of funding against outcomes and greater consideration of the expected impact of investments. Following a series of detailed discussions regarding the relative value of different funding interventions, principles around additionality and an assessment of the return on investment, the Committee agreed and gave recommendation to the Board on the investment priorities for the then 2024-28 Strategic Plan and 2024-25 Business Plan. The Committee's advice shaped the proposals which were signed off by the Board. The Committee took these decisions in the context of the industry's response to a large-scale consultation completed in the summer of 2023, which provided a customer perspective on overarching priorities as well as specific information about views on how much support should be provided for different categories of training.

Throughout the financial year, Committee members worked closely with CITB to use quantitative and qualitative sources of information, including performance dashboards and deep dives to monitor the performance and impact of CITB's grants and funding schemes, employer funds, commissions and pilots.

The Committee monitored progress against recommendations set out in the Employer Funding Review and provided advice and insight into the ongoing improvement of funds, including expansion of the Industry Impact Fund scope. A member of IFC, Hannah O'Sullivan, was delegated to support the decision-making process for high-value bids coming through the Industry Impact Fund. As well as focusing on funding investments to deliver the Strategic Plan, the Committee also provided enthusiastic support for proposals to simplify funding channels and develop arrangements that will facilitate longer-term investment in training via alternative routes. Views were provided on specific matters such as the development of Employer Networks and the role of Training Groups.

Holly Price has continued as Chair. Collectively, these members of the Committee bring extensive experience and knowledge from construction along with a good spread of industry representation from major contractors, medium-sized employers, SMEs and connections with federations. The mix of the Committee members ensures that the industry investment profile takes account of the needs of different sizes and types of business. →

GOVERNANCE 5 / 8

LEVY STRATEGY COMMITTEE (LSC)

The Levy Strategy Committee is a sub-committee of the CITB Board that make recommendations to the Board on matters relating to the strategic direction of the Levy system. This includes maintaining a level playing field for all CITB-registered employers.

At the start of the year, the primary focus for the Committee was to develop Levy Proposals for the next three-year Levy Order commencing in 2025. However, the commencement of the Government's regular review into the CITB and ECITB in June 2023 resulted in the Board proposing to delay the Consensus process for a year. The Committee's focus, therefore, turned to Levy Proposals for a Levy Order in 2025 that would provide continuity and stability in the one-year period before a subsequent three-year, consensus-backed Levy Order in 2026.

The resulting Levy Proposals recommended to the Board and subsequently to DfE saw:

- The Levy Rates retained at 0.35% on directly employed workers (PAYE) and 1.25% on taxable sub-contractors (Net CIS)
- The Small Business Levy Exemption threshold increased from £120,000 to £135,000
- The 50% Levy Reduction threshold increased from £400,000 to £450,000.

These rates and thresholds, assuming they are approved by Parliament in early 2025, will be drafted into the one-year Levy Order in 2025 and used for the Levy assessments raised in April 2025.

Committee members have also been exploring:

- The increased use of third parties who provide labour to employers (Labour Suppliers)
- Reducing the time lag between leviable work being undertaken and the Levy due on it being paid (Close the Gap), through a proposal to see the annual Levy Assessment being raised 10 months earlier to form part of the Levy Proposals for the 2026 Levy Order
- The practice of passing on the Levy by some contractors to their sub-contractors; members have considered the wording of a statement setting out CITB's opposition to this, with the intention this will be published in 2024 with other stakeholders as joint signatories.

The Committee currently has nine members including Peter Lauener, the Board Chair, who stepped in to chair the Committee in the interim when Diana Garnham's tenure in office came to an end in December 2023. The Committee is made up of four independent members (including Peter Lauener) and five members representing Levy-registered employers. The mix on the Committee brings extensive skills and diversity of industry intelligence, which has helped shape the Committee's recommendations to the Board. Over the course of the financial year, Andrew Harvey and Diana Garnham (Trustee and Committee Chair) stepped down from the Committee, meaning that three vacancies, including a permanent Chair, are currently being recruited. →

The mix on the Committee brings extensive skills and diversity of industry intelligence, which has helped shape the Committee's recommendations to the Board.

GOVERNANCE 6 / 8

NATIONAL CONSTRUCTION COLLEGE AND APPRENTICESHIPS COMMITTEE (NCC&AC)

The National Construction College and Apprenticeships Committee was established following the Board's decision to invest to improve the quality of provision at the National Construction College (NCC) and to enhance the quality of apprenticeships. The Committee's inaugural meeting was on 6 March 2023.

The purpose of the National Construction College and Apprenticeships Committee is to:

- Support the Board in the delivery of its responsibility to ensure oversight of the curriculum, the quality and delivery of the training provision, the learner experience, learner safeguarding and wellbeing, health and safety, resourcing, and the funding and regulatory compliance of CITB's National Construction College (NCC) and Apprenticeships provision
- Monitor and review the delivery, quality, and impact of CITB's apprenticeships provision in England, Scotland and Wales, to provide assurance to the Board regarding funding and regulatory compliance activities and to offer recommendations to the Board as to future direction of this provision
- Make decisions and recommendations with regard to all relevant legal and regulatory requirements together with guidance and best practice in skills training, education, and safeguarding.

During the 2023-24 financial year, the Committee oversaw a significant transformation programme for NCC and for apprenticeships, aiming to address areas for improvement highlighted by Ofsted in England (following an inspection on 21 March 2023), and also in Scotland, working closely with Skills Development Scotland and sub-contracted colleges. This has led to significant improvements in performance and better support for apprentices. Ofsted confirmed this to be the case during a monitoring visit in June 2024, which found that three of the themes noted for improvement have seen 'Significant Improvement' with the fourth theme seeing 'Reasonable Progress'. The Committee has also overseen plans to develop the NCC estate and to develop a new NCC Business Plan for 2024-25.

Peter Lauener, the Board Chair, initially chaired the Committee. He handed over the Chair to Michael Green in February 2024. The Committee currently has four Board Trustee members. →

During the 2023-24 financial year, the Committee oversaw a significant transformation programme for NCC and for apprenticeships.



NATION COUNCILS

Nation Councils remain essential in shaping the future of construction throughout Great Britain, offering strategic guidance to the Board to enhance the industry's ability to meet its skills requirements.

The objectives of the three Nation Councils are to:

- Provide insight into the challenges and opportunities for the nation they represent
- Steer and influence the Board on the development and effective delivery of the Strategic Plan, encouraging adjustments to delivery to reflect unforeseen events/changes that impact on the nation/industry more generally
- Debate and offer constructive challenge in relation to the proposed allocation of resources against competing industry priorities across Great Britain
- Provide individual national perspectives on construction skills gaps against agreed forecast needs.

During 2023-24, the Councils were instrumental in the development of the 2024-25 Business Plan and one-year Levy Order for 2025. CITB continues to work closely with the Councils in the development of the new 2025-29 Strategic Plan. →



GOVERNANCE 8 / 8

ENGLAND NATION COUNCIL

The England Nation Council worked with the CITB Board to inform the Business Plan KPIs and support delivery of the England Nation Plan and KPIs. The Council continued to bring constructive challenges and support to initially shape the priorities in England and offered ongoing insight into the challenges around the delivery of these plans throughout the year.

The Council has supported the continued rollout of NEST and Employer Networks, offering insight and a breadth of experience in helping to shape and inform both successful programmes. The Council also supported the development of the one-year Levy Order for 2025. In addition, the England Council provided insight and feedback on an ongoing basis on the real challenges facing our industry, from micro-organisations through to Tier 1 contractors and this in turn supported our strategic and business planning activities.



Sharon Llewellyn continued as Chair, with Kevin McLoughlin as Deputy Chair. During the 2023-24 financial year, Karen Brookes' tenure ended as a Council member. Currently the Council has four vacancies with a recruitment process underway.

SCOTLAND NATION COUNCIL

The Scotland Nation Council had input into policy and operational matters which were of relevance to CITB's activities in Scotland. This work included the production of the 2024-25 Business Plan, which outlined CITB support in Scotland, and the development of KPIs which reflect GB and national priorities and allow for operational performance reporting at a Scotland-specific level. The Council also advised and supported the one-year Levy Order.

Throughout the year, the Council re-iterated the importance of apprenticeship provision in Scotland and worked with the Board and senior staff members to ensure this was reflected in terms of CITB's operational priorities in Scotland. The Council members were also active in ensuring CITB products and services, such as funding, are suitable and relevant for Scottish employers, and that wherever possible regional areas of Scotland are properly supported. Two examples of this are the emergence of a Scottish NEST as well as Employer Networks which will initially be rolled out in rural and remote areas of Scotland.



Angela Forbes continued in her role as Council Chair with Tony Elliot as Deputy Chair. Currently the Council has four vacancies with a recruitment process underway.

CYMRU WALES NATION COUNCIL

The Cymru Wales Nation Council worked with the CITB Board to support industry with challenges faced during the year. These included labour shortages, skills needs and the cost of living crisis. The Council provided feedback and gave its input to the Nations Plan and Engagement Team priorities.

The Council was supportive of the projects to deliver the Strategic Plan and sought updates on the pilot initiatives and delivery throughout the year. It also provided input around Green Skills, Net Zero and Retrofit, changes to the Welsh apprenticeship frameworks, development of degree level construction apprenticeships, and talent pipeline activity, such as hosting women into construction events, National Apprenticeship Week, and See your Site events. Council Members also supported the three CITB Roadshows held in the Autumn of 2023 and attended a working CITB Board dinner in September 2023.



Leigh Hughes remained the Council Chair, while Owain Jones was the Deputy Chair and sits on the CITB Board of Trustees. The Council currently has four vacancies and is seeking to appoint a new Chair and recruit new Council members in this upcoming financial year.

RISK MANAGEMENT 1 / 7

Risk management

OVERVIEW

Our system of risk management and internal control is designed to: manage risks, including the risk of not making the most of opportunities, to a reasonable level; evaluate and mitigate the likelihood of those risks occurring and the impact should they be realised; and manage risks efficiently, effectively and economically. The system was in place for the financial period ending 31 March 2024 and up to the date of approval of the Annual Report and Accounts. During the year, the Audit and Risk Committee reviewed the operation of the Board's Risk Appetite Statement and the risk management framework. The Executive reviewed the strategic risks facing CITB before they were discussed with the Audit and Risk Committee and with the Board, and an updated set of strategic risks was subsequently adopted reflecting CITB's then Strategic Plan 2024-28.

The framework of risk management is designed to support informed decision-making, helping to ensure that CITB can take opportunities to be more effective in its support of industry while not becoming exposed to unacceptable levels of risk. We manage risk through regular scrutiny at management and team levels, alongside oversight by the Audit and Risk Committee, which reports to the Board. The Board also receives updates on strategic risks and exceptional operating risks at each meeting.

A number of sources contribute to the review of risks and the assessment of risk management, including:

- Reports and recommendations from the Audit and Risk Committee
- Risk reports and the Annual Report and Opinion from the Head of Internal Audit and Risk
- Assessments against the Government's Functional Standards including the "Management of Risk – A Strategic Overview" (commonly known as the "Orange Book")
- Findings and recommendations from NAO
- Annual accountability statements from members of the Executive and senior managers, which outline the governance, risk and control arrangements in their business areas
- External reports on CITB and its processes produced by independent organisations, such as the Education and Skills Funding Agency, Skills Development Scotland and Ofsted
- Legislative and regulatory guidelines, including those relating to charitable status, state aid and tax arrangements. →

RISK MANAGEMENT 2 / 7

RISK MANAGEMENT PROCESS

As a registered charity, we have a prudent and balanced attitude to risk, placing emphasis on our risk management and control framework to manage risk within the Board's risk appetite, which is set out in the Board's Risk Appetite Statement. The ways in which we managed risks for the year ending 31 March 2024, included:

- A review of our strategic risks performed in November 2023 in light of CITB's then developing Strategic Plan 2024-28, with oversight by the Audit and Risk Committee. Assessments of these risks and the effectiveness of mitigating actions are monitored on an ongoing basis
- Risks were also identified and assessed at an operational level by each team and escalated where appropriate. A process is in place to ensure consistent identification, assessment and monitoring of risks by all teams, facilitated by the Audit and Risk function. In addition to reporting through line management, significant operational risks are reported independently to the Executive and the Audit and Risk Committee
- The Executive holds collective oversight of risks at the strategic level and undertook several deep dive reviews into the management of certain of the more significant risks during the year
- Each meeting of the Audit and Risk Committee received a risk update, including details of the strategic and significant operational risks and the operation of the system of risk management. The Committee also performed its own deep dives into key risks by asking management to provide an update on the risks, current challenges and mitigations. →



RISK MANAGEMENT 3 / 7

STRATEGIC RISKS

The strategic risks that have been the main focus of attention during the year are set out below, together with details of the key mitigations and actions taken to manage them. Each strategic risk is owned by a member of the Executive Team who is responsible for the regular review of the risk and mitigating actions. The extent to which the actions are working to mitigate the risk sufficiently is assessed and where further actions are required to bring a risk to within tolerance, an action plan is agreed.

TABLE 3: RISK MITIGATIONS

RISK:
CITB may be unable to maintain industry's support for, and engagement with, CITB's strategy in order to be able to implement the Strategic Plan.

MITIGATION:

1. Strategic decisions are informed by Industry Analysis and Forecasting. Significant consultation at an industry, nation and sector level has been undertaken, including with Prescribed Organisations, Nation Councils and through the Industry Funding Committee (IFC)
2. Opportunities for industry to be involved in decision making, including the allocation of funds, have been increased and IFC's role strengthened. Employer Networks were introduced, providing an opportunity for Networks to allocate a proportion of CITB funding to local priorities
3. CITB has a programme of developing Sector Skills Plans
4. A Strategic Communications Strategy is being developed, to build on the direction that was shared with stakeholders in the 2023 Autumn Roadshows.

RISK:
That CITB may not be able to make the contribution to addressing the industry skills shortage that it has committed to.

MITIGATION:

1. In setting out our commitment to addressing the skills shortage the aim is to be ambitious whilst also reflecting the contribution that CITB can make and acknowledging where we will need to work with others
2. Partnerships with industry, national Governments and others have been strengthened and designed to achieve a shared, industry-owned approach to addressing the shortage
3. CITB is developing its range of impact measures and related KPIs against which progress, and achievements will be monitored and reported
4. Maintaining flexibility within plans to allow for changed or additional approaches in response to ongoing assessment or new information.

RISK MANAGEMENT 4 / 7

RISK:
There may be limitations to the extent to which stakeholder behaviour may change, or can be influenced, to adopt training quality as envisaged.

MITIGATION:
1. Development of Competence Frameworks is being undertaken in partnership with the Industry Competence Steering Group

2. We are working to align the skills system behind Competence Frameworks, e.g. through engagement with the Construction Skills Delivery Group and key bodies such as the Institute for Apprenticeships and Technical Education (IfATE).

RISK:
There may not be the level of engagement from training providers to establish a network that provides the range and volume of quality training that the construction industry needs.

MITIGATION:
1. Delivering an ongoing programme of supporting and assuring Approved Training Providers

2. Working to develop a Value Proposition for training providers

3. Improvements being made to our Training Model to improve the experience of, and engagement with, the network of providers.

RISK:
NCC and CITB apprenticeships may not be able to deliver the ambition of providing high quality apprenticeships valued by learners and employers.

MITIGATION:
1. The NCC and Apprenticeships Committee established to strengthen governance arrangements

2. The College transformation project was completed in England and is continuing in Scotland, with a focus on improving quality and the learners' experience. Process, systems and delivery compliance have been significantly enhanced

3. A budget for estate investment was agreed in principle with work ongoing to develop the more detailed Sustainable Estates Strategy

4. Throughout the year the Board, supported by the NCC and Apprenticeships Committee and the Audit and Risk Committee, closely monitored progress towards resolving the issues relating to Apprenticeships funding for 2018/19 and 2019/20 highlighted by the Education and Skills Funding Agency.

RISK:
Skills system and funding changes in Scotland may impact on recruitment into construction.

MITIGATION:
1. Following publication of the "Review of the Skills Landscape" report for Scotland and in light of announced changes to Scottish Government funding of education, CITB has maintained its engagement with the Scottish Government and its agencies and been monitoring developments and the potential impact on apprenticeship numbers and the skills gap in Scotland.

RISK:
Inability to recruit, develop and retain the people and skills that CITB needs.

MITIGATION:
1. A pay benchmarking and grading review was completed to inform the 2023 pay award

2. A new performance management process has been implemented with a stronger focus on development. A new 'Conversations in Leadership' programme and coaching training have been delivered

3. Recruitment processes are being strengthened and CITB also attained accreditation to ISO45003 Psychological Health in the Workplace.

RISK MANAGEMENT 5 / 7

RISK:
CITB may not have the capacity and capabilities required to implement the changes that are necessary to deliver its Strategic Plan.

MITIGATION:
1. A revised operating model of management oversight groups is being rolled out covering strategy development, investment, delivery, change and corporate operations

2. An established but expanded change management function is in place. Formal programmes and projects have been established to develop and implement the systems and processes required for the future

3. A plan of work is also underway working with our outsourced Enabling Partner to identify and implement potential improvements and to increase the efficiency and effectiveness of their services.

RISK:
Government policy and CITB strategy and plans may not be aligned fully, impacting CITB's ability to implement the industry-led skills system.

MITIGATION:
1. An active programme of engagement with Ministers, their officials and Shadow Ministers across the three nations is in place

2. UK Government Priorities are confirmed through an annual Ministerial Priorities Letter, incorporated into business planning and continually monitored

3. CITB monitors national Governments' forward agendas and policy development to enable us to respond to emerging issues

4. A particular focus in 2023-24 has been the Industrial Training Board Review. A dedicated Project Team was assigned to support the Review and a series of Position Papers was prepared on key topics. Pending the findings from the Review, CITB took the decision to seek a one-year Levy Order for 2025 and to delay Consensus until Spring 2025, which allows an extra year for the actions from the Review to be reflected in our new Strategic Plan 2025-29 and in the proposals for a three-year Levy Order for 2026.

RISK:
Breach of Cyber Security leading to loss or disclosure of sensitive data, or with financial or operational consequences.

MITIGATION:
1. Information Security Policy and National Cyber Security Centre early warning system adopted

2. Mandatory security training is provided to all employees, alongside an active security awareness programme and phishing simulations

3. Penetration testing performed, with firewalls, web filtering and VPN multifactor authentication in place

4. A programme to replace Legacy IT and attain Cyber Essentials Plus accreditation has been running throughout the year. Plans are in place to address the remaining actions to attain full accreditation.

RISK:
Harm arising from a failure of, or weaknesses in, Health and Safety (H&S) arrangements.

MITIGATION:
1. CITB is certified to ISO45001 and has adopted BSi standards for H&S management

2. A comprehensive system of H&S risk identification, assessment and mitigation is in place across the whole organisation

3. All staff are required to undertake mandatory training on H&S and there are two Employee forums to flag and escalate H&S concerns

4. H&S is a standing agenda item at Executive and Board meetings.

RISK MANAGEMENT 6 / 7

RISK:
Harm arising from a failure of or weaknesses in Safeguarding arrangements.

MITIGATION:
In 2023-24, the risk of Safeguarding was separated from that of Health, Safety and Wellbeing to ensure a focus on the specific actions required.

1. Management refreshed all safeguarding policies and practices in 2023/24 and strengthened resourcing
2. CITB has recently attained the 'Leaders in Safeguarding' Award for England. Work is ongoing to develop arrangements in Scotland
3. A project has been completed to review the compliance with the Safer Recruitment requirements of Keep Children Safe in Education
4. Safeguarding is overseen by a monthly Safeguarding Board, with reporting through to the NCC and Apprenticeships Board sub-committee.

RISK:
An ineffective response to a business continuity incident, results in significant disruption to activities.

MITIGATION:
1. Documented emergency response procedures/ protocols are in place alongside an established approach for responding to issues and incidents
2. Work has been completed during 2023-24 to enhance resilience of our IT infrastructure
3. A dedicated Business Continuity Manager has been appointed to lead further developments in this area.

RISK:
CITB suffers significant financial losses due to fraud.

MITIGATION:
1. The Audit and Risk Committee undertakes a review of the framework to counter the risk of fraud and its effectiveness at least once a year
2. A dedicated team of counter-fraud professionals is employed to undertake investigations and promote action in response to the higher risk areas, e.g. grants and testing
3. A CITB-wide Fraud Risk Assessment is maintained identifying appropriate mitigating controls for the risks, which include:
   - **Grants:** Grants Scheme rules in place; employers must be Levy-registered to claim; grants are paid after the claim is assessed at processing and further eligibility and evidence checks are performed retrospectively as part of a verification process on a sample basis
   - **Testing:** Due diligence is undertaken on applications to become an Internet Test Centre (ITC); all centres are subject to monitoring and Quality Assurance visits; and training is provided to centre staff on signs of fraud to watch out for.

In addition to the risks outlined above, the risk of there being a significant economic downturn in the UK economy impacting construction was monitored throughout the year based on financial insights and analysis. As a result, CITB could, if necessary, respond by amending the scale and the scope of its planned interventions accordingly.

Previously, the risk that CITB might not adequately support the construction industry's needs in relation to sustainability and net zero was identified as a separate risk. However, following reassessment it was concluded that meeting these needs should be considered as part of the wider risk of supporting industry's overarching training needs. Accordingly, these no longer feature as separate strategic risks.

RISK MANAGEMENT 7 / 7

RISK MANAGEMENT AND THE DELIVERY OF PRIORITIES

Our strategic risks recognise the importance of having impact through the delivery of our strategic objectives. The strategic risks that CITB faces, and the mitigating actions in relation to them, have been subject to ongoing review throughout the year, with the level of risk assessed against the Board's Risk Appetite and remedial action taken where any of the risks exceed tolerable levels.

The process of risk reviews helped to maintain the focus on mitigating the potential impacts of these risks throughout the year and supported actions that ensured that the risks did not have a significant adverse impact on delivery of priority outcomes and achievement of the Business Plan. There was significant focus throughout the year on actions to improve performance in relation to the delivery of apprenticeships and in other areas including Cyber Security and Business Continuity. The risk of CITB's capacity and capability to implement change at the pace required to deliver its strategic objectives has been subject to particular attention by the Executive noting that implementing new systems and ways of working are critical to the delivery of the Strategic Plan 2025-29. Adding to the programme management and oversight of individual activities, the focus on this risk is helping ensure that capacity and capability is considered holistically for the organisation as a whole.

HEAD OF INTERNAL AUDIT'S OPINION

The Internal Audit Team, working to the Public Sector Internal Audit Standards, delivered the 2023-24 programme of reviews approved by the Audit and Risk Committee. The programme covered a wide range of areas within governance, risk management and control, focusing on those where there was the greatest need for assurance or potential benefit from internal audit review. The Head of Internal Audit was satisfied that sufficient work had been completed during the year to enable an annual opinion on governance, risk management and control to be provided.

An annual report, summarising the work undertaken and containing the Head of Internal Audit's opinion, was presented to the Audit and Risk Committee and stated that while the systems of governance, risk management and financial control are generally satisfactory, improvement is required to internal controls in areas other than these. It was noted that, in many of the areas identified as requiring improvement, controls had been enhanced during 2023-24 to strengthen the control environment, in particular in relation to the delivery of apprenticeship contracts. These improvements, however, were not effective throughout 2023-24 and there remain some areas that require attention and where action will be taken in 2024-25 to further strengthen these controls. ●

SUSTAINABILITY 1 / 11

Sustainability

OVERVIEW

Many organisations, including CITB, are seeking to reduce their greenhouse gas emissions and these are measured and assessed within three different 'scopes.' The three Scopes (Scopes 1, 2 and 3) are a standard way of categorising the different kinds of emissions an organisation creates in its own operations and in its wider 'value chain' (its suppliers and customers) as set out in the Greenhouse Gas (GHG) Protocol.

Our Environmental Policy sets out our ambition to be Net Zero in Scopes 1 and 2 by 2030 and Scope 3 by 2040, ahead of the UK target of 2050 and Scotland's 2045 target. The Board and the Executive Team are committed to this target, and to making the investment required, and our teams have begun making changes to our working practices to bring this about.

To ensure we can transition to a sustainable future and meet our Net Zero emission targets, we know that our workforce must have the knowledge, skills, competencies, and behaviours to undertake this work, known collectively as 'Green Skills.' This requires a mix of technical and essential skills built on a basic understanding of climate change and how it is impacting the planet. To support this development and, as a member of Business in the Community (BITC), we participated in a pilot 'Green Skills Lab' that will help develop a blueprint for businesses to adopt in practice.

As a NDPB, we are deemed 'in-scope' of Central Government's Greening Government Commitments[15] (GGCs) that set out the actions that UK Government departments and their Arms-Length-Bodies (ALB's) will take to reduce their impacts on the environment; and we have applied the HM Treasury annual guidance[16] to provide transparency in our sustainability reporting.

To support greater collaboration with our sponsoring department, DfE, a CITB representative has joined their newly formed DfE ALB Sustainability Roundtable. With their support, we are making a request to Defra to re-baseline our carbon footprint, as little comparison can be made with the baseline year of 2017-18 due to changes made as part of our Vision 2020 divestment programme and the impact of the pandemic. For this reason, only data for the last three years is presented in this report.

CITB delivers skills and training interventions through NCC, which operates from three freehold training establishments. The data presented in this report is collated from these three sites, at Erith, Bircham Newton, and Inchinnan. We are not currently able to include data from our leased Head Office, Sand Martin House in Peterborough as the freeholder is currently unable to provide relevant data. Utilities data directly related to our occupancy within the Sanctuary Building in Westminster, London, is captured by the Government Property Agency's GGC return. →

15. Greening Government Commitments 2021 to 2025 (www.gov.uk)
16. HM Treasury 2023-24 Sustainability Reporting guidance (www.gov.uk)

SUSTAINABILITY 2 / 11

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

COMPLIANCE STATEMENT

CITB has reported on climate-related financial disclosures consistent with HM Treasury's TCFD-aligned disclosure application guidance which interprets and adapts the framework for the UK public sector, including central Government department ALBs.

CITB has complied with the TCFD recommendations as follows:

- **Governance** – all recommended disclosures
- **Risk Management** – recommended disclosure (A)
- **Metrics and Targets** – recommended disclosure (B).

This is line with central Government's TCFD-aligned disclosure implementation timetable for Phase 1. CITB plans to make disclosures for Strategy and Metrics and Targets (A) and (C) in future reporting periods.

GOVERNANCE

Disclosure A – Board Oversight of climate-related risks and opportunities

The role of the Board is to set and maintain CITB's vision, mission and values, and ensure its strategy supports the construction industry to have a "skilled, competent and inclusive workforce, now and in the future". It is responsible for monitoring CITB's management and operations and obtaining assurance about the delivery of its strategy through its committees.

The Audit and Risk Committee provides assurance to the Board on the adequacy and effectiveness of CITB's arrangements for risk management, governance, and internal control, and this is extended to climate-related risks and opportunities. The Committee reviews these above its usual risk tolerance level, as identified through the risk management process.

The Board includes two Trustees with a background and experience in climate change and sustainability, including climate-related risks and opportunities.

Holly Price is the Group Sustainability Director at Keltbray Group and accountable for the delivery of its sustainability strategy, which includes environmental sustainability and the achievement of its Net Zero target.

Stephen Gray, in his role as Head of Engineering Development at BAM Nuttall Ltd, and as a reviewer and assessor with the Institution of Civil Engineers (ICE), embeds sustainable development as a core competency and commitment. Stephen joined the Board in April 2024.

Disclosure B – Management's role in assessing and managing climate-related risks and opportunities

Climate-related responsibilities relating to internal operations have been assigned to a newly formed Sustainability Group commencing in 2024-25 that is accountable to the Executive through the CFO as the Executive Sponsor. Membership is made up of relevant Leadership Team members and functional leads.

To help support the development of CITB's Strategic and Business Plans for the benefit of the construction industry, a cross-functional Net Zero Action Group exists. →

SUSTAINABILITY 3 / 11

TABLE 4: SUSTAINABILITY GOVERNANCE – MANAGEMENT OF CLIMATE-RELATED MATTERS

CITB BOARD LEVEL	EXECUTIVE LEVEL
The Board Audit and Risk Committee	Executive Team Sustainability lead: CFO
MANAGEMENT LEVEL	
Sustainability Group Chair: CFO Attended by Leadership Team members and functional leads Remit: Oversight of internal environment, social and governance matters	Net Zero Action Group Chair: Strategy lead for Net Zero Attended by departmental representatives Remit: To help develop the strategy/plan to support a training and skills system for the construction industry to meet its Net Zero obligations
WORKFORCE LEVEL	
Green Champions Group Coordinator: Corporate Social Responsibility (CSR) Manager Voluntary membership from across the organisation	

RISK MANAGEMENT

Disclosure A – The organisation's processes for identifying and assessing climate-related risks

Climate-related risks are identified with the input and guidance of the Corporate Social Responsibility (CSR) Manager taking into consideration global trends, the UK's Climate Change Risk Assessment, and the NAO's good practice guidance to identify those direct risks to core operations - and indirect risks via the supply chain or other dependencies - relevant to CITB.

The risks are assessed using the risk management system as described on page 41 and cascaded to the relevant team for including in their operational risk registers, where they will be scored, managed and monitored at the functional level. General CSR risks, including those in relation to reporting, are held centrally by the CSR Manager. Assessment, recording and reporting of the risks is facilitated by the Audit and Risk function.

An impact and likelihood assessment supports the prioritisation of the risks and of the risk management activities to mitigate and respond to them. The impact criteria consider financial and non-financial factors, such as compliance (regulatory impact), people, and technology, and are used for assessing all risks, including climate-related risks, providing a consistent basis for assessment, prioritisation, and reporting across CITB.

The Audit and Risk Committee receives updates at each meeting on the risk management process, specifically on those risks that fall outside of tolerance. The Committee also undertakes a programme of deep dives into key risks, although no climate-related risks were deemed to require this during 2023-24. The Board also reviews strategic risks at each meeting. →

SUSTAINABILITY 4 / 11

METRICS AND TARGETS

Disclosure B – The organisation's Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks

The CITB is guided by the GGC reduction targets and has not set its own material targets. These will be developed in its Sustainability Strategy for 2026-29, until then, it is actively investigating and implementing solutions to drive down its emissions.

TABLE 5: GREENHOUSE GAS (GHG) EMISSIONS

			2023-24	2022-23 RESTATED	2021-22
Non-financial indicators (tCO_2e)	Scope 1	Fuel combustion[1]	937	1,050	783
	Scope 1	Owned transport[2]	444	319	126
	Scope 1	Fugitive emissions	22	18	0
	Scope 2	Purchased electricity	388	381[3*]	519
	Scope 3	Business travel[4]	197	91	31
	Scope 3	Use of purchased materials (paper)[5, 6]	190	192	3
	Scope 3	Waste disposal[7]	5	5	4
	Scope 3	Homeworking[8]	350	331*	**Not collected**
	Scope 3	T&D purchased electricity[9]	34	**Not collected**	**Not collected**
Financial indicators (£)		Business travel	817,179	529,426	166,841
		Purchased offsets[10]	0	0	0
	Per FTE[11]		3.24	3.35	2.3

The Defra GHG conversion factors (condensed set) for 2023 have been applied, unless otherwise stated and rounded to the nearest metric tonne. **1.** Includes white diesel used for training vehicles from 2022-23. **2.** Car engine size and fuel type conversion factors have now been applied rather than the conversion factor for a medium car unknown fuel, as used in 2021-22, giving greater accuracy on emissions. **3.*** Data entry error reported in 2022-23 - figure corrected from 387 to 381. **4.** Includes personal car mileage, air, rail, and, as of 2022-23, hotel stays. No mileage was available for buses, taxis, underground, and hire cars, to enable tCO^2e to be calculated. The tCO^2e applied for rail and air travel was calculated and supplied by CTM, the travel management company used by the CITB. **5.** The conversion factor applied relates to the primary source. Some paper products are from recycled sources, although it is not possible to evidence that they are from a Closed Loop supply. **6.** The data includes material printed by the CITB's third-party printing company and includes the Levy Return and guidance note products as of 2022-23. **7.** The data excludes emissions from ICT waste as they are unknown; Conversions are applied per waste stream rather than an overall combustion factor of 21.280, as applied before 2023-24, to improve data accuracy **8.** Calculated based on an FTE working 35 contracted hours per week. **9.** Additional Scope 3 data added from 2023-24 onwards. **10.** CITB see the purchase of accredited offsets as a last resort and aims to reduce its carbon emissions as much as possible before any purchases are made. **11.** The number of staff directly and temporarily employed by CITB as an average over the year (expressed in full-time equivalents) was 763 in 2023-24, (was 666 in 2022-23) with the majority either contractually or flexibly still working from home.

SUSTAINABILITY 5 / 11

TABLE 6: WASTE

WASTE		2023-24	2022-23	2021-22
Non-financial indicators (tonnes)	Total waste arisings (not including ICT waste)	385	257	183
	ICT waste recycled	0.35	2.56	2
	ICT waste reused	0.9	1.03	3
	ICT hazardous waste	1.02	1.27	2
	Waste recycled	157	87	116
	Waste composted / food waste	3.6	4.3	3.4
	Waste incinerated with energy recovery	179	133	57
	Waste incinerated without energy recovery	0	0	0
	Waste to landfill	49	11	13
	Other non-ICT WEEE waste[1]	3.2	**Not collected**	**Not collected**
Financial indicators (£)	Main contract[2]	76,922	57,550	42,973
	ICT waste	216	0	0
	Confidential waste service[3]	8,566	2,228	2,546

1. Previously collected and included in ICT hazardous waste tonnage.
2. The performance data does not currently enable us to breakdown the costs per waste category.
3. The contract cost for confidential paper waste also includes the collection for plastics and WEEE.

SUSTAINABILITY 6 / 11

MITIGATING CLIMATE CHANGE: WORKING TOWARDS NET ZERO GHG EMISSIONS - SCOPE 1 (DIRECT)

EXPANSION OF THE ONSITE ENERGY CENTRE AT NCC BIRCHAM NEWTON

The training establishment at Bircham Newton is not connected to mains gas. Energy is provided instead by bringing fuel (mostly kerosene) onto site, together with some onsite energy generation by a biomass boiler fuelled by woodchips.

Kerosene is non-renewable and has a high carbon footprint. To help the environment and reduce our carbon footprint, a new second biomass boiler has been installed within the onsite energy centre, as the centre's original design allowed for such expansion. This will provide a backup to the existing boiler and allow for the extension of the existing heating and hot water network to a further five buildings during the first phase in 2024-25. A second external woodchip fuel store has been installed so that larger quantities can be delivered to site on a less frequent basis, helping to reduce the associated transportation emissions.

INCREASED USE OF ELECTRIC HEATING AND COOLING

Also, at the Bircham Newton training establishment, we have replaced the use of kerosene with aircon heating and cooling on two different buildings onsite, including the new gymnasium, as well as converting to an air source heat pump at our Plant Training Tea Room.

REDUCING ENERGY CONSUMPTION

LED lights with PIR sensors have also been installed in the Access and Construction Hangars this year at Bircham Newton to help reduce energy consumption and associated costs, where health and safety is not compromised.

Triple glazed windows and doors have also been installed in four buildings at Bircham Newton, providing better insulation and thermal efficiency.

COMPANY LEASED PASSENGER VEHICLES AND OWNED CARS

As part of our transition to phase out petrol and diesel cars from our fleet, company car allowances were enhanced to incentivise staff to transition to electric vehicles (EVs) through our partner, LEX Autolease, with greater availability of EVs compared to the year before. This has encouraged more staff to switch to fully electric or hybrid cars, with the number of Ultra Low Emission Vehicles (ULEVs), i.e. those producing less than 50g/CO2 per km, representing 19% of the fleet, up from 15% the year before.

CITB currently has 27 owned vehicles of which 23 are in use and 11 (48%) are now electric. The fleet's 16-seater mini-buses and 4x4's will be replaced when suitable electric versions are available. →





SUSTAINABILITY 7 / 11

TABLE 7: SCOPE 1 - COMPANY LEASED PASSENGER VEHICLES[1]

ENGINE SIZE	MILES (2023-24)	MILES (2022-23)	KGCO2E (2023-24)	KGCO2E (2022-23)	GROSS SPEND (2023-24)	GROSS SPEND (2022-23)
Electric	36,565	22,990	0	1,902	3,421	1,151
LPG[2] 1400cc or less	72	1,148	0[3]	365	6	436
LPG 1400cc to 2000cc	6,793	**Not collected**	1,196	**Not collected**	796	**Not collected**
Diesel 1600cc or less	434,244	259,246	97,358	58,367	63,970	34,336
Diesel 1601cc to 2000cc	386,029	273,416	103,850	73,929	63,259	44,747
Diesel Over 2000cc	101,683	45,379	34,135	15,303	19,924	9,469
Petrol 1400cc or less	416,791	228,951	94,445	53,987	59,033	33,461
Petrol 1401cc to 2000cc	332,900	341,647	95,462	101,551	54,022	59,570

1. Data for 2023-24 uses the date of travel rather than payment transaction date used in 2022-23.
2. LPG is now reportable within two categories by engine size rather than as a fuel source only, as in 2022-23.
3. No emissions data is listed in the GHG conversion factors.

PLANT, COMMERCIAL FLEET AND MACHINERY

We have adapted the role profile of our Plant, Fleet and Equipment Manager to help us review options for replacing diesel fuelled commercial fleet, plant and machinery with other low-emission fuel alternatives, such as electric, hydrogen and biofuel. The role holder will lead our activities to achieve zero emissions by tailpipe and towards meeting our commitments in the Supply Chain Sustainability School's Plant Charter.

FUGITIVE EMISSIONS

All air con units at our training establishments have a carbon loading of less than 30 tonnes and are fully serviced and visually inspected once a year. Some units at Bircham Newton are no longer in use and have been made safe and decommissioned. During the reporting period, 10.66kg of R410A was used to 'top-up' two air con units at Bircham Newton, while none were required at Erith and Inchinnan.

100% RENEWABLE MAINS GAS FROM OCTOBER 2023

We currently use a mains gas supply at Inchinnan and Erith. From 1 April until 30 September 2023, our gas supply came from fossil fuels. As of 1 October 2023, we started purchasing units from an environmentally friendly renewable energy source, namely biogas, significantly reducing our natural gas carbon emissions. →

SUSTAINABILITY 8 / 11

GHG EMISSIONS - SCOPE 2 (ENERGY INDIRECT)

100% ZERO CARBON ELECTRICITY FROM APRIL 2024

Our procured electricity is currently a mix of renewable and fossil fuels sources.
To become net zero in Scope 2 by 2030, the contract has been reviewed, and as of April 2024, we shall begin to procure only electricity that generates zero emissions.

In our 2024-25 Environmental Action Plan, we plan to conduct an energy audit that will help us identify actions we can take to reduce our energy consumption and costs as part of our Sustainable Estates Strategy.

GHG EMISSIONS - SCOPE 3 (OFFICIAL BUSINESS TRAVEL)

TABLE 8: SCOPE 3 - OFFICIAL BUSINESS TRAVEL (DOMESTIC ONLY)

	2023-24			2022-23		
MODE OF TRANSPORT[1]	tCO_2e	GROSS SPEND	KILOMETRES	tCO_2e	GROSS SPEND	KILOMETRES
Domestic air travel	97	£35,289	155,867	23	£19,748	99,598
Rail	30	£227,685	837,578	18	£131,602	516,447
Hotel stays	50	£521,376	N/A	30	£344,237	N/A
Private vehicle – owned by staff	20	£32,829	116,887	19	£33,839	111,704

1. Data set for 2023-24 uses departure date not the invoice date as used in 2022-23.

All modes of business travel have increased over the reporting period as colleagues return to pre-pandemic levels of face-to-face meetings.

In February 2024, changes were made to the CITB Expenses Policy to encourage colleagues to lift share when travelling to meetings or events, and to receive the HMRC payment rate of five pence per mile per passenger. A cycle rate of twenty pence per mile was also added. →



SUSTAINABILITY 9 / 11

WASTE MANAGEMENT

Overall waste arisings and the tonnage sent to landfill have both increased due to an increase in line with the upturn in training delivered post-pandemic, from 11% of total waste arisings in 2022-23 to 14% in 2023-24. This is also due to the redevelopment of our training establishments. As a result, CITB will miss the GGC target of less than 5% waste to landfill in the short term. Despite the increase in waste arisings, associated emissions remain the same as 2022-23 due to more accurate reporting through applying GHG conversions per individual waste stream.

Our overall recycling rate is currently 35%, well below the GCC 70% target. This is, in part, driven by the nature of waste derived from construction training activities. The main waste contract for NCC was re-tendered and future opportunities to increase the overall recycling rate will be discussed with the supplier and focus on the introduction of additional facilities for further on-site segregation e.g. mixed recycling, PPE and vapes. This will be supported by an awareness campaign.

CITB's catering partner (Sodexo) has been actively working towards a food reduction target of 50% at the Bircham Newton site, which serves fully-catered learner accommodation, and the amount of food waste has since decreased. Sodexo is reviewing opportunities for further reducing cup waste. Paper cups are used at the onsite water coolers and for takeaway drinks from the canteen, whilst eco cups (made from reused recyclable plastics) are used at the vending machines, with plastic recycling containers available for their collection. Opportunities to introduce new reuse schemes continue to be assessed.

We continue to explore opportunities to move more products and services from a print to a digital footprint.

PAPER USE

Although we have actively encouraged employers to switch to online Levy Returns, our paper usage has remained largely the same, due to an increase in materials printed in connection with our publication schemes and purchased office paper. The latter can be attributed to colleagues returning to the office post-pandemic and an increase in workforce numbers.

We continue to explore opportunities to move more products and services from a print to a digital footprint.

WATER

The volume of water consumed was recorded as significantly increasing over the reporting period, but this was later attributed to a major water leak at Bircham Newton. This took several weeks to detect and repair, partly due to the nature of the site, an old WWII RAF airbase. The volume reported below is net of the 'leak allowance' calculated by the water company. CITB has no indirect water use.

Through our Sustainable Estates Strategy redevelopment programme, we will look at the potential opportunities for reducing water consumption, and increasing water recovery and reuse, particularly at non-office locations. We will also set a reduction target that will be measured against our new baseline to be agreed with Defra. →

SUSTAINABILITY 10 / 11

TABLE 9: FINITE RESOURCE CONSUMPTION

			2023-24	2022-23	2021-22
Non-financial indicators	Energy	Total purchased electricity (kWh)[1]	1,875,538	1,971,380	2,443,197
		Natural gas (kWh)	167,505	520,154	326,704
		Biogas (kWh)[2]	477,699	**Not collected**	**Not collected**
		LPG (litres)	13,759	14,037	7,392
		Oil Kerosene (litres)	307,237	352,909	291,000
		Biomass (tonnes)	716	743	567
		Diesel (for Plant vehicles (litres)[3]	41,385	**Not collected**	**Not collected**
	Finite	Water from third parties (m^3)[4]	13,929	23,736	20,504
		Paper (reams)[5]	83,144	83,655	1,277
Financial indicators (£)	Energy	Electricity	608,338	581,786	486,650
		Gas (natural and LPG)	19,609	40,892	21,594
		Biogas	44,771	**Not collected**	**Not collected**
		Kerosene	231,770	327,607	175,256
		Diesel	57,736	**Not collected**	**Not collected**
		Biomass	28,582	32,183	21,123
	Finite	Water[6]	168,997	83,337	68,984
		Paper[7]	9,509	6,511	4,235

1. Purchased electricity is on a 100% standard tariff. The EDF Energy fuel mix for 2023-24 is 20% renewable with 54% zero emissions from nuclear supply. **2.** As of 1 October 2023, we switched our tariff from natural gas to biogas. **3.** Diesel figures were previously included in kerosene invoices and the data is now logged separately. **4.** CITB does not extract water (Scope 1) nor collect any water (Scope 3). A leak allowance credit of 27,843m^3 was granted against sewage for the period 22/12/23 and 18/03/24 for a major water leak. **5.** The volume of paper used has seen a sharp increase since 2021-22 due to the inclusion of printed material by the CITB's third-party printing company that includes the Levy Return and guidance notes. **6.** As a result of a water leak at Bircham Newton, a credit is due. **7.** The costs reflect purchases made through the CITB's stationary provider and does not include costs related to item 4 above. We hope to be able to extract the cost to purchase the paper from the printing, and to report this in future years.

SUSTAINABILITY 11 / 11

PROCURING SUSTAINABLE PRODUCTS AND SERVICES

As an ALB, we have a mandatory requirement to adhere to UK Government Public Procurement Notices (PPNs) on various sustainability topics: including 'PPN 06/20 - Taking account of Social Value in the award of Central Government contracts'; and if applicable 'PPN 06/21 – Taking account of Carbon Reduction Plans' in the procurement of major Government contracts.

Where a procurement has a relevant and proportionate impact on the environment, tender questions are required and weighted appropriately. With the introduction of the Procurement Act 2023, and the Transforming Public Procurement (TPP) programme, we are updating our procurement policies and processes, and we see this strengthening our approach to sustainability.

NATURE RECOVERY AND BIODIVERSITY ACTION PLANNING

We do not hold significant natural capital. However, we are looking at what opportunities there are to achieve Net Biodiversity Gain across the CITB estate. With priority given to the redevelopment of the Erith training establishment, initial ecological surveys will be conducted together with an assessment on how biodiversity can be enhanced as we prioritise the redevelopment of all our sites. The greatest potential will come at Bircham Newton, where there are wide expanses of open land owing to its former use as an RAF airbase.

ADAPTING TO CLIMATE CHANGE

We have identified climate-related risks, and the process is outlined in the TCFD Risk Management section on page 48.

REDUCING ENVIRONMENTAL IMPACTS FROM ICT AND DIGITAL

We continue to pursue a programme focussed on the removal of older systems and applications that are no longer fit for purpose, and the migration of services to platforms that offer a lower running cost and environmental impact. This mature programme is now entering its third phase and has adopted a more proactive approach to identifying services that are in scope.

This includes reviewing the remaining on-premises legacy servers across the CITB estate, decommissioning where possible, and migrating to a cloud platform.

We recently completed the migration of our on-premises virtual desktop infrastructure to Microsoft Azure, reducing our physical hosting requirements for this service to zero. Furthermore, a recently completed review of legacy database servers and infrastructure has resulted in over 80% of these being decommissioned, while those retained are now cloud hosted.

We have replaced our site-based printing capabilities and multifunctional devices to match the downsizing of our estate and to replace aging equipment. Through the new service, we now have access to granular reporting that will allow us to look at where further reductions in print may be made.

Desktop equipment (such as laptops and desktops) has been reprovisioned where possible, to get the most life from existing assets and reduce the need for new purchases. Where new laptops or desktops are required, these are now sourced from a supplier providing repurposed hardware, thereby further reducing the environmental impact of manufacture.

Equipment that is no longer in service is disposed of in line with the waste hierarchy.

CITB procures its cloud services through the UK Government's 'G-Cloud' and Crown Commercial Service (CCS) frameworks. The services they provide are approved by CCS as being aligned to central Government procurement policies for eliminating/reducing their environmental impact.

SUSTAINABLE CONSTRUCTION

To support the greening of our estate, Mott MacDonald has been selected as our design and engineering partner. The firm shares our belief that sustainability should be embedded at the heart of what we do and will support us in developing the plans we need to achieve our net zero targets, through a combination of new build and retrofit, factoring in embodied carbon. The training establishment at Erith has been prioritised for redevelopment and planning approval is to be sought from the Local Authority so that work can commence in 2024-25. ●

SECTION 5

Statement by Accounting Officer

Pages 58 to 65

Statement by Accounting Officer

OUR APPROACH TO DATA SECURITY

To achieve our aims, CITB processes personal information about individuals. Categories of data subjects include construction-related employers, employees and prospective employees within the construction industry, construction apprentices, suppliers, contractors and internal staff.

We are committed to protecting the rights and freedoms of individuals in respect of the processing of their personal data and undertake to comply with our legal obligations and responsibilities at all times.

We routinely review systems and processes for handling data securely against prevailing guidelines to ensure we continue to meet expected standards. We follow ISO 27001-compliant practices in relation to information security.

We comply with our legal obligations in relation to personal data, and any serious data-related incidents are published and reported to the Information Commissioner's Office (ICO). This year, no incidents were reported to the ICO.

As CITB's outsourced IT Service Provider, Shared Services Connected Limited (SSCL) is committed to protecting the security and access to the data of our customers. SSCL follows ISO 27001-compliant practices in relation to information security and CITB has obtained certification for Cyber Essentials+, initially for Welsh Apprenticeships, to be followed by the whole IT estate.

SSCL investigates all security incidents relating to its service to CITB to identify suitable improvements in processes, staff education, and technical security measures. There were no high severity incidents reported in 2023-24.

OUR APPROACH TO REPORTING CONCERNS

We are committed to achieving and maintaining high standards of behaviour at work, in service to the public and in all our working practices, and to maintaining a culture where people are encouraged to speak out, confident that they can do so without adverse consequences and that appropriate action will be taken. We have arrangements for reporting concerns relating to Modern Slavery, Safeguarding and the Prevent Duty. Our arrangements for whistleblowing were reviewed and approved by the Audit and Risk Committee during the year. There were no whistleblowing incidents reported during the year.

REGISTER OF INTERESTS

As an ALB of DfE, CITB must abide by the principles of regularity and propriety, ensuring that its work is not adversely impacted by conflicts of interest. Trustees, Committee members and Executive Team are required to complete a declaration of interests annually. We have a process in place which allows potential conflicts of interest to be identified and, where identified, ensures that appropriate safeguards are put in place to prevent actual conflicts from arising.

In addition, all staff are required to complete a declaration of interest return annually, including those who have no interests to declare, and to also declare any gifts or hospitality offered. →

MAINTAINING STAKEHOLDER SUPPORT

To continue to meet industry expectations, CITB must maintain support from a range of stakeholders. We liaise with industry at all levels and have connections with federations, trade unions and educational bodies. We work with the three national Governments (with the DfE at Westminster, and the Scottish and Welsh Governments) and we are involved in a range of stakeholder events, consultative groups and forums, and partake in various stakeholder surveys.

CONCLUSION

As Accounting Officer, I am satisfied that the governance arrangements that were in place during the year to 31 March 2024 are sufficient to continue managing risks effectively. This is informed by the work of Executive Team, who are responsible for developing and maintaining the governance structures and internal control framework. I acknowledge the comments made by NAO in its management letter and other reports (refer to External audit on page 33). The Governance Statement represents the end product of the review of the effectiveness of the governance framework, risk management and internal control.

Based on the review I have outlined above, I conclude that CITB has a satisfactory system of governance, risk management and internal control that supports the aims and objectives of the organisation.



Tim Balcon
Accounting Officer

11 December 2024

Statement of the Board and Accounting Officer's responsibilities

Under section 8 (1) of the Industrial Training Act 1982, the Board is required to prepare for each financial year a statement of accounts in the form and on the basis determined by the Secretary of State with the consent of the HM Treasury.

The accounts are prepared on an accruals accounting basis and must show a true and fair view of CITB's state of affairs at the year end and of its income and expenditure and cash flows for the financial year.

In preparing that statement of accounts, the Board and Accounting Officer are required to comply with the requirements of the Charities Statement of Recommended Practice (FRS 102) and have regard for the relevant requirements of the Government Financial Reporting Manual and in particular to:

A. Observe the accounts direction issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis

B. Make judgements and estimates on a reasonable basis

C. State whether applicable accounting standards as set out in the Charities Statement of Recommended Practice (SORP) and Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements

D. Prepare the financial statements on a going concern basis unless it is inappropriate to presume that CITB will continue in operation

E. Confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable, and to take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Accounting Officer for DfE has designated the Chief Executive of CITB as Accounting Officer for CITB. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding CITB assets, are set out in Managing Public Money published by the HM Treasury.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that CITB's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware. The Annual Report and Accounts are fair, balanced and understandable, and as Accounting Officer I take responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.



Tim Balcon
Accounting Officer

11 December 2024

Approved by the Board on and signed on its behalf by:



Peter Lauener
Chair

11 December 2024

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL 1 / 4

The certificate and report of the Comptroller and Auditor General to the Houses of Parliament and the Scottish Parliament

OPINION ON FINANCIAL STATEMENTS

I certify that I have audited the financial statements of the Construction Industry Training Board for the year ending 31 March 2024 under the Industrial Training Act 1982.

The financial statements comprise: the Construction Industry Training Board's:

- Balance Sheet as at 31 March 2024;
- Statement of Financial Activities and Cash Flow Statement for the year then ended; and
- The related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom accounting standards including Financial Reporting Standards (FRS) 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion, the financial statements:

- Give a true and fair view of the state of the Construction Industry Training Board's affairs as at 31 March 2024 and its net expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been properly prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 and the Charities Act 2011.

OPINION ON REGULARITY

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

BASIS FOR OPINIONS

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019.* I am independent of the Construction Industry Training Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, I have concluded that the Construction Industry Training Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Construction Industry Training Board's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Board and Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

OTHER INFORMATION

The other information comprises the information included in the Annual Report but does not include the financial statements nor my auditor's certificate and report. The Board and Accounting Officer are responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon. →

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL 2 / 4

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

OPINION ON OTHER MATTERS

In my opinion the part of the Remuneration Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Industrial Training Act 1982.

In my opinion, based on the work undertaken in the course of the audit the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

MATTERS ON WHICH I REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Construction Industry Training Board and its environment obtained in the course of the audit, I have not identified material misstatements in the Annual Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- Adequate accounting records have not been kept by the Construction Industry Training Board or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of remuneration specified by the Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005 and section 8 of the Charities Accounts (Scotland) Regulations 2006 have not been made or parts of the Remuneration Report to be audited is not in agreement with the accounting records and returns; or
- The Governance Statement does not reflect compliance with HM Treasury's guidance.

RESPONSIBILITIES OF THE BOARD AND ACCOUNTING OFFICER FOR THE FINANCIAL STATEMENTS

As explained more fully in the Statement of the Board and Accounting Officer's Responsibilities, the Board and the Accounting Officer is responsible for:

- Maintaining proper accounting records;
- Providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- Providing the C&AG with additional information and explanations needed for his audit;
- Providing the C&AG with unrestricted access to persons within the Construction Industry Training Board from whom the auditor determines it necessary to obtain audit evidence;
- Ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error;
- Preparing financial statements which give a true and fair view and are in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and regulations 8 of the Charities Accounts (Scotland) Regulations 2006 and the Charities Act 2011;
- Preparing the Annual Report, which includes the Remuneration Report, in accordance with Secretary of State directions issued under the Industrial Training Act 1982; and
- Assessing the Construction Industry Training Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board and the Accounting Officer either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so. →

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL 3 / 4

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

My responsibility is to audit, certify and report on the financial statements in accordance with the Industrial Training Act 1982, section 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING NON-COMPLIANCE WITH LAWS AND REGULATIONS INCLUDING FRAUD

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

IDENTIFYING AND ASSESSING POTENTIAL RISKS RELATED TO NON-COMPLIANCE WITH LAWS AND REGULATIONS, INCLUDING FRAUD

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- Considered the nature of the sector, control environment and operational performance including the design of the Construction Industry Training Board's accounting policies and performance incentives

- Inquired of management, the Construction Industry Training Board's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Construction Industry Training Board's policies and procedures on:

  - Identifying, evaluating and complying with laws and regulations;
  - Detecting and responding to the risks of fraud; and
  - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Construction Industry Training Board's controls relating to the Construction Industry Training Board's compliance with the Industrial Training Act 1982, the Industrial Training Levy (Construction Industry Training Board) Orders 2022 and 2023, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, section 8 of the Charities Accounts (Scotland) Regulations 2006, and Managing Public Money

- Inquired of management, the Construction Industry Training Board's head of internal audit and those charged with governance whether:

  - They were aware of any instances of non-compliance with laws and regulations; and
  - They had knowledge of any actual, suspected, or alleged fraud

- Discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Construction Industry Training Board for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, and bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Construction Industry Training Board's framework of authority and other legal and regulatory frameworks in which the Construction Industry Training Board operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Construction Industry Training Board. The key laws and regulations I considered in this context included the Industrial Training Act 1982, the Industrial Training Levy (Construction Industry Training Board) Orders 2022 and 2023, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, section 8 of the Charities Accounts (Scotland) Regulations 2006, Managing Public Money and relevant employment, pension and tax legislation.

In addition, I considered the fraud and regularity risks associated with grant expenditure. →

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL 4 / 4

AUDIT RESPONSE TO IDENTIFIED RISK

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports; and
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website. This description forms part of my certificate.

www.frc.org.uk/auditorsresponsibilities

OTHER AUDITOR'S RESPONSIBILITIES

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

REPORT

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

11 December 2024

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

SECTION 6

Financial Performance

Pages 66 to 90



Financial statements

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 31 MARCH 2024

In the current financial year, income and expenditure for the previous year have been restated* to align with the current reporting year's strategic priorities.

INCOME	NOTES	2023-24 (£'000) RESTRICTED	2023-24 (£'000) UNRESTRICTED	2023-24 (£'000) TOTAL	2022-23 (£'000) TOTAL RESTATED*
Income from charitable activities					
Levy income	2	0	202,008	202,008	170,608
Non-Levy income					
Delivering an efficient training supply		12,123	34,496	46,619	43,379*
Clawback of ESFA Funding		3,902	0	3,902	(10,915)
Improving construction's people pipeline		0	0	0	55*
Creating defined training pathways		0	99	99	120*
Total Non-Levy income		**16,025**	**34,595**	**50,620**	**32,639***
Income from trading activities					
Investment income		0	5,111	5,111	883*
Other income		0	52	52	207*
Total income		**16,025**	**241,766**	**257,791**	**204,337**

EXPENDITURE	NOTES	2023-24 (£'000) RESTRICTED	2023-24 (£'000) UNRESTRICTED	2023-24 (£'000) TOTAL	2022-23 (£'000) TOTAL
Expenditure on raising funds		0	2,415	2,415	2,232*
Expenditure on charitable activities					
Delivering an efficient training supply	4	22,056	229,693	251,749	184,545*
Improving construction's people pipeline	4	0	5,859	5,859	3,511*
Creating defined training pathways	4	0	7,692	7,692	6,094*
Total Expenditure on charitable activities		**22,056**	**243,244**	**265,300**	**194,150***
Expenditure from trading activities					
Other expenditure		0	299	299	(242)
Total expenditure		**22,056**	**245,958**	**268,014**	**196,140**
Net income/(expenditure)		(6,031)	(4,192)	(10,223)	8,197
Net movement in funds - transfer from unrestricted fund		6,031	(6,031)	0	0
		0	(10,223)	(10,223)	8,197
Other gains and losses					
Gain on revaluation of freehold property, plant and machinery		0	2,724	2,724	204
Net movement in funds		0	(7,499)	(7,499)	8,401
Reconciliation of funds					
Total accumulated funds at period start	13	0	102,654	102,654	94,253
Total accumulated funds at period end		**0**	**95,155**	**95,155**	**102,654**

The above results include all recognised gains and losses and are derived from continuing activities.
The Notes 1 to 23 on pages 70 to 90 form an integral part of these accounts.

BALANCE SHEET AS AT 31 MARCH 2024

BALANCE SHEET	NOTES	2024 (£'000)	2023 (£'000)
Fixed assets			
Tangible assets	7	16,939	12,023
Intangible assets	8	2,467	0
Total fixed assets		**19,406**	**12,023**
Current assets			
Stock		338	480
Debtors	9	22,976	29,322
Cash at bank		114,915	114,945
Total current assets		**138,229**	**144,747**
Liabilities			
Creditors: Amounts falling due within one year	10	(25,470)	(18,399)
Net current assets		**112,759**	**126,348**
Total assets less current liabilities		**132,165**	**138,371**
Provisions for liabilities	11	(37,010)	(35,717)
Total net assets		**95,155**	**102,654**
Unrestricted funds	13	95,155	102,654
Total Charity Funds	13	**95,155**	**102,654**

The Notes 1 to 23 on pages 70 to 90 form an integral part of these accounts.

Tim Balcon
Accounting Officer

Approved by the Board on and signed on its behalf by:

Peter Lauener
Chair

CASH FLOW STATEMENT AS AT 31 MARCH 2024

	NOTES	2023-24 (£'000)	2022-23 (£'000) RESTATED*
Cash flows from operating activities	See below		
Net income/(expenditure) per the SoCF		(15,392)	7,314*
Depreciation charges	7	972	588
Loss/(Profit) on sale of tangible fixed assets	6	(222)	(229)
Net effect of revaluation of fixed assets	7	300	(242)
Decrease/(increase) in debtors and stock	9	6,488	(19,665)
(Decrease)/increase in creditors and provisions	10	8,364	9,404
Net cash inflow/(outflow) from operating activities		**510**	**(2,830)***
Cash flows from investing activities			
Interest received		5,111	883*
Receipts from sales of tangible fixed assets		257	229
Payments to acquire tangible fixed assets	7	(3,441)	(596)
Payments to acquire intangible assets	8	(2,467)	0
Net cash inflow/(outflow) from investing activities		**(540)**	**516***
Increase/(decrease) in cash and cash equivalents		(30)	(2,314)
Cash and cash equivalents at period start		114,945	117,259
Cash and cash equivalents at period end		114,915	114,945

The Notes 1 to 23 on pages 70 to 90 form an integral part of these accounts.
*The previous year's cashflow has been restated to reclassify interest received from operating activities to investing activities.

RECONCILIATION OF NET INCOME/(EXPENDITURE) PER THE SOFA TO NET INCOME/(EXPENDITURE) PER THE SoCF

	2023-24 (£'000)	2022-23 (£'000)
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	**(10,223)**	**8,197**
VAT adjustments	(25)	0
Car grant	(20)	0
Interest received	(5,111)	(883)
Non-cash adjustments	(13)	0
Net income/(expenditure) per the SoCF	**(15,392)**	**7,314**



NOTES TO THE ACCOUNTS 1 / 21

Notes to the accounts

1. ACCOUNTING POLICIES

PUBLIC BENEFIT ENTITY

As a charity, CITB is a public benefit entity, therefore "an entity whose primary objective is to provide goods or services for the general public, community or social benefit and where any equity is provided with a view to supporting the entity's primary objectives rather than with a view to providing a financial return to equity providers, shareholders or members".

GOING CONCERN

The financial statements for the year ending 31 March 2024 have been prepared on a 'going concern' basis. The use of the going concern basis of accounting is appropriate as there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of CITB to continue as a going concern.

CITB has ended 2023-24 in a strong financial position with a healthy level of reserves and cash. Collection of the Levy during the second year of the current three-year Levy Order has been in line with forecasts and we are confident of collecting sufficient cash in the remaining year to enable us to fund all our plans and meet all other commitments. A one-year Levy Order has been applied for to bridge the gap in 2025-26, whilst the outcome of the ITB Review is determined by ministers. This should further secure our funding in the near term.

The Board has considered the ongoing impact of the current economic conditions on the activities of CITB and the construction industry. It has determined to keep income expectations for the foreseeable future flat, placing no further burden on Levy payers, and aims to maximise its potential commercial income generation and the return on its investments.

Grant and funding applications have risen during the year to pre-pandemic levels, as the construction industry returns to investing in the skills and training of its workforce. This is good news for the industry, but also for CITB, where accumulated reserves will be released over the next three years to enable us to fund the Strategic Plan in line with an increase in demand from industry. CITB aims to reduce its liquid reserves to target levels by 2026-27, acknowledging its planned investment in assets over this period will keep total reserves close to current levels.

Accordingly, the Board properly prepares and submits the 2023-24 Annual Report and Accounts on a 'going concern' basis.

ACCOUNTING CONVENTION

The financial statements are prepared in accordance with the Industrial Training Act 1982 and directions made thereunder by the Secretary of State for Education. The accounts also have regard to the disclosure requirements of the 2023-24 Government Financial Reporting Manual, providing additional disclosures where (See Note 22 and 23) this goes beyond the requirements of the Charities SORP (FRS 102). These accounts are prepared under the historical cost convention, as modified to reflect the revaluation of fixed assets and investments.

As an executive NDPB sponsored by the Secretary of State for Education, CITB's accounts are consolidated into the accounts of DfE (the Government department responsible for education and skills in the UK), a copy of which can be obtained from their office in Sanctuary Buildings, Great Smith Street, London, SW1P 3PT.

RESTRICTED FUNDS

Restricted funds relate to apprenticeship activity funded by Education and Skills Funding Agency (ESFA) and Skills Development Scotland (SDS) and their associated expenditure, in which contractual agreements state that funds should only be used for the provision of apprenticeships.

Expenditure for apprenticeship activities is apportioned between restricted and unrestricted based on the proportion of direct and grant expenditure relating to apprenticeships, as staff may be working on both.

No surplus is made on restricted funds and, therefore, any loss is covered by unrestricted funds.

INCOME

Income is recognised when CITB can demonstrate entitlement to the income, receipt is probable, and the amount can be quantified with reasonable accuracy. The following specific policies apply to the following material categories of income:

Levy income

Levy income is that receivable from assessments based on the employment details returned by employers, with an estimate for those from which employment details have not been received. Levy income is recognised in line with the requirements of the Levy Order.

NOTES TO THE ACCOUNTS 2 / 21

Estimated assessment income is reduced by a provision for reassessments, based on historical trends, to allow for their normal write-down in value following the receipt of a Levy Return declaring actual direct employment and labour-only subcontract payments. A provision for bad debts, based on identified doubtful debts and prior years' experience is also applied against Levy debts, and both the movement in the provision during the financial year and the actual bad debts written off in the year, are set off against Levy income. Levy Assessments are recognised in the Statement of Financial Activities in the period in which they are raised.

Non-Levy income

Training, development and publications

Registration fee income is recognised on the date the test is taken by the candidate. Publications income is recognised upon dispatch to customers of the items sold. Course fees and other product income is recognised on the start date of the course being delivered.

Apprenticeships

SDS income is recognised upon cash receipt from the funder, less any clawbacks which are disclosed separately, in line with the funding rules of the funder's contract.

ESFA income is recognised on an accruals basis, based on the outstanding amount of the progress of the Apprenticeship at the time, adjusted by the actual cash received.

Other income

This represents the interest earned on CITB's surplus cash balances and is brought into account in the year it is due.

EXPENDITURE

Grant expenditure

The charge in the Statement of Financial Activities consists of the training grants paid during the year together with an estimate of the liability for unpaid grants for the period and any adjustments to accruals and provisions made in earlier years. Grants are considered to be legally binding when the terms have been agreed by both parties.

CITB considers the recognition point for achievement grants to be when the official certification has been achieved and received by CITB. Grant provision is based on the evidence being submitted for certification but not authorised.

The recognition point for attendance grants is over the period that the trainee attends the course. In the cases of other grants, CITB considers the recognition point to be the point at which the employer has provided the training (or incurred the cost of providing the training), as at this point, they can claim a grant.

Lower value funded training grants for small and micro employers are issued with no specified funding conditions and are paid in advance where the intended training is yet to commence.

The clawback of grant claims verified as not meeting grant conditions is recognised when the grant is repaid by either the offset of other grant owed, or cash repayment received. An estimate for the value of identified grants to yet be recovered is included in other debtors.

Charitable activities

The charges in the Statement of Financial Activities are recognised on an accrual basis.

Leasing

Rentals paid under operating leases are charged in the Statement of Financial Activities on a straight-line basis over the lease term.

Allocation of expenditure

Direct costs are allocated accordingly, with support costs apportioned to activities by appropriate drivers. For the majority of support costs, this is an average of the full-time equivalent staff numbers for the financial year. However, funding support costs have been allocated based on funding expenditure split between the activities, while estate costs have been allocated on an office-based full-time equivalent basis.

ASSETS

Debtors

Levy debtors represent the estimated recoverable amounts of unpaid Levy Assessments, having taken account of provisions for bad debts and for reassessing estimated assessments following the late receipt of Levy Returns. CITB only writes off Levy debts when it has evidence that an employer has become insolvent, ceased to trade, is dissolved or, CITB having made all reasonable efforts to locate the debtor, is untraceable.

Non-Levy debtors are shown at their amortised value after any provision for impairment.

NOTES TO THE ACCOUNTS 3 / 21

Tangible fixed assets

Tangible fixed assets (excluding freehold land and buildings) are stated at cost less accumulated depreciation. Adjustments to modified historical cost, to recognise the assets at fair value, are only made if material. For non-revalued assets, the depreciated historic cost is considered to be a reasonable estimate of the fair value. Costs of acquisition, comprising only those costs that are directly attributable to bringing the asset into working condition for its intended use, are capitalised. The threshold for capitalisation is £2,500, either individually or for a group of similar assets.

Freehold land is not depreciated. All other tangible fixed assets are depreciated evenly to write off their value over their estimated useful economic lives. These lie within the following ranges:

- Freehold buildings
  - **50 years** (permanent buildings)
  - **20 years** (improvements and temporary buildings)
  - **Nil** (buildings under construction)
- Motor vehicles (ten years)
- Plant and machinery (four to twenty years)
- Office equipment (ten years)
- Computer equipment (two to five years).

Freehold properties and plant and machinery are fully revalued every five years and reviewed annually. All tangible fixed assets are subject to an annual impairment review.

Intangible fixed assets

Intangible fixed assets are measured at cost less accumulated amortisation and any accumulated impairment losses. Expenditure, including own staff costs, incurred by CITB in relation to the development and implementation of internally generated assets, such as online services have been capitalised at cost. These costs relate to the development stage of the project and are deemed to have a future economic benefit of more than a year. Once an asset is put into use, the amortisation of such expenditure will be charged on a straight-line basis over the estimated useful life of the asset up to a maximum of seven years.

Based on the Levy consensus cycle and employer engagement feedback, intangible assets are amortized over a seven-year period, accounting for identified improvements and the decommissioning of existing working methods.

Cash and cash equivalents

Cash is represented by amounts held at bank.

LIABILITIES

Deferred income

Deferred income is recognised where cash has been received during the accounting period, but for which associated activities will not be carried out until subsequent accounting periods.

Income from Health and Safety Tests and Course fees is deferred where payment is received in advance for contracted services that have yet to be provided.

Grant creditors

Amounts payable in relation to grant funding authorised but not yet paid are recognised within creditors.

College fee creditors

Amounts payable in relation to college fee invoices are calculated on the basis of known learners' records. College fees relating to students whose details have not yet been received are accrued for on the basis of historical payment patterns adjusted for any known changes in circumstances. College fee creditors are recognised within non-grant accruals.

Trade creditors

Amounts payable in relation to supplier invoices are based on those due as at the year-end where goods or services have been received.

Provisions

CITB funds training relevant to the construction industry. There is naturally a gap between the funding being earned and the claim being paid by CITB. Claims are submitted with evidence of completion, which have to be verified and processed. At year end, therefore, we make an assessment for the amount of provision that is required to account for funding earned in line with the grant recognition policy, but yet not paid.

Grant claims not yet received are largely provided for on the basis of historical payment patterns adjusted for any known changes in circumstances, although some parts of the provision relating to apprentices are based on the number of new entrant trainees known to have enrolled on the scheme.

A provision of £15.2m was included in the 2022-23 accounts with respect to non-compliance with the Education and Skills Funding Agency's (ESFA) funding rules for apprenticeship delivery in England and Wales for

the academic years 2018/19, 2019/20. That provision reflected the likelihood that, following audits carried out on behalf of the ESFA, some level of ESFA funding would need to be clawed back due to issues with records management. At the time, this was our best assessment of the most likely outcome of amounts due, following detailed investigation by CITB into the ESFA audit results.

We have successfully worked with the ESFA to provide additional assurance and resolve potential errors on most of the points raised through their initial audit work, in areas which we acknowledge record keeping was not at the level we expect. A final position has been agreed with the ESFA of £12.3m against which they will clawback funds related to these matters. This is reflected in these accounts. Through this work, the ESFA have also recognised the £1.6m claw back for 2020/21 is to be reduced and we estimate this to be by approximately £1m.

We have taken steps to transform this part of the organisation, improving processes and introducing new technology, and are confident that we will not experience similar issues for 2023/24 or future academic years.

Significant judgements

The financial statements include three significant judgements.

The key estimate required is how much of the £150m Levy debt outstanding at the year-end will be collected in the fullness of time. We have followed our normal methodology, which is based on age, but adjusted it to reflect the cash collection experience in 2023-24. We have used our experience of cash collection over the past year, against all prior Levy Assessments, to judge how much we can expect to collect in the fullness of time. The total provision is then split between bad debt (money that is owed but not expected to be paid) and reassessment (money that has been invoiced on an estimated assessment and is likely to be adjusted downwards when the Levy Return is received). The split is intended to help the reader understand the difference between the bulk assessment and the net income received. It should be noted that although this is a judgement, the split itself does not have any net impact on our financial statements.

The second significant judgement is regarding the provision for training grants. At the year end, we make an assessment for the amount of provision that is required to account for apprenticeship, qualification and short duration training grants earned, but as yet not claimed. Our methodology is largely based on historical cash payments, which we have judged to be the most appropriate, relevant and reliable predictor of future cash payment requirements. However, because grant demand patterns have fluctuated over the last few years due to the pandemic and its after-effects, this estimate contains a significant level of uncertainty, and the actual outcome will not be known until sometime after these accounts are certified.

The third significant judgement involves valuing CITB's freehold properties, plant and machinery, which requires judgements to be made regarding which valuation methodology, data and assumptions to be used and there are inherent risks in the valuation around estimation uncertainty. To mitigate those risks, CITB uses an external third party with local knowledge and expertise to perform an annual desktop valuation. A full valuation is performed every five years.

VAT

Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input tax is recoverable, the amounts are stated net of VAT.

Pensions

CITB is a participating employer in the ITB Pension 2016 and operates a defined contribution section (See Note 14).



NOTES TO THE ACCOUNTS 5 / 21

2. INCOME FROM CHARITABLE ACTIVITIES

LEVY INCOME	2023-24 (£'000)	2022-23 (£'000)
Current year's Levy Assessment receivable	244,873	205,507
Less: provision for bad debts and debt write-offs	(43,055)	(36,445)
Net value current year's Levy Assessments	**201,818**	**169,062**
Reassessment of previous years' Levy receipts	190	1,546
Net Levy income for the year	**202,008**	**170,608**

The reassessment of previous years' Levy relates to the prior year Levy Assessment that has been reassessed this year. It is, therefore, an uncertain estimation refined in 2023-24.

The increase in Levy income in 2023-24 is because of 4.6% wage growth in the construction industry due to high competition for staff and higher bonuses, and the post-pandemic boom.

The 2022 Levy Bulk Assessment was issued in April 2023 with a base collection period up to March 2024. The resulting total expected income is in line with the higher Bulk Assessment outcome.

The provision for bad debts and debt write-offs has increased by £6.6m compared to 2022-23. We have followed a more thorough write-off process against uncollectable debt. This is offset by debt from the new Levy year.



NOTES TO THE ACCOUNTS 6 / 21

3. MATERIAL CASH SUPPORT PAYMENTS IN RESPECT OF TRAINING

Accounting and Reporting by Charities: Statement of Recommended Practice (FRS 102) requires material grants made, to be disclosed. Disclosure must include the name of the recipient, and the aggregate amount of grants made to that recipient. The material payments for 2023-24 are disclosed below:

For comparative purposes, the material payments for 2022-23 were:

RECIPIENT	2023-24 (£'000)
OHOB Group Ltd	2,146
Barratt Developments Plc	1,796
Kier Group Plc	1,742
O'Rourke Investments Plc	1,700
The Skills Centre London Ltd	1,645
Persimmon Plc	1,612
Royal BAM Group Nv	1,475
Balfour Beatty Plc	1,330
M Group Services Ltd	1,203
Morgan Sindall Group Plc	910
VGC Group	876
Taylor Wimpey Plc	870
Cyfle Building Skills Ltd	851
Bell Group UK Ltd	814
Willmott Dixon Construction Ltd	808
Other recipients	135,950
Total paid or offset during the year	**155,728**

RECIPIENT	2022-23 (£'000)
O'Rourke Investments Plc	1,542
Royal BAM Group Nv	1,354
Kier Group Plc	1,242
Barratt Developments Plc	1,197
Taylor Wimpey Plc	1,115
Cyfle Building Skills Ltd	1,057
OHOB Group Ltd	1,043
Persimmon Plc	977
Procure Plus Holdings Ltd	801
Bell Group UK Ltd	636
Balfour Beatty Plc	642
M Group Services Ltd	539
The Supply Chain School	522
Morgan Sindall Group Plc	478
Advance Construction Personnel Ltd	477
Other recipients	91,899
Total paid or offset during the year	**105,521**

In 2023-24 £6.8m (2023-23 £5.2m) in grants were paid directly to, or on behalf of, individuals (Travel to Train is paid on behalf of individual apprentices), £137.5m to employers (2022-23 £91.9m) and £11.4m (2022-23 £8.4m) to other institutions.

4. EXPENDITURE ON CHARITABLE ACTIVITIES

In the current financial year, the expenditure on charitable activities for the previous year have been restated* to align with the reporting year's strategic priorities.

ACTIVITY	ACTIVITIES DIRECTLY UNDERTAKEN (£'000)	GRANT FUNDING ACTIVITIES (£'000)	SUPPORT COSTS (£'000)	2023-24 TOTAL (£'000)	2022-23 TOTAL (£'000) *RESTATED
Delivering an efficient Training Supply	56,171	154,535	41,043	251,749	184,545
Improving construction's people pipeline	3,076	1,193	1,590	5,859	3,511
Creating defined training pathways	3,259	0	4,433	7,692	6,094
Total	**62,506**	**155,728**	**47,066**	**265,300**	**194,150**

Grant funding of £155.7m (2022-23: £105.5m) is split into two elements (also referenced on page 26):

- Main Grants Scheme – £128.6m (2022-23: £85.3m)
- Funding (incorporating structured and flexible funding) – £27.1m (2022-23: £20.2m).

5. SUPPORT COSTS

In the current financial year, the Support Costs for the previous year have been re-presented to align with the reporting year's strategic priorities.

*To correct a prior year mapping error, £356k has been reallocated from Legal, Governance, and Compliance to expenses on raising funds. Additionally, £1.7m in costs, previously categorised as direct costs, are now included under Strategy and Policy.

SUPPORT COST	DELIVERING AN EFFICIENT TRAINING SUPPLY (£'000)	IMPROVING CONSTRUCTION'S PEOPLE PIPELINE (£'000)	CREATING DEFINED TRAINING PATHWAYS (£'000)	2023-24 TOTAL (£'000)	2022-23 TOTAL (£'000) *RESTATED
Legal, Governance and Compliance	1,650	58	169	**1,877**	1,807*
Communications and marketing	3,331	116	343	**3,790**	3,168
Finance	2,556	89	263	**2,908**	3,192
Human Resources	2,635	92	271	**2,998**	3,052
Technology	10,382	363	1,068	**11,813**	8,597
Change	2,266	79	233	**2,578**	2,319
Commissioning	590	21	60	**671**	674
Estates	7,938	526	1,382	**9,846**	6,351
Other corporate costs	2,400	84	247	**2,731**	1,126
Strategy and Policy	3,857	135	397	**4,389**	3,285*
Grant Support Costs	3,438	27	0	**3,465**	2,985
Total	**41,043**	**1,590**	**4,433**	**47,066**	**36,556***

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6. EXPENDITURE

ACTIVITY	2023-24 (£'000)	2022-23 (£'000)
The net movement in funds for the year was arrived at after charging/(crediting)		
Profit on disposal of fixed assets	(222)	(229)
Depreciation on owned assets	972	588
Hire of plant and machinery	275	197
Other operating leases	644	1,119
Indemnity insurance	100	101
Statutory external auditor fee	230	210
Other assurances (internal audit)	251	380

7. TANGIBLE FIXED ASSETS

(A) SUMMARY

	FREEHOLD PROPERTY (£'000)	PLANT AND MACHINERY (£'000)	VEHICLES (£'000)	COMPUTER AND OFFICE EQUIPMENT (£'000)	TOTAL (£'000)
Cost or Valuation					
1 April 2023	10,880	7,666	201	3,332	22,079
Additions	0	2,180	892	392	3,464
Disposals	0	(559)	(144)	(559)	(1,262)
Revaluation	1,180	1,562	0	0	2,742
31 March 2024	**12,060**	**10,849**	**949**	**3,165**	**27,023**
Depreciation					
1 April 2023	0	6,531	195	3,330	10,056
Charges during year	229	568	61	114	972
Disposals	0	(557)	(144)	(560)	(1,261)
Revaluation	(229)	546	0	0	317
31 March 2024	**0**	**7,088**	**112**	**2,884**	**10,084**
Net book value					
31 March 2024	**12,060**	**3,761**	**837**	**281**	**16,939**
31 March 2023	10,880	1,135	6	2	12,023

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(B) HISTORICAL COST INFORMATION

If the valuations had not been included, then freehold property would have been included at the following amounts:

	2023-24 (£'000)	2022-23 (£'000)
Cost	18,855	19,302
Prior year adjustment to cost	0	(447)
Accumulated depreciation	(5,831)	(5,602)
Total	**13,024**	**13,253**

(C) FREEHOLD PROPERTY

	2023-24 (£'000)	2022-23 (£'000)
Freehold land valuation	3,800	3,430
Freehold property valuation	8,260	7,450
Accumulated depreciation freehold property valuation only	0	0
Total	**12,060**	**10,880**

(D) HISTORICAL COST INFORMATION OF PLANT AND MACHINERY

If the valuations had not been included, then plant and machinery would have been included at the following amounts:

	2023-24 (£'000)	2022-23 (£'000)
Cost	**7,667**	**7,667**
Additions	2,180	0
Disposals	(557)	0
Total	9,290	7,667
Accumulated depreciation	(6,473)	(6,531)
Net book value	**2,817**	**1,136**



(E) REVALUATION

Land and Buildings

An independent valuation of all CITB freehold property was carried out by Montagu Evans LLP. The valuation as at 31 March 2024 was based on the principles of fair value and prepared using the existing use method of valuation.

Freehold property includes both land and buildings.

The assumptions applied within the valuation of CITB's properties this financial year include:

- Rental Values – £1.00-£5.75 per sq.ft (£0.50 - £5.50 per sq.ft in 2022-23)
- Yield – 9% - 20% (Yield – 8.75% - 20% in 2022-23)
- Land values per acre – £4,500 per acre - £7,500 per acre (£4,250 per acre - £7,000* per acre in 2022-23)*.

*During the reporting year, it was identified that the land values per acre reported in the previous year's financial statements was incorrect. The error was due to incorrect data provided.

The valuation assumes that each property is occupied and/or operated in accordance with a valid planning permission and that there are no matters that would affect value.

Plant and Machinery

Included in the cost of plant and machinery is £2.8m of assets that have reached the end of their estimated useful life and therefore are fully depreciated. However, those assets are still being used and are providing some economic benefit.

The valuation of plant and machinery has been carried out by an independent external valuer Cheffins in February 2024. The valuation has been undertaken on the basis of Market Value as defined in the RICS Valuation - Global Standard 2022.

The plant and machinery at CITB are somewhat unique in its existence. Most of the items are in excellent condition and have a low recorded hours and mileage. This in turn makes it challenging to value, as most of the comparable evidence is of lesser quality and has recorded more hours and mileage.

(F) CAPITAL COMMITMENTS

There were £Nil capital commitments as at 31 March 2024 (2022-23: £Nil).

(G) TANGIBLE FIXED ASSETS 2022-23 (COMPARATIVE TABLE)

	FREEHOLD PROPERTY (£'000)	PLANT AND MACHINERY (£'000)	VEHICLES (£'000)	COMPUTER AND OFFICE EQUIPMENT (£'000)	TOTAL (£'000)
Cost or Valuation					
1 April 2022	10,650	7,887	253	3,962	22,752
Additions	0	590	6	0	596
Disposals	0	(811)	(58)	(630)	(1,499)
Revaluation	230	0	0	0	230
31 March 2023	**10,880**	**7,666**	**201**	**3,332**	**22,079**
Depreciation					
1 April 2022	0	6,980	253	3,950	11,183
Charges during year	216	362	0	10	588
Disposals	0	(811)	(58)	(630)	(1,499)
Revaluation	(216)	0	0	0	(216)
31 March 2023	**0**	**6,531**	**195**	**3,330**	**10,056**
Net book value					
31 March 2023	**10,880**	**1,135**	**6**	**2**	**12,023**
31 March 2022	10,650	907	0	12	11,569

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8. INTANGIBLE ASSETS

	ASSETS UNDER CONSTRUCTION (£'000)	TOTAL (£'000)
Cost	0	0
Opening balance	0	0
Additions	2,467	2,467
Disposals	0	0
Impairment	0	0
As at 31 March 2024	**2,467**	**2,467**
Amortisation		
Amortisation Opening Balance	0	0
Amortisation charges during period	0	0
Disposals	0	0
Impairment	0	0
As at 31 March 2024	**0**	**0**
Net Book Value at 01 April 2023	0	0
Net Book Value at 31 March 2024	**2,467**	**2,467**

9. DEBTORS

	2024 (£'000)	2024 (£'000)	2023 (£'000) *RESTATED	2023 (£'000)
Levy debtors	149,998		149,274*	
Less: provision for bad debts	(132,467)		(126,024)	
Total Levy debtors		**17,531**		**23,250***
Trade debtors	4,615		3,438*	
Other debtors	134		265	
Less: provision for bad debts	(1,530)		(66)	
Total trade and other debtors		**3,219**		**3,637**
Accrued income		958		1,105
Prepayments		1,268		1,330
Total debtors		**22,976**		**29,322**
Debtors due within one year		22,976		29,322

*£1.2m of Levy debtors for 22-23 were restated to trade debtors to correct last year's figures due to the incorrect allocation of overpaid grants.

As stated in the Accounting Policies (See Note 1), CITB writes-off Levy debts only when it has evidence that an employer has become insolvent, has ceased to trade, has been dissolved or, having made all reasonable efforts to locate the debtor, is untraceable. We do provide for bad debts where we believe Levy will not be collected.

Generally, collection of the Levy has been slightly better than anticipated, while grant and funding claims have been higher than expected, therefore we have had sufficient funds to enable us to operate as normal. The key estimate required is how much of the £150m bona fide and estimated Levy debt outstanding at the year-end will be collected in the fullness of time. We have followed our normal methodology, which is based on age, but adjusted it to reflect the cash collection experience in 2023-24.

Levy debtors and income are stated net of a provision for reassessment of £42.9m (2022-23: £34.2m). →

The smaller increase in debt compared to the previous financial year reflects the fact that the main collection period for the 2022 Levy Assessment (raised in April 2023) runs until March 2024, whereas in 2022-23 the collection period finished after the year end, as the Levy was raised in June 2022, rather than April 2022. Levy collection is returning to being in line with pre-pandemic levels.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 (£'000)	2023 (£'000)
Trade creditors	6,234	1,602
Taxation and social security	1,009	798
Deferred income	1,562	1,949
Accruals		
Grant funding	4,221	4,722
Other	12,444	9,328
Total creditors	**25,470**	**18,399**

DEFERRED INCOME ANALYSIS

Income has been deferred where cash has been received for products and services in the financial year, but for which associated activities will not be carried out until subsequent accounting periods.

	2024 (£'000)	2023 (£'000)
Balance brought forward at start of year	1,949	1,674
Deferred income in current year	1,562	1,949
Prior year released	(1,949)	(1,674)
Closing balance	**1,562**	**1,949**

11. PROVISIONS FOR LIABILITIES AND CHARGES

	GRANT PROVISION 2024 (£'000)	ESFA REPAYMENT PROVISION 2024 (£'000)	OTHER PROVISIONS 2024 (£'000)	TOTAL PROVISIONS 2024 (£'000)	TOTAL PROVISIONS 2023 (£'000)
Balance as at period start	18,003	15,202	2,512	**35,717**	28,834
Utilised	(18,003)	0	(1,833)	**(19,836)**	(24,236)
Released	0	(3,902)	(267)	**(4,169)**	(373)
Additions	22,675	0	2,623	**25,298**	31,492
Balance as at period end	**22,675**	**11,300**	**3,035**	**37,010**	**35,717**

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GRANT AND FUNDING PROVISIONS

CITB pays out grants to employers to fund relevant training. There is naturally a gap between the grant being earned (the learner has had their training) and the claim being received by CITB. At the year-end, therefore, we make an assessment for provision that is required to account for grants earned but as yet not claimed.

- Apprenticeship Grant provisions are based on expected claims for known named apprentices with confirmed start dates and this is used as a basis to provide for those not yet known about (received) at year-end

- Short duration Grant and Qualification Grant provisions are based on recent historical experience payment values. The pandemic initially created delays in claims of these grants, and we have observed that these interventions remain volatile year-on-year. This has meant the provisions for Short Duration Grants has increased compared to last year and Qualification Grants has decreased.

REDUNDANCY PROVISION

In 2023-24, a restructuring provision of £116,707 was made to account for the expected redundancy costs related to the Communications and Marketing function.

OTHER PROVISIONS

Included within the provisions is a value of £511,744 for the payment of interest and compensation for late payments, in accordance with the obligations under the Late Payment of Commercial Debt (Interest) Act 1998 and Regulations 2013.

The more minor funding provisions relates to the Skills and Training Fund for Small- and Micro-Sized businesses and the Skills and Training Fund for Medium-Sized businesses.

Other provisions also include small dilapidation provisions.

ESFA REPAYMENT PROVISION

A provision of £11.3m has been included in these accounts with respect to the risk of non-compliance with the Education and Skills Funding Agency's (ESFA) funding rules for apprenticeship delivery in England and Wales for the academic years 2018/19 and 2019/20. Following productive work with the ESFA, a reduction in the clawback with respect to 2020/21 of £1.6m is expected and we estimate that to be by approximately £1m.

12. 2022-2023 RESTRICTED AND UNRESTRICTED FUNDS

INCOME	2022-23 (£'000) RESTRICTED	2022-23 (£'000) UNRESTRICTED	2022-23 (£'000) TOTAL
Income from charitable activities			
Levy income	0	170,608	170,608
Non-Levy income			
Training and Development	10,208	33,324	43,532
Clawback of ESFA Funding	(10,915)	0	(10,915)
Careers	0	55	55
Standards and Qualifications	0	120	120
Engagement and Evidence Base	0	27	27
Other	0	27	27
Total non-Levy income	**(707)**	**33,553**	**32,846**
Income from Government grants			
Other income	0	883	883
Total income	**(707)**	**205,044**	**204,337**

EXPENDITURE	2022-23 (£'000) RESTRICTED	2022-23 (£'000) UNRESTRICTED	2022-23 (£'000) TOTAL
Expenditure on raising funds	0	1,876	1,876
Expenditure on charitable activities			
Training and Development	16,067	166,766	182,833
Careers	0	3,076	3,076
Standards and Qualifications	0	6,070	6,070
Engagement and Evidence Base	0	2,527	2,527
Total expenditure on charitable activities	**16,067**	**178,439**	**194,506**
Other expenditure	0	(242)	(242)
Total expenditure	**16,067**	**180,073**	**196,140**
Net income/(expenditure)	**(16,774)**	**24,971**	**8,197**
Transfer from unrestricted fund	**16,774**	**(16,774)**	**0**
Other gains and losses			
Gain on revaluation of freehold property	0	204	204
Net movement in funds	**0**	**8,401**	**8,401**

13. ACCUMULATED FUNDS

	GENERAL RESERVE 2023-24 (£'000)	FIXED ASSET REVALUATION RESERVE 2023-24 (£'000)	TOTAL UNRESTRICTED FUNDS 2023-24 (£'000)	TOTAL UNRESTRICTED FUNDS 2022-23 (£'000)
Opening balance	102,450	204	102,654	94,253
Net movement in funds	(10,223)	2,724	(7,499)	8,401
Closing balance	**92,227**	**2,928**	**95,155**	**102,654**

ACCUMULATED FUNDS 2022-23 (COMPARATIVE TABLE)

	GENERAL RESERVE 2022-23 (£'000)	FIXED ASSET REVALUATION RESERVE 2022-23 (£'000)	TOTAL UNRESTRICTED FUNDS 2022-23 (£'000)	TOTAL UNRESTRICTED FUNDS 2021-22 (£'000)
Opening balance	94,253	0	94,253	120,733
Net movement in funds	8,197	204	8,401	(26,480)
Closing balance	**102,450**	**204**	**102,654**	**94,253**

The accumulated unrestricted fund is available for use at the discretion of the Board in furtherance of the general objectives of the charity.

14. ITB PENSION FUND

CITB is a participating employer in the ITB Pension Funds, which comprises two funds: The Open Fund and the Closed Fund.

- The Closed Fund has no participating employers paying contributions.

- The Open Fund consists of four separate sections:

  - the original section of the Open Fund, known as the 'Old Section'
  - the 'New Section', which was introduced on 1 September 2003
  - the '2007 Section', which was introduced on 1 January 2007, and
  - the 'DC Section', which was introduced on 1 April 2012.

The Old, New and 2007 Sections provide DB (defined benefit) benefits, and the DC section provides DC (defined contribution) benefits.

As the '2007 Section' is a multi-employer scheme for which CITB's proportion of assets and funding/ liabilities cannot be separately identified, the Charity SORP (FRS 102) requires it to be accounted for as a defined contribution plan.

CITB's current and former employees will have benefits accrued in all four sections. However, from 1 April 2017 CITB elected not to offer further DB benefits and since that date the DC section has been the only section open for CITB and its employees to pay contributions into.

The most recent triennial valuation of the scheme was performed as at 31 March 2022.

The principal future assumptions used are:

- **Discount rate for determining the technical provisions (or, equivalently, the expected return on the assets)**
  The overall discount rate assumed for the valuation is based on consideration of the expected rates of return on the Fund's assets and the yields available, at the valuation date, on Government bonds (gilts). The expected nominal return on the assets is assumed to be the redemption yields on gilts plus a prudent margin of 0.15% a year to allow for expected returns on the Fund's assets exceeding those from gilts. An inflation risk premium of 0.25% is also deducted

- **Future Retail Price Inflation (RPI)**
  An implied RPI curve for future RPI is determined by comparing the annually compounded redemption yield from nominal gilt yield curves minus 0.25% for an inflation risk premium, and index-linked gilt yield curves

- **Future Consumer Price Inflation (CPI)**
  CPI increases are assumed to be 0.9% a year less than RPI increases up to 2030 and in line with RPI from 2030

- **Pension increases**
  These are assumed to be in line with the provisions under the Fund's rules, with the assumption for future CPI or RPI as appropriate, allowing for any caps and floors

- **Mortality (post-retirement)**
  Assumed to be in line with 85% of the S3NMA, S3NFA_H and S3DFA tables published by the UK actuarial profession. Ill health pensioners are assumed to experience the same rates of mortality as under the unadjusted S3IM/FA tables

- **Mortality improvements**
  Longevity improvements are assumed to be in line with the 2021 Continuous Mortality Investigation (CMI) projection model using a smoothing factor of 7.5 and a 1.5% long term improvement per year.

The 2022 triennial valuation indicated that the actuarial value of the assets held by the Scheme in total showed a surplus of £24.8m against the scheme liabilities on a statutory funding basis. There were no deficit funding contributions paid to the Scheme in the 12-month period (2022-23: £Nil).

The range for standard employee contributions is 4%-7% (2022-23: 4%-7%), although employees can elect to contribute more at their discretion, and the employer contributions will match the employee contribution plus 2% but are capped at 9% (2022-23: 9%). Expenses related to the CITB defined contribution scheme are attached to individual employees and allocated across activities on the same basis as total employee costs. These expenses are funded from unrestricted reserves.

As shown in Note 17, employer's pension contributions totalled £2.6m for 2023-24 (2022-23: £2m). The operating cost of CITB's defined contribution pension scheme for 2023-24 was £44,906 (2022-23 £16,683).

15. LEASE COMMITMENTS

CITB is committed to the following annual payments under non-cancellable operating lease agreements:

	LAND AND BUILDINGS 2023-24 (£'000)	OTHER (£'000)	LAND AND BUILDINGS 2022-23 (£'000)	OTHER (£'000)
Operating leases				
Leases expiring within 1 year	1	341	44	286
Leases expiring within 2-5 years	0	296	1	343
Leases expiring after 5 years	0	0	0	0
As at 31 March	**1**	**637**	**45**	**629**

16. BOARD MEMBERS' REMUNERATION

Remuneration of Board members was as follows:

	2023-24 £	2022-23 £
Chair – Peter Lauener	21,673	23,102

The authority under which payments were made to the Chair is contained within Schedule 1 Sections 4 and 5 of the Industrial Training Act 1982. Expenses paid to Board members during 2023-24 amounted to £6,255 (2022-23: £1,626) in respect of travel and subsistence. The total number of recipients was six (2022-23: five). No material expenses were waived by Board members during this period.



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17. PARTICULARS OF STAFF

During the period, the average number (across the year) of staff directly and temporarily employed by CITB (expressed in full-time equivalents) was as follows:

	DIRECTLY EMPLOYED	TEMPORARY STAFF	2023-24 TOTAL	2022-23 TOTAL
Total	748	15	763	666

During the period, the following costs were incurred in respect of the above:

	2023-24 (£'000)	2022-23 (£'000)
Salaries of directly employed staff	36,491	29,951
Temporary and agency staff costs	2,512	1,915
Redundancy cost	308	(145)
Social security costs	4,058	3,315
Pension costs	2,571	1,989
Total	**45,940**	**37,025**

The remuneration and pension entitlements of CITB's Executive directors can be found in the Remuneration Report on pages 92 to 97.

Redundancy costs in 2022-23 represents the net release of the provision following a reassessment of the estimated redundancy costs of restructuring.

The number of employees whose emoluments exceeded £60,000, including benefits in kind but excluding pension contributions, are outlined within the ranges shown below:

	2023-24	2022-23
£60,001-£70,000	114	45
£70,001-£80,000	24	12
£80,001-£90,000	23	14
£90,001-£100,000	7	2
£100,001-£110,000	1	1
£110,001-£120,000	1	2
£120,001-£130,000	3	1
£130,001-£140,000	0	1
£150,001-£160,000	1	0
£170,001-£180,000	0	1
£180,001-£190,000	1	0

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The total employer contributions paid in 2023-24 to the defined contribution section of the ITB Pension Fund in respect of those employees earning over £60,000 was £788,437 (2022-23: £392,963). Details of staff headcount by grade and gender as at period end are:

***The Grading for 2022-23 has been re-presented based on the current grading structure.**

GRADE (2023-24)	FEMALE	MALE	TOTAL
Chief Executive	0	1	1
Leader L3	1	1	2
Leader L2	2	2	4
Leader L1	8	14	22
Specialist Lead SL3	12	8	20
Specialist Lead SL2	22	29	51
Specialist Lead SL1	42	36	78
Specialist Contributor SC4	22	32	54
Specialist Contributor SC3	45	92	137
Specialist Contributor SC2	113	78	191
Specialist Contributor SC1	42	32	74
People Manager PM3	3	3	6
People Manager PM2	6	4	10
People Manager PM1	2	1	3
Team Leader TL3	13	3	16
Team Leader TL2	3	1	4
Team Leader TL1	3	1	4
Team Member TM3	44	20	64
Team Member TM2	27	12	39
Team Member TM1	4	3	7
APP 18 Plus	1	2	3
Total	**415**	**375**	**790**

GRADE (2022-23)	FEMALE	MALE	TOTAL
Chief Executive	0	1	1
Leader L3	1	0	1
Leader L2	2	2	4
Leader L1	11	14	25
Specialist Lead SL3	10	8	18
Specialist Lead SL2	19	28	47
Specialist Lead SL1	43	37	80
Specialist Contributor SC4	17	31	48
Specialist Contributor SC3	45	83	128
Specialist Contributor SC2	98	60	158
Specialist Contributor SC1	33	28	61
People Manager PM3	3	3	6
People Manager PM2	10	4	14
People Manager PM1	2	0	2
Team Leader TL3	13	3	16
Team Leader TL2	3	1	4
Team Leader TL1	3	0	3
Team Member TM3	36	14	50
Team Member TM2	29	11	40
Team Member TM1	4	1	5
Total	**382**	**329**	**711**

Details of staff sickness absence and off-payroll engagements are shown in the Remuneration Report (pages 96 to 97).

Details of staff leaving the organisation during 2023-24 for whom contractual redundancy exit packages were payable are:

	NUMBER OF COMPULSORY REDUNDANCIES		NUMBER OF OTHER AGREED DEPARTURES		TOTAL NUMBER OF EXIT PACKAGES BY COST BAND	
EXIT PACKAGE COST BAND	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
<£10,000	0	4	5	0	5	4
£10,001-£25,000	0	6	3	1	3	7
£25,001-£50,000	0	6	2	0	2	6
£50,001-£100,000	0	3	1	0	1	3
Total number of exit packages	**0**	**19**	**11**	**1**	**11**	**20**
Total cost £	**0**	**558,233**	**186,621**	**15,875**	**186,621**	**574,108**

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18. TAXATION

As a registered charity, CITB is exempt from corporation tax on its charitable activities under section 505 of the Income and Corporation Taxes Act 1988. However, incoming resources include income that is deemed to be of a non-charitable nature, resulting in a loss of £Nil (2022-23: loss of £Nil). This has given rise to a corporation tax liability of £Nil (2022-23: £Nil).

19. RELATED PARTY TRANSACTIONS

The sponsoring department for CITB is DfE. On 1 April 2022, the contract held with ESFA regarding apprenticeships funding has now novated to DfE.

	INCOME RECOGNISED BY CITB (£'000)		OWING TO CITB (£'000)	
	2023-24	2022-23	2023-24	2022-23
ESFA	6,182	(10,915)	252	0
DfE	0	2,523	0	518

	EXPENDITURE RECOGNISED BY CITB (£'000)		OWED BY CITB (£'000)	
	2023-24	2022-23	2023-24	2022-23
ESFA	0	49	11,300	16,199
DfE	0	0	0	0

In addition, some members of the Board hold positions of influence and decision-making with organisations with which CITB has transacted during the year. Details of such positions and employments are declared in the following appendices to this report:

- Appendix A (pages 99 to 102) shows the register of interests of Board members
- Appendix B (pages 103 to 104) shows Board and Committee attendance
- Appendix C (pages 105 to 106) lists the members of the Board and its Committees, also giving the names of their employers.

The transactions in the following tables comprise the receipt of Levy and income from the sale of training-related products and services, and the payment of grants and payments for the purchase of materials and services to the organisations classified as related parties.

	INCOME RECOGNISED BY CITB (£'000)		AMOUNTS OWING TO CITB AT PERIOD END (£'000)	
	2023-24	2022-23	2023-24	2022-23
Levy	3,767	1,079	137	326
Sale of training-related products and services	51	48	6	2
Overpaid grants	0	0	137	0
Total	**3,818**	**1,127**	**280**	**328**

	EXPENDITURE RECOGNISED BY CITB (£'000)		AMOUNTS OWED BY CITB AT PERIOD END (£'000)	
	2023-24	2022-23	2023-24	2022-23
Payment of grants	3,260	2,215	20	11
Purchase of materials and services	279	262	0	0
Total	**3,539**	**2,477**	**20**	**11**

It is the Board which sets out CITB's vision, mission and values and therefore transactions with parties related to Board members only are considered related party transactions and included in the tables on page 89.

During the year, no key manager, employee or other related party has undertaken any material transactions with CITB other than remuneration, as disclosed in the Remuneration Report and Staff Costs notes. All of these transactions were under normal terms and carried out at arm's length. No funds were held as an agent.

20. FINANCIAL INSTRUMENTS

CITB only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

A significant amount of CITB's reserves are held as cash. As well as instant access accounts CITB utilises a short-term deposit account and loans excess balances overnight on its current accounts to benefit from a higher interest rate. These are low risk and sufficient to meet CITB's liquidity requirements.

21. LOSSES AND SPECIAL PAYMENTS

Following audits and settlement negotiations with the Education and Skills Funding Agency (ESFA), a reduction of approximately £1m has been estimated by CITB with respect to the clawback of £1.6m disclosed in 2022-23 for non-compliance against funding rules for apprenticeship delivery in England and Wales for the academic year 2020/21. The provision of £15.2m for the possible clawback in respect of 2018/19 and 2019/20 has now been agreed and reduced to £12.3m, by agreement with the ESFA, resulting in a net loss of £11.3m.

For the current year, we made two payments totalling £10,000 (one of £4,608 in 2022/23) in respect of severance cases. The severance payment made in 2022-23 was omitted from last year's accounts and has been included and restated this year.

The total Levy bad debts written off, principally related to insolvent employers, amounted to £34.6m, from 6,171 individual items (2022-23: £8.5m, from 1,405 items). A total of £623,210 in overpaid grants has been written off, involving 167 employers.

No interest was paid under the Late Payments of Commercial Debts (Interest) Act 1998 (2021-22: Nil).

During the year, CITB ceased to invest in its Training Model Improvement project, as it had failed to deliver to CITB's expectation on cost, quality, and time. This was despite repeated attempts to recover the project and to secure its intended benefits. CITB had invested £1.5m (ex. VAT) with Shared Services Connected Ltd (SSCL) to deliver this project through our Partnering Agreement. Recovery of the costs incurred to date are being sought through formal contractual dispute proceedings, the outcome of which remains uncertain at this time.

22. REMOTE CONTINGENT LIABILITIES

As part of our ten-year contract with SSCL, CITB has agreed to compensate SSCL should we exit early. As at 31 March 2024, in the event that CITB were to cancel the contract, there would be a maximum liability of £1.9m to compensate SSCL for investment in systems and people due to be used over the life of the contract to January 2029. SSCL has a duty to mitigate any losses and, in the normal course of events, CITB will be paying SSCL this money as part of the contract delivery.

23. EVENTS AFTER THE BALANCE SHEET DATE

There have been no events after the balance sheet date requiring an adjustment to the financial statements. The financial statements were authorised for issue by the Board on the date the Comptroller and Auditor General signed. Events after this date have not been considered and the charity's Trustees do not have the power to amend the financial statements after issue.



SECTION 7

Remuneration Report

Pages 91 to 97

Membership

The Nomination, Appointments and Remuneration Committee is a Committee of the Board. Its terms of reference provide, among other matters, that the Committee will advise and provide assurance to the Board on senior appointments, their remuneration policy, the succession planning of the Executive and Leadership Team members, and the monitoring of people-based KPIs.

The Committee normally has three Board Trustees, one of whom is appointed as Chair. The CEO and People Director provide information to the Committee to inform its decisions.

Policy on the remuneration of directors

The individual remuneration for Executive Directors is reviewed annually with regard to external market changes and an assessment of individual performance, evidenced by the performance management process. Individual performance payments, which are not consolidated into annual salaries, are set within a range from 0%-10% of basic pay for the Executive Directors. All employees, including Executive Directors, are eligible for membership of the ITB Pension Fund Scheme.

Policy on contracts, notice periods and termination payments

All the Executive Directors are permanent employees of the organisation and have a notice period of six months.

Termination payments, if applicable, are paid in accordance with CITB contractual terms and conditions. No additional or discretionary payments are made outside of contractual terms.

Non-cash remuneration

With the exception of company cars, health insurance, dental insurance and critical illness cover (the last two are not provided as a right of office), no non-cash remuneration is provided. The provision of company cars and health insurance are part of the standard terms and conditions of employment for senior grades of staff. As an alternative, a car allowance may be paid in place of a company car being provided.

Salary and pension entitlements

The sections on the following pages provide details of the remuneration for the year and the pension benefits of the most senior members of CITB staff.

Board members' remuneration

The Nomination, Appointments and Remuneration Committee is not responsible for considering Board members' remuneration. Payments to the Chair are approved by the Secretary of State with the approval of HM Treasury under Schedule 1 section 4 of the Industrial Training Act 1982. Note 16 – Board members' remuneration provides details of the Chair's remuneration as well as Board members' expenses.



TIM BALCON
CHIEF EXECUTIVE

Tim joined CITB as CEO in September 2021, bringing with him a strong track record in developing skills, training and organisations. Tim hails from a construction background and has extensive experience in leading professional and membership bodies, as well as widespread knowledge of the education sector. Tim is driven to create a skills system that better recognises individuals' capabilities and personal strengths, whilst giving employers the competencies and capabilities when and where they need them.



ADRIAN BECKINGHAM
STRATEGY AND POLICY DIRECTOR

Adrian became CITB's Strategy and Policy Director in June 2022. Adrian has enjoyed a variety of senior roles during his 22 years at CITB. Posts include Head of IT; Head of Business Improvement; Change Director; and most recently, Corporate Performance Director. Adrian now leads the Strategy, Industry Analysis and Forecasting, Policy and Government Relations, and product development functions. His key aim is to ensure we have visibility of the current and future skills needs, guaranteeing the skills solutions and infrastructure capable of meeting that demand.



NICHOLAS PAYNE
CHIEF FINANCIAL OFFICER

Nick worked in a variety of finance, commercial and operational roles across Government, policing and the private sector, before joining CITB in November 2022. As Chief Financial Officer, his role includes estates management, business planning and performance, finance, and change and technology, as well as having responsibility for sustainability, business continuity and health and safety management. Nick's priorities are creating an environment for CITB to succeed in, and to demonstrate our value and impact for the industry.



DEBORAH MADDEN
EXECUTIVE DIRECTOR - NATIONS ENGAGEMENT

Since joining CITB in 1997, Deb has played a pivotal role in customer-facing positions within apprenticeships, careers and employer engagement. Prior to joining CITB, she gained experience in the apprenticeships and workforce training sectors, working as a tutor, assessor, verifier, and training provider manager. In 2023, Deb became Executive Director for Nations Engagement. Her portfolio includes customer engagement, commissioning, strategic engagement, marketing and customer experience.



NADINE PEMBERTON JN BAPTISTE
INTERIM LEGAL, GOVERNANCE, AND COMPLIANCE EXECUTIVE DIRECTOR

Nadine joined CITB in December 2023. Her portfolio includes legal, information risk, ITA compliance, corporate governance, audit and risk, and procurement and contract management. Prior to joining CITB, some of the roles Nadine held were as an Executive Director and General Counsel at the Gambling Commission, Executive Director at Social Work England, and Head of Governance and Legal Services at the Care Quality Commission. Qualified as a lawyer for more than 20 years, Nadine has a proven track record advising and transforming complex organisations and delivering on major UK Government projects. She is also a change and transformation specialist and has a proven commitment to equity and inclusion in all areas of her work.



KIRSTY EVANS
EXECUTIVE PRINCIPAL - NCC AND CITB APPRENTICESHIPS SCOTLAND

Kirsty joined CITB in March 2024, and she is responsible for the delivery of apprenticeships and training across the NCC sites in England and Scotland, as well as the delivery of Modern Apprenticeships across Scotland in partnership with colleges. Previously, Kirsty served as Director of Regions and Providers at DfE, where she supervised the financial health and performance of FE colleges and training providers. She also worked in senior positions within the Education and Skills Funding Agency, responsible for funding, regulation and oversight of post-16 education and skills programmes. Kirsty is passionate about ensuring education and training benefits learners, employers and the wider economy.



EMMA BLACK
LEGAL, GOVERNANCE AND COMPLIANCE DIRECTOR

Emma left CITB in September 2023.



JACKIE DUCKER
CUSTOMER AND PRODUCT DIRECTOR

Jackie left CITB on 21 April 2023.

The aggregate total of employee benefits received by Trustees and the Executive Directors for their services to CITB during the year was £796,284.

2023-24 Remuneration (audited)

BOARD MEMBER	SALARY AND ALLOWANCES (£'000)	BENEFITS IN KIND TO NEAREST £100	BONUS (£'000)	PENSION BENEFITS (£'000)	2023-24 TOTAL (£'000)
Tim Balcon Chief Executive	175-180	1,000	5-10	15.0	200-205
Adrian Beckingham Strategy and Policy Director	115-120	1,900	5-10	10.5	135-140
Deborah Madden Executive Director, Nations Engagement	115-120	800	0	9.6	125-130
Nadine Pemberton Jn Baptiste Interim Legal, Governance, and Compliance Executive Director	40-45	500	0	2.5	45-50
Nicholas Payne Chief Financial Officer	150-155	1,000	0-5	12.8	165-170
Jackie Ducker Customer and Product Director	10-15	100	0	0.7	10-15
Emma Black Legal, Governance and Compliance Director	65-70	900	5-10	4.5	80-85
Kirsty Evans Executive Principal, National Construction College (NCC) and CITB Apprenticeships Scotland	0-5	0	0	0.2	0-5

The full-year equivalent annual salary bandings (£'000) of those who left during 2023-24 were: Jackie Ducker: 125-130, Emma Black: 115-120. The full year equivalent annual salary bandings (£'000) of those who joined during 2023-24 were: Nadine Pemberton Jn Baptiste: 130-135, Kirsty Evans: 130-135.

2022-23 Remuneration (audited)

BOARD MEMBER	SALARY AND ALLOWANCES (£'000)	BENEFITS IN KIND TO NEAREST £100	BONUS (£'000)	PENSION BENEFITS (£'000)	2022-23 TOTAL (£'000)
Tim Balcon Chief Executive	165-170	1,100	0-5	9.5	180-185
Adrian Beckingham Strategy and Policy Director	110-115	100	0	10	120-125
Emma Black Legal, Governance and Compliance Director	115-120	900	5-10	9.6	130-135
Jackie Ducker Customer and Product Director	125-130	1,200	5-10	10.6	145-150
Nicholas Payne Chief Financial Officer	55-60	300	0	3.4	60-65
Deborah Madden* Executive Director, Nations Engagement	0-5	0	0	0-5	0-5

*The above table has been restated to include Deborah Madden. The full-year equivalent annual salary bandings (£'000) of those who joined during 2022-23 were: Nicholas Payne: 140-145, Deborah Madden: 105-110.

Fair pay disclosures (audited)

HIGHEST-PAID DIRECTOR RATIOS COMPARED TO THE ORGANISATION'S WORKFORCE

CITB is required to disclose the relationship between the remuneration of its highest-paid Executive Director and the lower quartile, median and upper quartile remuneration of the organisation's workforce (based on full-time equivalents).

	2023-24	2022-23
Highest-earning Executive Director's total remuneration (£'000)	185-190	170-175
Median total remuneration (£)	46,122	41,500
Ratio of remuneration of highest-earning Executive Director to remuneration of employee on lower quartile	4.7: 1	4.7: 1
Ratio of remuneration of highest-earning Executive Director to median remuneration	4.1: 1	4.2: 1
Ratio of remuneration of highest-earning Executive Director to remuneration of employee on upper quartile	3.4: 1	3.5: 1

The percentage increase from the previous financial year for salary and allowances of the highest paid Executive Director was 6%.

The percentage increase from the previous financial year for performance pay and bonus of the highest paid Executive Director was 200%.

The percentage increase from the previous financial year for average salary and allowances for all FTE employees was 15%. The increase was due to the implementation of a new benchmarked pay and grading framework.

The change in the average performance pay and bonus for FTE employees in 2023-24 was a decrease of 95%. This was principally due to the cessation of performance bonus payments to employees other than Executive Directors, aligned to the new benchmarked pay and grading framework.

In 2023-24, no employees received remuneration in excess of the highest-paid Executive Director (2022-23: £Nil).

Note: In line with fair pay guidance, the remuneration stated above excludes pension benefits.

EMPLOYEES REPRESENTING EACH QUARTILE OF PAY

QUARTILE	TOTAL PAY AND BENEFITS 2023-24 (£'000)	SALARY AND ALLOWANCES 2023-24 (£'000)	TOTAL PAY AND BENEFITS 2022-23 (£'000)	SALARY AND ALLOWANCES 2022-23 (£'000)
Lower quartile	40	40	37	34
Median	46	46	42	36
Upper quartile	56	56	50	44

Total pay and benefits year-on-year have increased due to the new implementation of the new benchmarked pay and grading framework.

Full-time equivalent remuneration ranged from £20k to £185k (2022-23: £18k to £172k).

Details of staff sickness absence (unaudited)

YEAR	DAYS LOST	ABSENCE RATE
2023-24	6,884	3.67%
2022-23	6,074	3.67%

> The absence rate is calculated as a percentage of those staff available to work.

STAFF TURNOVER

As shown in the below table, turnover has decreased during the reporting period compared to 2022-23.

YEAR	STAFF TURNOVER
2023 – 24	12.2%
2022 - 23	12.6%

EMPLOYMENT POLICIES

We have a range of employment policies to support our staff in line with our ambition to be an employer of choice.

In addition, we have a Colleague Ambassador Forum that focuses on positive engagement with colleagues across the business to encourage feedback and share best practice about business improvements. The Forum also takes an active role in facilitating positive and sustainable change in the workplace. It has set up a recognition scheme, where anyone within the business can nominate a colleague for their contribution to making CITB a better place to work. Members of the forum have been involved in work to review and update people focused policies to ensure they reflect the needs of the CITB workforce. CITB is working with our trade unions to help us shape and develop a range of support products for line managers and staff.

HEALTH, SAFETY AND WELLBEING SUPPORT

During 2023-24, there have been a total of 118 Health & Safety incidents recorded. 67 were at NCC East (Bircham Newton), two at Head Office (Peterborough), 26 were at NCC Scotland (Inchinnan), 18 at NCC South (Erith), one at home, and four reported by our mobile teams.

These incidents consisted of 32 minors, 17 near misses, 67 unsafe acts and two RIDDOR reportable incidents.

CITB retained its BSI 45001 certification for health and safety and gained certification to the BSI 45003 for wellbeing.

EQUALITY, DIVERSITY AND INCLUSION

The CITB Fairness, Inclusion & Respect (FIR) strategy ensures that we raise awareness, challenge stigma and bias, and drives change in creating the right environment for colleagues to flourish and to be their 'authentic and best selves' at work.

The FIR strategy focuses on how we engage, enable and empower colleagues in achieving the delivery of these outcomes, not just the processes or transactions required to support these.

OFF-PAYROLL ENGAGEMENTS AS AT 31 MARCH 2024, FOR MORE THAN £245 PER DAY

NUMBER OF EXISTING ENGAGEMENTS AS AT 31 MARCH 2024 OF WHICH:	2023-24
less than one year at time of reporting	0
between one and two years at time of reporting	0

OFF-PAYROLL WORKERS ENGAGED AT ANY POINT DURING THE YEAR ENDED 31 MARCH 2024 AND EARNING AT LEAST £245 PER DAY

NUMBER OF OFF-PAYROLL WORKERS ENGAGED DURING THE YEAR ENDED 31 MARCH 2024 OF WHICH:	2023-24
number determined as in-scope of IR35	0
number determined as out-of-scope of IR35	0

FOR ANY OFF-PAYROLL ENGAGEMENTS OF BOARD MEMBERS, AND/OR, SENIOR STAFF WITH SIGNIFICANT FINANCIAL RESPONSIBILITY, DURING THE YEAR ENDING 31 MARCH 2024

NUMBER OF OFF-PAYROLL WORKERS ENGAGED DURING THE YEAR ENDING 31 MARCH 2024 OF WHICH:	2023-24
Number of off-payroll engagements of Board members, and/or, senior staff with significant financial responsibility, during the financial year	0
Total number of individuals on payroll and off-payroll that have been deemed "Board members and/or senior staff with significant financial responsibility", during the financial year	3



Tim Balcon
Accounting Officer



Peter Lauener
Chair

Professional Advisers

Bankers

Barclays Bank Plc
17 Market Place
Fakenham
Norfolk
NR21 9BE

Legal advisers

CITB Legal Team
Sand Martin House
Bittern Way
Peterborough
PE2 8TY

Auditors

Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
London
SW1W 9SP

Principal office

See Appendix E (page 107) for details of principal and registered offices.

APPENDIX A 1 / 4

Appendix A: Register of Board members' interests

RELATED PARTY TRANSACTIONS

Employer Board Trustees must be concerned in the management of the activities of an employer engaging in the construction industry in order for their appointment by the Secretary of State to be valid. With the exception of the independent members, therefore, all Trustees would have had business interests, as Levy payers or potential grant recipients, at the date of their appointment, which may be perceived to conflict with their responsibilities as Board members. The following Board members have, in addition, declared other personal or business interests.

PETER LAUENER

CITB Chairman

Peter Lauener was appointed as CITB Chairman in May 2018. Peter came to CITB with a wealth of experience in the education and skills sector, having previously held the roles of Chief Executive of the Education and Skills Funding Agency (ESFA) and interim Chief Executive of the Institute for Apprenticeships (IfA), now the Institute for Apprenticeships and Technical Education.

Along with his work on the CITB Board, Peter has also been Chair of the Student Loans Company (SLC), since April 2020. SLC is a government-owned non-profit-making company, which is also an executive NDPB. This organisation administers loans and grants to students in universities and colleges in the UK.

Peter is also the Chair of Orchard Hill College, an independent special needs college based in South and West London. This college is a sponsor of a special needs' academy trust with several academies in the same area.

In addition, Peter is a trustee of Educators International, a small charity helping developing countries to improve their teaching technology and administration.

TONY ELLIOTT

Executive Director of People, Robertson Group (tenure ended 21 June 2024)

Tony Elliott has over 30 years of experience in the fields of talent, people and learning, and is part of the executive team at Robertson, one of the UK's largest privately owned construction and infrastructure services companies. Tony feels strongly about the development of people and the growing of internal talent, the attraction of new talent, and ensuring skillsets are enhanced and future-proofed within construction.

KEVIN MCLOUGHLIN

Managing Director, McLoughlin Group Holdings Ltd

Kevin McLoughlin MBE is the founder and Managing Director of London-based SME McLoughlin Group Holdings Ltd. The company is an avid supporter of apprenticeships.

Kevin was awarded an MBE in 2014 for his services to skills and apprenticeships and is a Fellow of the Chartered Institute of Building (CIOB). Kevin is a member of GMB, Liveryman of Painters and Stainers, Freeman of the City of London, and a member of the Federation of Master Builders Training Group.

He is also a partner of Maxine and Kevin Property Business Partnership.

HOLLY PRICE

Group Sustainability Director, Keltbray Group

Holly Price was the Training and Development Director at Keltbray Group from 2007 until 2022, playing a crucial role in engineering sustainable and considerable growth through getting the right people in the right place at the right time. Holly started her career in the demolition industry aged just 17, when she began training to be an engineer. She went on to become Europe's only female explosives engineer in the sector. Throughout her time at Keltbray, Holly also took the lead on Social Value delivery and played an active role in industry partnerships with trade associations and other educational establishments promoting skills in the construction sector.

In early 2022 Holly was appointed as Group Sustainability Director and her collaborative leadership approach has best placed her to take responsibility for the implementation of Keltbray's published targets for environmental, social and economic sustainability.

Holly actively promotes the need to widen the talent pool by embracing diversity and attracting newcomers from all backgrounds to the industry, and she tirelessly campaigns for continuous improvement of industry standards. Holly is also an Honorary Life Vice President of the National Federation of Demolition Contractors, which has financial management of the National Demolition Training Group, and benefits from CITB funding. She is also a Trustee of Construction Youth Trust, which receives CITB funds to support disadvantaged youth into construction jobs through training and mentoring. →

APPENDIX A 2 / 4

SOPHIE SEDDON

Non-Executive Director, Novus Property Solutions

Sophie Seddon has worked in construction for more than 10 years, having joined her family business after graduating in Business Management. Starting her career at Seddon Property Services, Sophie was instrumental in the company's rebrand to Novus. Since then, she was appointed as the Head of Client Engagement and Communication in 2018, before becoming People and Culture Director in 2020 and then a Non-Executive Director in 2022. Sophie understands the importance of nurturing young talent, as Novus offers numerous routes into construction for young people. She is passionate about the use of new technology, improving sustainability issues, and encouraging inclusivity within the industry.

Sophie is also a shareholder of JSSH Ltd, the group holdings of Novus Property Solutions Ltd and a Director and a shareholder of Hall Estates Ltd, a property development company. In addition, Sophie is a Board member of WISH Women in Social Housing (NW), a body empowered to mentor, inspire and provide opportunities for women in social housing through networking and events.

LOUISA FINLAY

Chief People Officer, Kier Construction Ltd

Louisa Finlay was appointed Chief People Officer at Kier Group in March 2023, following more than 30 years of continual service with the business. In this role, Louisa has responsibility for HR, environmental and social sustainability, health, safety and wellbeing as well as asset management and business assurance.

Before becoming Chief People Officer, Louisa worked in various national, regional and sector roles across its Construction business, including as Managing Director of the southern business and most recently as Managing Director of the clients and markets function.

Louisa started her career as a trainee engineer on a sandwich degree. She is passionate about delivering the next generation of infrastructure across the UK and is committed to having a culture at Kier where everyone feels they belong, are supported and able to thrive.

Louisa is a member of both the Chartered Institute of Building (CIOB) and the Construction and Property Industry Mentoring Circle.

OWAIN JONES

Director, T. Richard Jones (Betws) Ltd

Owain Jones has more than 30 years' experience in the construction industry having joined the family SME business after graduating initially in Business and Finance and latterly in Construction Management. Based in Southwest Wales, TRJ was recognized in 2015 as CITB Apprentice Employer of the Year for both Wales and Great Britain.

Owain is a founding trustee and Chairperson of Cyfle Building Skills, a charity which operates the largest Construction Shared Apprenticeship Scheme in the UK. Cyfle's achievements were recognised with two Queen's Awards, for innovation and for promoting opportunity in respect to social mobility. Owain has been an Executive Director of Carmarthenshire Construction Training Association Ltd since its inception and is passionate about upskilling the local workforce.

Owain is a Trustee of the Jac Lewis Foundation, a mental health and wellbeing charity. A fluent Welsh speaker, Owain is a passionate supporter of the Welsh language and culture.

MICHAEL GREEN

Managing Director, RED Systems Ltd

Michael Green has risen through the ranks, from his initial CITB Technicians Youth Training Scheme placement with Alfred McAlpine at Bircham Newton in 1989, to now, running his own, rapidly expanding glazing and curtain walling company, RED Systems.

Founded in 2003, the company has grown to become a £20m+ turnover business and is now one of the industry's most respected specialist glazing contractors. A passionate advocate for training, development and professional advancement, with over 60% of his own team studying for some kind of qualification, he is committed to nurturing skills and attracting new talent to the industry. Now, with more than 35 years' experience in the industry, and having recently completed the most challenging step on his own educational journey, an MBA, Michael is now a member of the Chartered Management Institute.

Michael is also the Managing Director of RED Optimal Ltd and RED Open Ltd following recent acquisitions, Managing Director of M&A Property Ltd, and a Director of Peninsula Multi Academy Trust. →

APPENDIX A 3 / 4

HERMAN KOK (APPOINTED 1 APRIL 2024)

Company Secretary, Lindum Group Ltd

Herman Kok is the Company Secretary at Lindum Group, where he has been instrumental in driving organisational strategy and governance. He joined Lindum in 1987, having previously been Finance Director for Almet Aluminium and Head of Treasury for Pechiney Ugine Kuhlmann in the UK. He was born and educated in Holland where he read Economics and Literature at the University of Amsterdam. As Company Secretary for Lindum, he leads the training and community involvement activities.

Herman is Chairman of Investors in Lincoln Ltd, a public/private sector partnership dedicated to the regeneration of Greater Lincoln and a Director of Lincoln City Football Club. He has held directorships of Greater Lincolnshire LEP (GLLEP), the Lincolnshire Chamber of Commerce and was Chairman of the Employment and Skills Board for Lincolnshire.

RACHAEL CUNNINGHAM (APPOINTED 1 APRIL 2024)

Bid Lead, Laing O'Rourke

Rachael Cunningham is a Bid Lead at Laing O'Rourke. Her role combines all aspects of major project work winning within the Clients and Markets team, from bid management through to preconstruction project delivery.

During a 17-year career in the construction industry, Rachael has been responsible for winning many distinguished projects across the public and private sectors, as varied as swimming pools, high-rise residential, schools and universities, laboratories and defence estates portfolio projects. Rachael is passionate about showcasing the construction sector as much more than bricks and mortar – it is an industry that delivers social change through building assets that shape how we live and work. Supporting the development of talent through CITB will ensure that individuals have a chance to be part of that social change to future-proof the industry.

Rachael is also sole Director of Sebmil Trading Limited.

STEPHEN GRAY (APPOINTED 1 APRIL 2024)

Head of Engineering Development, BAM Nuttall Ltd

Stephen Gray was appointed Head of Engineering Development at BAM Nuttall Ltd in 2023, following an operational career in the construction industry of more than 35 years.

Stephen started his career in 1988, as an assistant engineer with Edmund Nuttall Ltd and has held various engineering and project management roles throughout more than 30 years of service with BAM in southeast England and within the Major Projects business unit.

In his current role, Stephen is heavily involved with Early Careers technical apprentices, undergraduates and graduates, particularly civil engineers. He provides guidance on their technical and managerial careers as well as professional development routes within the Institution of Civil Engineers.

Throughout his career, Stephen has been passionate about training the workforce and staff members alike. With the current skills shortages, it is even more important to diversify talent pools which will also increase the need for more specific training. Stephen has acted as a mentor to many staff throughout his career and more recently plays an active role within BAM to support and improve the Mental Health and Wellbeing of employees.

Stephen is a Chartered Civil Engineer and member of the Institution of Civil Engineers where he plays an active role in reviewing Chartered and Incorporated Engineers as well as being an approved Assessor for accredited Apprenticeship End Point Assessments. →

APPENDIX A 4 / 4

INDEPENDENT BOARD TRUSTEES

DIANA GARNHAM (TENURE ENDED DECEMBER 2023)

Diana Garnham is Chair of Skills East Sussex, a member of The South East Local Enterprise Partnership Skills Advisory Panel, a Council Member of Christ's Hospital School, President of King's College London Alumni Association, Chair of King's College London Alumni Advisory Group, and Director of Tavern Quay RTM Company. Previously, she was Chief Executive of the Science Council and a Governor of the East Sussex College Group. She has a continuing interest in the social consequences of science, in good governance and strategy, and in enabling young people to achieve their potential, particularly within the STEM environment.

JULIA HEAP (APPOINTED 1 APRIL 2024)

Principal and CEO, Hopwood Hall College and University Centre

Julia is the Principal and Chief Executive Officer of Hopwood Hall College and University Centre. In her role heading a further education college Julia leads a vibrant, inclusive college that offers high-quality broad offer of technical, vocational, apprenticeships and higher education in Rochdale and North East Greater Manchester. Hopwood Hall College is an anchor institution in Rochdale and Julia works in partnership across Rochdale and Greater Manchester, with responsibility for strategic liaison with key public and industry stakeholders such as the Government, Greater Manchester Combined Authority, Rochdale Council and GM Colleges Group.

Before joining Hopwood Hall College in 2015 and being appointed Principal and CEO in 2019, Julia was an Assistant Finance Director for Oldham Council. With more than 25 years of financial experience in the public sector including Local Authorities and NHS, Julia has a wealth of experience in delivering multi-million complex revenue and capital programmes and supporting transformation projects working in multi-disciplinary teams.

Julia is a Fellow of the Chartered Institute of Public Finance Accountants (FCPFA), a board member of the Rochdale Development Agency, an advisor on skills to Atom Valley Board, a director of The Rochdale Pioneers Trust and is the lead for Careers for the GM Colleges Group.

NIKKI DAVIS (APPOINTED 1 APRIL 2024)

Principal and CEO, Leeds College of Building

Nikki is the Principal and CEO at Leeds College of Building. Her role at Leeds College of Building is to ensure high-quality delivery of education programmes to support the construction and built environment sector, with a particular focus on apprenticeships. The College is working to improve diversity in its student population and ensure that everyone can access career opportunities within the construction sector.

Before joining Leeds College of Building, Nikki worked at York College as Vice Principal of Technical and Professional Education and preceding that has worked in further education for over 20 years, across several colleges in West Yorkshire. Nikki started her career in the hospitality sector before training to teach in further education and is passionate about providing opportunities for all students.

Nikki is also a trustee of Leeds Art University and Leeds Learning Alliance, an education partnership focused on developing inclusive practice.

APPENDIX B 1 / 2

Appendix B: Board and Committee attendance

BOARD ATTENDANCE	2023-24
Peter Lauener (Chair)	8/8
Tony Elliott (tenure ended 21 June 2024)	7/8
Diana Garnham (tenure ended 31 December 2023)	5/6
Kevin McLoughlin	7/8
Holly Price	5/8
Sophie Seddon	4/8
Owain Jones	6/8
Michael Green	5/8
Louisa Finlay	5/8
Total	**52/70**

AUDIT AND RISK COMMITTEE ATTENDANCE	2023-24
Diana Garnham (Chair) (tenure ended 31 December 2023)	4/4
Lee Jones	4/5
Richard Plumb	5/5
Sophie Seddon	1/5
Louisa Finlay	2/5
Total	**16/24**

NOMINATION, APPOINTMENTS AND REMUNERATION COMMITTEE ATTENDANCE	2023-24
Tony Elliott (Chair) (tenure ended 21 June 2024)	5/5
Diana Garnham (tenure ended 31 December 2023)	3/4
Sophie Seddon	5/5
Total	**13/14**

INDUSTRY FUNDING COMMITTEE ATTENDANCE	2023-24
Holly Price (Chair)	4/4
Steve Drury	4/4
Kacey O'Driscoll	4/4
Hannah O'Sullivan	4/4
Rupert Perkins	3/4
Claire Smithson	3/4
Total	**22/24**

LEVY STRATEGY COMMITTEE ATTENDANCE	2023-24
Peter Lauener	1/1
Diana Garnham (Chair) (tenure ended 31 December 2023)	4/4
Gareth Davies	5/5
Andrew Harvey (resigned 27 June 2023)	2/2
Neil Rogers	5/5
Vikki Skene	4/5
Rob Tansey	4/5
Annette Jones	4/5
Ken Miller	3/5
James Butcher	4/5
Steve Anderson	5/5
Total	**41/47**

APPENDIX B 2 / 2

CYMRU WALES NATION COUNCIL ATTENDANCE	2023-24
Leigh Hughes (Chair)	2/4
Gareth Davies	4/4
Terry Edwards	4/4
Andrea Green (resigned 31 May 2023)	3/4
Owain Jones (Deputy Chair)	4/4
Paul Tedder	4/4
Monique Jones	1/4
Andrew Dobbs	4/4
Total	**26/32**

ENGLAND NATION COUNCIL ATTENDANCE	2023-24
Sharon Llewellyn (Chair)	4/4
Kevin McLoughlin (Deputy Chair)	3/4
Bola Abisogun	3/4
Chris Carr (resigned 20 June 2023)	0/1
Ian Dickerson	4/4
James Flannery	1/4
Dave Sargent	2/4
Maria Seabright	2/4
Annette Jones	3/4
Total	**22/33**

SCOTLAND NATION COUNCIL ATTENDANCE	2023-24
Angela Forbes (Chair)	4/4
Tony Elliott (Deputy Chair) (tenure ended 21 June 2024)	2/4
Craig Bruce	3/4
Marion Forbes	3/4
Karen McGahan	2/4
Kevin Urquhart	3/4
Ken Millar	4/4
Total	**21/28**

NATIONAL CONSTRUCTION COLLEGE AND CITB APPRENTICESHIPS COMMITTEE ATTENDANCE	2022-23
Peter Lauener (Chair)	4/4
Michael Green (Deputy Chair)	4/4
Tony Elliott (tenure ended 21 June 2024)	4/4
Owain Jones (joined September 2023)	1/2
Total	**13/14**

APPENDIX C 1 / 2

Appendix C: Membership of the Board and its Committees

This table shows all membership during the 12-month period between 1 April 2023 and 31 March 2024.

KEY

CB CITB Board
ARC Audit and Risk Committee
NARC Nomination, Appointments and Remuneration Committee
ICF Industry Funding Committee
LSC Levy Strategy Committee
NAC NCC and Apprenticeships Committee
CWNC Cymru Wales Nation Council
ENC England Nation Council
SNC Scotland Nation Council

NAME	EMPLOYER	CB	ARC	NARC	ICF	LSC	NAC	CWNC	ENC	SNC
Bola Abisogun	Diverse City Surveyors								Yes	
Steve Anderson	Construction Skills People					Yes				
Craig Bruce	Pert Bruce Construction									Yes
James Butcher	National Federation of Builders					Yes				
Chris Carr	Carr and Carr (Builders) Ltd								**Resigned June 2023**	
Gareth Davies	Knox and Wells Ltd					Yes		Yes		
Ian Dickerson	Kier Group Plc								Yes	
Andrew Dobbs	Willmott Dixon Construction Ltd							Yes		
Steve Drury	Rooff Limited and Rooff Residential Ltd				Yes					
Terry Edwards	John Weaver Construction							Yes		
Tony Elliott	Robertson Group	Yes		**Chair**			Yes			**Deputy Chair**
Louisa Finlay	Kier Group Plc	Yes	Yes							
Angela Forbes	BuildForce									**Chair**
Marion Forbes	Mactaggart and Mickel Homes Ltd									Yes
Diana Garnham	Consultant	**Tenure ended Dec 2023**	**Tenure ended Dec 2023**	**Tenure ended Dec 2023**		**Tenure ended Dec 2023**				
Andrea Green	Alstom							Yes		
Michael Green	RED Systems Ltd	Yes					Yes			
Andrew Harvey	Harvey Shopfitters Ltd					**Resigned June 2023**				
Leigh Hughes	Bouygues UK							**Chair**		
Annette Jones	Foundation Developments Ltd					Yes			Yes	
Lee Jones	Keir Group Plc		Yes							

APPENDIX C 2 / 2

KEY

CB	CITB Board	**ICF**	Industry Funding Committee	**CWNC**	Cymru Wales Nation Council
ARC	Audit and Risk Committee	**LSC**	Levy Strategy Committee	**ENC**	England Nation Council
NARC	Nomination, Appointments and Remuneration Committee	**NAC**	NCC and Apprenticeships Committee	**SNC**	Scotland Nation Council

NAME	EMPLOYER	CB	ARC	NARC	ICF	LSC	NAC	CWNC	ENC	SNC
Monique Jones	J Randall Roofing Contractors							Yes		
Owain Jones	T Richard Jones (Betws) Ltd	Yes					**Joined Sep 2024**	**Deputy Chair**		
Peter Lauener	CITB Chair	**Chair**				**Interim Chair from Feb 2024**	**Chair Until Feb 2024**			
Sharon Llewellyn	JPR Roofing and Flooring Ltd								**Chair**	
Karen McGahan	William Waugh & Sons (Builders) Ltd									Yes
Kevin McLoughlin	McLoughlin Group	Yes							**Deputy Chair**	
Ken Millar	Springfield Group					Yes				Yes
Kacey O'Driscoll	Danny Sullivan Group				Yes					
Hannah O'Sullivan	VolkerWessels				Yes					
Rupert Perkins	John Perkins Construction Ltd				Yes					
Richard Plumb	Ordnance Survey Ltd		Yes							
Holly Price	Keltbray Group	Yes			**Chair**					
Neil Rogers	Scottish Decorators' Federation					Yes				
Dave Sargent	RBF Construction Training Academy Ltd								Yes	
Maria Seabright	Greendale Construction Ltd								Yes	
Sophie Seddon	Novus Property Solutions	Yes	Yes	Yes						
Vikki Skene	Galliford Try					Yes				
Clare Smithson	Western Homes Plc				Yes					
Rob Tansey	Barratt Developments Plc					Yes				
Paul Tedder	Atlantic Dwellings Ltd							Yes		
Kevin Urquhart	Barrat & David Wilson Homes									Yes

Appendix D: Prescribed Organisations

During 2023-24, CITB maintained close contact with the following Prescribed Organisations:

- British Woodworking Federation
- Build UK
- Civil Engineering Contractors Association
- Construction Plant-hire Association
- Federation of Master Builders
- Finishes and Interiors Sector
- Hire Association Europe
- Home Builders Federation
- National Association of Shopfitters
- National Federation of Builders
- National Federation of Demolition Contractors
- Scottish Building Federation
- Scottish Decorators' Federation
- Scottish Plant Owners Association.

Appendix E: Location of principal CITB offices

HEAD OFFICE AND REGISTERED OFFICE

Sand Martin House
Bittern Way
Peterborough
PE2 8TY
Tel: 0300 456 7577

SCOTLAND

Scottish Office
4 Fountain Avenue
Inchinnan Business Park
Inchinnan
Renfrewshire
PA4 9RQ
Tel: 0344 994 8800

WALES

Welsh Office
Companies House
Crown Way
Maindy
Cardiff
CF14 3UZ

Appendix F: Glossary

ABBREVIATION	MEANING
ALB	Arm's-length body
CCS	Crown Commercial Service
CIOB	Chartered Institute of Building
CIS	Construction Industry Scheme
CPI	Consumer Prices Index
DfE	Department for Education
ESFA	Education and Skills Funding Agency
ICO	Information Commissioner's Office
IfATE	Institute for Apprenticeships and Technical Education
ISAs	International Standards on Auditing
ITB	Industry Training Board
KPI	Key performance indicator
LSC	Levy Strategy Committee
NAO	National Audit Office
NCC	National Construction College
NDPB	Non-Departmental public body
NEST	New Entrant Support Team
OCPA	Office for the Commissioner of Public Appointments
SDS	Skills Development Scotland
SME	Small and medium-sized enterprise
SORP	Statement of Recommended Practice
SSCL	Shared Services Connected Limited
STEM	Science, technology, engineering and mathematics

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CONSTRUCTION INDUSTRY TRAINING BOARD

Annual Report and Accounts



For the year ending
31 March 2024

HC 287
SG 2024/90

Construction Industry Training Board (CITB)

Annual report and accounts 2023-24

For the period 1 April 2023 to 31 March 2024

Presented to Parliament pursuant to section 8 (4) of the Industrial Training Act 1982

Ordered by the House of Commons to be printed on 12 December 2024

HC 287
SG 2024/90



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Interactive PDF

Click across to jump direct to each section.

Chair's foreword

2023-24 was a turbulent year for the economy, and one which had a significant impact on the construction industry.

Growth in construction was subdued, despite the sector outperforming the overall economy. The slowdown in growth towards the end of the year came from a decrease in new work and private housing, which had become a challenging area throughout the year due to higher borrowing costs for both builders and buyers. In addition, a shortage of skilled workers in many construction businesses has meant that employees have been working at near-full capacity, with some employers telling us that their staff have often been too busy to take up training opportunities.

In the face of uncertain economic conditions and continuing skill shortages, CITB's support for the construction industry has remained steadfast. Our response has been to remain focused on supporting the industry, particularly smaller employers, with training and skills. Our continued work to simplify the support we offer is paying off, with a 7% increase in the number of people trained or supported and a 12% increase in the amount of training support being accessed by employers. This demonstrates that the industry has been ready to train and upskill its workforce despite the challenges highlighted above. We continue to work hard to make it as easy as possible for employers to access training opportunities.

We have also redoubled our efforts to get more people into the industry to safeguard the future pipeline of talent. Alongside the increase in people accessing CITB career support via our dedicated construction careers website Go Construct, over 29,000 taster sessions were delivered through our Engagement Team in 2023-24, providing young people and career changers with an exciting and immersive experience of what a career in construction could mean for them. Additionally, our New Entrant Support Team (NEST) has gone from strength to strength, making it easier for employers to apply for grants and funding and to arrange apprenticeships, directly supporting 2,300 new apprentices. →

At the start of 2024-25, we published our new Business Plan, setting out a new direction for CITB - including rolling out our new Employer Network model to address the immediate needs of employers - but also planning for the future and the long-term skills challenges the industry will face. We are responding to the priorities industry told us they wanted CITB to support: getting more people into the industry; providing high-quality training; and supporting the ongoing skills development of the existing workforce, at a local level and led by local employers.

In July 2024, a new Labour Government was elected. We welcome the opportunity to work with the new Government on their priorities, including sustained growth in construction and skills training. We will also work with them on the next steps they take on the Industry Training Board (ITB) Review.

In the previous year (2022-23), our direct and previously subcontracted construction apprenticeship provision in England was inspected by Ofsted. This confirmed what we already knew and the issues we were working on. It also led to our withdrawal from subcontracting as we recognised that the quality of provision needed to be better. We have responded quickly and effectively and, to the credit of all involved, we have seen huge improvements this year. Ofsted has reported Significant Improvement in three areas and Reasonable Improvement in one of their four inspection theme areas. We hope the speed and quality of our response demonstrates that we can provide a high benchmark for the industry.

Furthermore, as part of our Business Plan commitments, we will be investing in our National Construction College's (NCC) estate and plant to improve our learners' experience and to futureproof our sites, as well as in the technology to best support and increase the efficiency of operations across the business.

I am grateful to all our Trustees, our Nation Council Chairs and our committee members for their hard work, passion and support over this year. There is more work to do, and I am enthused by our future plans to support the industry. ●



Peter Lauener
CITB Chair

Chief Executive's introduction

The construction industry has significant skills challenges, and this year we continued with our plans to put employers in the driving seat to ensure our approach is co-owned and transparent.

This year has been a particularly important one for us as it has laid the foundations for a new Strategic Plan. We overachieved on six of our eight Business Plan targets, a testament to our ability to work together to meet the needs of construction employers who are investing in training and upskilling their workforce. Our renewed focus on making skills training accessible to all has resulted in a shift change, with us now engaging employers in training activity predominantly via our Employer Networks and NEST.

This Annual Report and Accounts confirms that our impact is growing, and that our initiatives and support are having a positive outcome on more employers and individuals than ever. Over £128.6m in grants was invested through our Grants Scheme, supporting the training needs of 15,710 employers and 26,349 apprentices. Over £27.1m was spent on funding and targeted interventions, with £7.5m going directly to 2,400 small and micro businesses, supporting more than 38,000 individuals with their training and upskilling needs. And this year's achievements extend beyond the financials. Onsite Hubs provided the experience and skills for 1,150 people to go on and start their careers in construction. Our NEST has worked tirelessly to support employers taking on apprentices and there has been a 5% increase in the numbers of people trained through NCC.

These results are a direct result of the work undertaken to achieve CITB's stated purpose – to support the construction industry to have a skilled, competent and inclusive workforce, now and in the future. Our purpose is uniting and enthusing colleagues and our employer-led committees and councils to drive for the best performance of our support products and services. →

We need to usher in a new era for construction and embark on a paradigm shift in thinking around construction skills.

Our NCC transformation plans, following our Ofsted inspection in 2022-23, are already delivering results with Ofsted reporting Significant Improvement in three areas and Reasonable Improvement in one area of their inspection theme following their monitoring visit in June 2024. Our ambition is for NCC to become a beacon for construction training and skills, and we are committed to a longer-term programme of work, including investing over £40m in the three sites' buildings, infrastructure, and plant, and machinery, over the next three years, with sustainability at the forefront of these changes.

In delivering our plans for 2023-24 we have drawn down nearly £7.5m from the Cash element of our Reserves this year and the trend of spending more than our income will continue whilst our Cash-in-Hand is above our target level. This means that we are able to support more of industry's skills and training needs, while the financial envelope of our Business Plan for 2024-25 includes a further £29.5m reduction in our Cash balances. Further proposals to reduce Cash levels will be considered by the Board to invest in our new Strategy and Strategic Plan for 2025-29.

Looking ahead, our overarching goal is clear: we need to eradicate the skills gap and help bring about a competent and productive workforce. Doing what we do but doing it better is no longer enough, we need to usher in a new era for construction and embark on a paradigm shift in thinking around construction skills. Our 2024-25 Business Plan is a significant step towards changing the skills landscape and future-proofing construction, radically overhauling our targets to ensure they aligned with employers' priorities.

Following the General Election and the appointment of a new Government earlier this year, we are ready to work with the Government, industry and training providers to ensure sustained growth in construction and achieve the Government's homebuilding targets. Our research shows that under the Government's homebuilding plans, up to an additional 152,000 workers will need to be found. The proposed Growth and Skills Levy will have an essential role to play in driving up construction apprenticeship numbers that have declined under the Apprenticeship Levy.

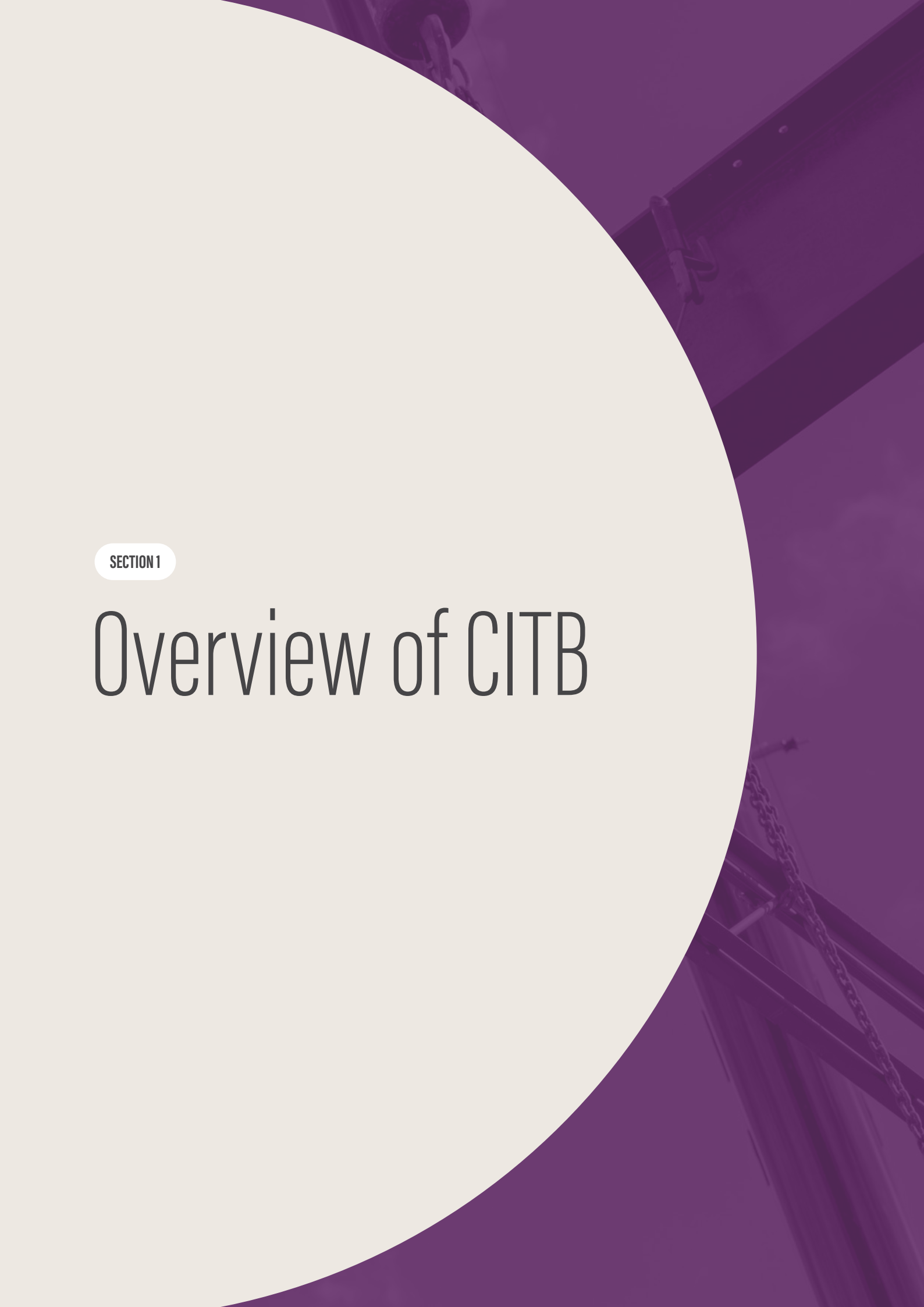
I am excited about the future, and so are my dedicated colleagues. Our shared purpose and vision are clear to see, and we will continue to work with our partners to ensure the skills system is fit for purpose and fit for the future. ●



Tim Balcon
Chief Executive

SECTION 1

Overview of CITB



Our statutory basis

CITB is a statutory corporation and a non-departmental public body (NDPB) sponsored by the Secretary of State for Education. CITB is also registered as a charity in England and Wales (264289) and in Scotland (SC044875).

CITB's charitable activities are mainly funded by the statutory Levy raised pursuant to the Industrial Training Act 1982 and confirmed through Levy Orders passed by both Houses of Parliament. The most recent Levy Order came into force on 29 April 2022. Full details of CITB's powers and responsibilities, as well as the restrictions placed on it, can be found in the Industrial Training Act 1982[1], as amended, and the latest Scope Order 1992[2].

Who we are

CITB is the Industry Training Board for construction in England, Scotland and Wales. Since 1964, we've worked with industry and Government to equip the employers and their workers with the skills and talent they need to succeed. A key part of this, then and now, is to help keep workers safe onsite. CITB's work has contributed to an 85% reduction in onsite deaths since the 1960s.

We help employers attract more people to join the industry, and for them to access high-quality, accredited training when and where it is needed. This includes delivering a variety of training interventions at our NCC.

We provide practical support to employers through a range of products and services. We play a strategic role for the construction industry, identifying immediate and future skills needs and working out how they can be met. Where emerging needs are identified, we commission innovative pilot projects, delivered by employers, that can be ramped up if they are successful. We use our unique position to listen to employers and influence Government policy, so they have the right support.

We help workplaces to become safer, more diverse and productive. This, in turn, helps create and maintain a world-class, sustainable built environment that is of benefit to us all.

Purpose

To support the construction industry to have a skilled, competent and inclusive workforce, now and in the future.

Our charitable status

CITB has been a registered charity in England and Wales since 1972 and in Scotland since 2014. The Board has regard to the Charity Commission's (in England and Wales) and the Office of the Scottish Charity Regulator's (in Scotland) general guidance on public benefit and the Charities Act 2011 when planning activities to achieve its aims. ●



1. Industrial Training Act (www.legislation.gov.uk/ukpga/1982/10)
2. Scope Order (www.citb.co.uk/media/kdxaicg4/02_the_scope_order_1992.pdf)

SECTION 2

Operating Environment

Pages 12 to 15

The construction industry experienced mixed fortunes over the course of 2023-24.

After returning to pre-pandemic levels of output in 2022, growth remained subdued throughout 2023, as a result of deteriorating economic conditions that resulted in the UK entering a technical recession during the second half of the year.

Despite outperforming the wider economy in 2023[1], construction output tailed off over the course of the year with the decrease in output in the fourth quarter resulting from negative growth in all three months of the quarter. In fact, the fall in output in Quarter 4 2023 was the largest negative quarterly growth since Quarter 3 2021[2]. The quarterly fall also came entirely from a decrease in new work, mainly in private housing – a subsector which endured a difficult year due to higher borrowing costs.

Construction output was maintained across 2023 by relatively strong demand for repair and maintenance work, which grew at 8.3% compared to a 2.1% decline in new build. Private new-build housing contracted particularly badly with output falling by 13.6% in 2023 compared to 2022[3].

In a sign that buyers were coming back to the market, UK mortgage approvals climbed in January 2024 to their highest level in six months[4]. However, transactions remained at their lowest level for 17 years[5], highlighting the weakened state of the housing market.

The Bank of England (BoE) raised interest rates three times between April and August 2023 with the base rate reaching 5.25%, the highest level since February 2007[6]. High interest rates have impacted businesses and consumers alike, leading to lower levels of private investment and consumer spending. Persistent inflation pressures continued to add to the uncertainty over when lending rates might come down.

Anecdotal evidence also suggested that the adverse weather of 2023 had a dampening effect on output. Heavy rainfall, strong winds, cold temperatures and frost are all believed to have led to decreasing levels of new work. →

1. Gross Domestic Product: Year on Year growth: CVM SA % - Office for National Statistics (www.ons.gov.uk)
2. ONS Census 2021 data on the Construction Industry (www.ons.gov.uk)
3. ONS Census 2021 data on the Construction Industry (www.ons.gov.uk)
4. Financial Conduct Authority report on mortgage lending statistics, September 2014 (www.fca.org.uk)
5. Monthly property transactions completed in the UK with value of £40,000 or above (www.gov.uk)
6. Official Bank Rate history (www.bankofengland.co.uk)

Highlighting the fall in demand, total new work orders decreased by 20.9% in 2023, compared with the previous year, with falls of 19.0% in private new housing and 22.7% in private commercial[7]. These two sectors combined typically represent 60% of all new-build construction.

On the price front, purchasing costs continued to ease in respect of materials, but wage pressures remained relatively high, despite easing back from 2022 levels, due to widespread skills shortages. Vacancies in construction also continued to ease across the year as a result of decreasing activity and were 10.4% lower in March 2024 compared to a year earlier[8]. However, they remained over a third (37.0%) above pre-pandemic levels and over 50% higher than historic levels. Increasing transportation costs were also a theme in 2023-24 partly as a result of increased tensions in the Middle East.

Slowing growth has undoubtedly taken some of the heat out of the labour market, but it has also led to a rise in the number of insolvencies, which reached their peak in May 2023. They have since fallen back closer to pre-pandemic levels, but with potentially fewer firms competing for work, it is another reason why workloads for those remaining firms have remained reasonably buoyant despite decreasing demand.

In numbers:

Construction remains about

17%

below pre-pandemic levels

Up to a

50%

reduction in self-employment numbers in some occupations

Many businesses have been working at full or near to full capacity due to a shortage of workers. This has also impacted levels of training, with a significant proportion of firms reporting that staff have been too busy to offer training, or that a shortage of staff has been a constraint on training activity. This is a situation that highlights the self-reinforcing nature of skills shortages, with a shortage of skilled staff available to train people leading to further skill shortages.

In terms of the construction workforce, the number of redundancies[9] and long-term unemployed[10] whose last job was in construction increased across the course of 2023 despite high levels of vacancies, highlighting the mismatch between supply and demand. The construction workforce was 1.0% smaller at the end of 2023 compared with a year earlier, with the reduction coming from a fall in the number of those in direct employment[11]. However, it is worth noting that the number of self-employed workers in construction remains about 17% below pre-pandemic levels whereas the number in direct employment remains broadly comparable. The reduction in self-employment has been particularly apparent among skilled tradespeople and older workers, where some occupations have experienced up to a 50% reduction in self-employment numbers. →

7. Dataset: New orders in the construction industry (www.ons.gov.uk)
8. Dataset: VACS02, Vacancies by industry (www.ons.gov.uk)
9. Dataset: RED02, Redundancies by age, industry and region (www.ons.gov.uk)
10. Dataset UNEM03: Unemployment by previous industrial sector (www.ons.gov.uk)
11. Dataset EMP13: Employment by industry (www.ons.gov.uk)

There appears to have been little further success in attracting back self-employed workers lost as a result of the pandemic and those who left the industry due to ill health or early retirement. Research in 2023 showed that one in five employers failed to recruit the sub-contractors or self-employed workers they needed in the previous 18 months[12].
Many also had to change their approach to recruitment due to applicants being unsuitable or of poor quality. Businesses have had to increase their use of social media and look to recruit less experienced or younger staff. So, even with a high number of job openings and strong wage growth, construction has struggled to meet its recruitment needs even in a relatively fallow period of demand. A period of sustained growth is likely to exacerbate skills shortages.

Despite high levels of confidence from firms that they will survive this period of low growth (eight in ten firms say they are confident that their business will survive), many are planning on making redundancies, laying off self-employed or temporary staff, or cutting back planned recruitment of apprentices[13].
Data on potential redundancies have shown an elevated number of firms planning to make redundancies since January 2023[14].

While such cuts may be necessary to navigate difficult and uncertain economic conditions, they also potentially undermine the capacity for medium- and long-term growth. What has become abundantly clear from the labour market shocks caused by Brexit and the pandemic is that the UK labour market is facing unparalleled and unpredictable supply-side challenges. Record levels of labour market inactivity and increased competition to find the right skills mean that sectors are increasingly likely to be presented with fewer and less suitable applicants. Retaining the workers already in the industry has never been more important.

This is a challenge when having a reliable pipeline of work is so crucial to business planning and demand is stagnating, but finding a way to retain and upskill existing staff during this period of weak growth is possibly a greater challenge than that of attracting new recruits. If the industry can't hold on to what it's got, then it has little chance of attracting new entrants.

The present downturn will pass, and growth will return in time. The challenge for industry is to find a way of meeting today's needs without jeopardising tomorrow's future.

12. CITB Employer Panel (August 2023), Unpublished
13. CITB Employer Panel (August 2023), Unpublished
14. Dataset: HR1, Potential redundancies (www.ons.gov.uk)

SECTION 3

Strategic Report

Pages 16 to 27



Review of 2023-24: Achievements

PUTTING EMPLOYERS IN THE DRIVING SEAT

CITB exists to support skills and training needs of construction employers across Britain. This year we empowered employers by giving them a greater say on how their short- and long-term training needs were supported. Our three long-term priorities (outlined below) were the focus of our work, and these were underpinned by ensuring employers had easy access to our existing products and services, allowing them to secure affordable skills training.

We invested over £268m during the year, with more than £155.7m of that invested in direct employer funding. This included grants, such as for apprenticeships and training courses, and other funded training activity, such as through commissioning.

Our work this year focused on tackling three key challenges: improving the construction industry's people pipeline; creating defined training pathways; and delivering an efficient training supply. These challenges impact on each part of the talent pipeline, from inspiring people outside of the industry to choose construction as their career, through to retaining existing talent.

We raised the profile of construction careers through our popular Go Construct and Go Construct STEM Ambassador initiatives. Meanwhile, our Onsite Experience Hubs and Taster Experiences offered an alternative route into construction, building a bridge between education and work. Apprenticeships remain at the heart of addressing the skills demand, so we continued to invest in and support thousands of apprentices and their employers.

Demand for training has returned, and we saw significant increases in the number of employers and individuals supported and trained through our interventions. There was strong demand for our apprenticeship and qualification grants and the doubling of short duration grants has led to an increase in training undertaken by employers. These increases show that demand for our training and support services was buoyant in 2023-24 and that more employers were making use of the CITB support available to them.

Our network of advisers helped businesses across the country access the funding, training and support that CITB offers. We placed a particular focus on supporting SMEs. Our NEST has supported employers with apprenticeships, helping them access the right training and financial support to allow apprentices to thrive.

Underpinning all this work are our standards and the development of our Competence Frameworks. Together, these help us give employers and individuals the assurance that their training and qualifications are of the highest quality and delivered to a universal standard.

We have used our unique position to listen to employers and influence Government policy, so they have the right support when it comes to complying with and adapting to new legislation. ●

Improving construction's people pipeline

Over
1.4m

Visits to the Go Construct website

858

Go Construct STEM Ambassadors recruited

Over
6.3k

Individuals registered with Talentview

2,340

Individuals helped by NEST to start an apprenticeship

> **"It's great to see a local company help inspire the next generation of construction employees and it is clear that the sessions had a huge impact on the children's perception of and interest in a career in construction."**
>
> **Laurence Stone,** Senior Customer Engagement Manager, Taster Session delivered by RG Kellow Ltd in conjunction with CITB.

Over
29.4k

Learners supported with apprenticeship grants

26.5k

Taster sessions delivered by our Customer Engagement team

Creating defined training pathways

9

Competence Frameworks have now been completed

> **"The Plant Sector Representative Organisation (PSRO) recognises the importance of the introduction of these CITB (plant) training standards and their role in ensuring the high-quality and consistent learning, coupled with robust quality assurance processes, that is required to develop the skills and knowledge for the safe operation of plant."**
>
> **Peter Brown,** PSRO Secretariat, on the new plant standards and grant that were introduced this year.



REVIEW OF 2023-24: ACHIEVEMENTS 3 / 3

Delivering an efficient training supply

19.4k

Qualification grants issued

£77.9m

Issued in apprenticeship grants

An increase of

218%

Employers joining and accessing training through Employer Network

> **"The CITB grant will enable Novus to implement several leadership programmes to equip managers with the tools for today and tomorrow. With an ageing workforce and fewer people joining construction it is essential that we progress in this space."**
>
> **Matt Pitt,** People Director, Novus Solutions, on the Leadership and Management Fund made available to employers.

An increase of

5%

Individuals trained through NCC

173k

Short duration training courses received grant support

An increase of

16%

Individuals supported through Site Safety Plus

11,403

Individuals supported by Employer Network



KEY PERFORMANCE INDICATORS 1 / 4

Key performance indicators

MEASURING SUCCESS FOR THE CONSTRUCTION INDUSTRY

We report on our performance supporting employers and the industry through a series of key performance indicators (KPIs). The Board agreed eight Business Plan KPIs for 2023-24, covering three key priorities. These are measured via interventions either delivered by industry, by CITB, or nationwide to pursue continual improvement in our support of the construction industry.

Of the eight measures (as per table 1 on page 21), six exceeded their targets, with three achieving 'Better' performance and three 'Best'. Of the two which fell short of their targets, one did not meet its volumetric target. For the final indicator, Competence Frameworks, we successfully completed them, but the Frameworks still need to be agreed with industry. In addition to the 2023-24 Business Plan KPI measures, we have undertaken several new activities and initiatives with some outlined in the next pages: →

Six out of eight business plan KPIs exceeded their targets, with three achieving 'Better' performance and three 'Best'.



KEY PERFORMANCE INDICATORS 2 / 4

TABLE 1: SUMMARY OF BOARD KPIs – RESULTS AND STATUS

PRIORITY	KPIs	TARGET	PERFORMANCE
Improving construction's people pipeline	Increase in the number of Taster Opportunities available	4%	105%
	Increase in the number of people accessing CITB careers support	4%	12%
	Increase in the number of CITB Apprenticeship starts	4%	-3%
	Increase in people in sustained employment for three months through Onsite Hubs	15%	85%
	Increase in individuals supported into employment from FE	7%	20%
Creating defined training pathways	Industry skills demand covered by agreed competence and training pathways	20%	0%
Delivering an efficient training supply	Increase in individuals trained or supported	4%	7%
	Increase CITB training support accessed by employers	5%	12%

Continuous Improvement Framework Key
Need Improvement: Volumetric below target
Good: Volumetric on target/below 3%
Better: Volumetric between 3% and 15% of target
Best: Volumetric 15% or more of target

KEY PERFORMANCE INDICATORS 3 / 4

IMPROVING CONSTRUCTION'S PEOPLE PIPELINE

We delivered more than 29,000 sessions in 2023-24, representing a significant increase over the previous year. Taster opportunities enlighten and excite more and different people into the construction industry, providing career changers and young people with an engaging and positive experience. Increasing Taster Opportunities allows more potential entrants to explore options to progress their interest in a construction career.

We have seen increases in people accessing CITB career support via Go Construct, Talentview Construction, Go Construct STEM Ambassadors and SkillBuild. The increase in visitors to our Go Construct website suggests that more people are considering a career in the industry. The Ambassador Programme also continues to grow, completing more engagements and reaching more young people than previous years. SkillBuild also reached more competitors and more diverse audiences, implying that construction careers are being increasingly seen as attractive by potential entrants from a wider cross section of society.

Apprenticeships starts have, however, decreased. In England, we paused recruitment until we had a more robust programme and resources in place to deliver successful outcomes for learners, while in Scotland the slight drop off was due to employer fall out. In Wales, numbers showed a small increase.

Our Onsite Hubs initiative also grew, with more than 1,150 people accessing sustained employment for three months or more, while our two new Onsite Hub Commissions in England and Scotland attracted more than 730 people, which demonstrates that more people are filling skills gaps and shortages.

We have seen a significant increase in the number of individuals supported into employment from Further Education, with more than 29,400 supported through the Apprenticeship Grant. NEST has supported employers to claim grant and funding for skills and training for more than 2,300 individuals. The increase in starts demonstrates that new entrants have access to skills and longer-term opportunities that will enhance their understanding of the construction industry and will contribute to filling skills gaps/shortages and improving employability.

In numbers:

More than

29k

tasters delivered, significantly above last year

1,150

people accessing sustained employment for three months or more

200

apprentices receiving mental health awareness training

A key priority for CITB is to promote Fairness, Inclusion and Respect (FIR) initiatives and to support changes to the construction industry's culture. The FIR commission significantly exceeded its end-year targets for SMEs and individuals trained, driving greater inclusivity in businesses across the industry.

The importance of working to create a more open and inclusive environment, where learners can get the mental health support they need, has been supported by the Mental Health Commission with 200 apprentices receiving awareness training during the year.

CREATING DEFINED TRAINING PATHWAYS

Competence Frameworks are a set of skills, knowledge and behaviour statements that set out what a person needs to do in a particular role to be deemed competent. There are 70 Competence Frameworks, of which nine have been completed and have been passed to their relevant Super Sector working groups for agreement, who are industry experts familiar with an occupation. These Frameworks are now expected to be agreed with industry mid-year, and the full set will be completed in 2024-25. The overarching aim is for CITB to train and develop a more competent workforce.

We have continued our ongoing cycle of updating standards to ensure training delivers the skills that the industry needs both now and in the future. We have worked with the Welsh and Scottish Governments throughout the year to influence apprenticeships, with degree apprenticeships launched in Wales, while in Scotland we hosted a reception in the Scottish parliament for more than 100 stakeholders. →

KEY PERFORMANCE INDICATORS 4 / 4

DELIVERING AN EFFICIENT TRAINING SUPPLY

The increase in the number of individuals supported exceeded our target, with Employer Networks supporting more than 11,000 individuals and qualifications grant more than 19,600. We saw a 5% increase in people trained through NCC, which was short of our Business Plan target of 7%. This suggests that employers are continuing to train their staff, with in-house training increasing since last year.

In addition, our Specialist Applied-skills Programme (SAP) has supported more than 200 starts and more than 40 achievements in Level 2 and 3 National or Scottish Vocational Qualifications. Our new Homebuilding Bricklaying and Roofing Commission and Brickwork Upskilling Commission have supported more than 750 individuals between them, and our Leadership and Management Commissions has delivered more than 2,100 modules.

Furthermore, our Digital Leadership, Procurement Practice, Roof Certificate Accreditation, Bricklaying (ABC) and Brickwork Masterclass Commissions are all significantly exceeding their targets through to 2023-24, delivering more than 26,600 beneficiaries, with over 5,000 in 2023-24 alone.

We saw increases in the number of employers supported through grants and funding, NCC, Training Groups and Employer Networks. The most significant increase was from our new Employer Networks, demonstrating that employers are continuing to increase their investment in training.

Recognised training provision has expanded with an increase of 5.49% in Approved Training Organisations (ATOs), showing that more approved providers are actively involved in construction training than previously.

CITB continues to offer core skills in Health, Safety and Environment (HS&E) and Site Safety Plus (SSP) training to industry, and the Leadership and Management Fund has seen significant numbers of both employers and individuals supported. Three commissions have been set up to support the provision of competent Trainers and Assessors, demonstrating delivery of an effective training supply to industry. •



FINANCIAL REVIEW 1 / 4

Financial review

Supporting skills acquisition and economic recovery in the construction industry

OVERVIEW

2023-24 saw the construction industry continue its post-pandemic recovery, and employers' confidence grew sufficiently for them to begin reinvesting in the development and training of their workforce. We saw a significant upturn in grant claim applications across the board and in applications for access to funding, resulting in a large increase in both the number of employers and individuals being supported compared to the previous year.

Levy income, our primary source of funding, increased compared to last year, and the collection of the Levy remained strong across the year. This performance reflected the strengthening post-pandemic economic environment across the industry and supplemented by increased receipts of Non-Levy income and support from our reserves, enabled us to deliver more support to industry than was initially forecast in our Business Plan 2023-24.

RESULTS FOR THE PERIOD

In 2023-24, CITB drew down £7.5m from the Cash element of its Reserves (2022-23 saw an increase in reserves of £8.4m), which was £4.4m lower than anticipated in the published Business Plan, where we expected a £11.9m deficit. This variance comprises industry increasing its demand for training and support through our various grants (£21.9m), whilst the distribution of monies from our funding initiatives was slower than expected (being £15.4m below budget) as employers increased their investment in non-mandatory training. Our professional fees and charges were £2.9m higher than expected, principally to support improvements in the NCC following its Ofsted inspection, while our staff related costs were £5.1m higher than budget following the outcome of a long-delayed salary benchmarking exercise, which was also impacted by the changes in economic circumstances and the increase in the cost of living.

Employers' confidence grew sufficiently for them to begin reinvesting in the development and training of their workforce.

Non-Levy income recognition was also £10.9m higher than expected, driven mainly by increased investment income (£3.9m) as interest rates increased throughout the year, additional support for English (£0.2m) and Scottish (£1.7m) apprenticeships, and our commercial products outperforming expectations and generating £1.9m more than was budgeted for. Commercial income arising from training conducted through the NCC, however, was £0.8m below expectations as the College focused on addressing the recommendations arising from its Ofsted inspection. The conclusion of the audit by the Education and Skills Funding Agency (ESFA) of CITBs former sub-contracted apprenticeship provision in England and Wales has resulted in £3.9m being released from the provision. →

Non-Levy income and support from our reserves, enabled us to deliver more support to industry than was initially forecast.



LEVY INCOME

Statutory Levy income is the principal source of funding for CITB, and its main use is for the provision of grants to support the construction industry to retain, train and upskill new entrants and existing employees in response to changing demands for skills, to expand and focus the capacity and capability of training provision, and to address the future skills needs of the industry.

Levy income for the period was £202m (2022-23: £170.6m), comprising £201.8m (2022-23: £169m) in respect of the current year assessment (net of current Levy year's bad debt), and an increase in respect of prior years' assessments of £190k (2022-23: £1.5m). The total amount of Levy recognised was higher than predicted in our Business Plan 2023-24.

The Levy rates applied in 2023-24 were unchanged, at 0.35% on direct labour payments (PAYE) and 1.25% on net Construction Industry Scheme (CIS) payments. We also maintained the exemptions and reductions for small businesses. Employers with a turnover below £120,000 were exempt from the Levy, while companies with a turnover above £120,000 but below £400,000 received a 50% reduction in the Levy.

On 31 March 2024, the number of employers on the Levy and Grant register was 75,832 (74,670 on 31 March 2023). The increase is due to the fluctuations in the register with new employers added and employers who are no longer in-scope removed. It also takes into account write-offs for employers who have gone into liquidation and ceased to trade.

NON-LEVY INCOME AND OTHER INCOME

Non-Levy income in 2023-24 was £55.8m (2022-23: £33.7m). This mainly comprises health and safety testing £12.7m (2022-23: £13.3m), managed apprenticeships income £12.1m (2022-23: £10.2m), the release of the apprenticeship clawback provision (£3.9m) to reflect the outcome of the 2018/19 and 2019/20 ESFA audits, eLearning and publications £9.7m (2022-23: £8.6m), Site Safety Plus £6.1m (2022-23: £6.1m), NCC commercial income £4.8m (2022-23: £5.1m), and other miscellaneous income (£1.4m). Additionally, with the change in economic conditions and the raising of interest rates, the income earned from notice accounts grew substantially this year to £5.1m (2022-23: £900,000).

GRANTS SCHEME

Grant expenditure in the year was £128.6m, significantly up from £85.3m (51%) in 2022-23. The increase was 25% higher than expected as industry returned to investing in training its workforce following the pandemic and as economic conditions improved over the last 18 months. As an example, CITB grants helped support 26,349 (2022-23: 22,803) apprentices through Attendance and Achievement Grants and 17,046 (2022-23: 14,300) learners achieving vocational qualifications. The total number of employers, from micro to large, who were supported by the receipt of grant was 15,710 (2022-23: 14,523). →

26,349 **apprentices helped through attendance and achievement grants**

FINANCIAL REVIEW 3 / 4

FUNDING SCHEMES

In total we spent £27.1m on funding (2022-23: £20.2m). That figure is 34% up from the prior year, but £15.4m less than planned. We invested £12m through our Skills and Training Fund, £7.7m of which supported 38,248 individuals in 2,400 small and micro businesses, £4m in our successful Onsite Experience Taster commissions, £3.1m through our Training Groups, and £2.6m via our new Employer Networks for businesses to access skills and training provision in their locality.

NON-GRANT EXPENDITURE

Our non-grant expenditure, including staff costs, totalled £114.8m (2022-23: £90.6m), reflecting our investment in rebuilding the capacity and capability of the organisation to deliver our new Strategic Plan. This figure was £11m above our expectations, driven by modest growth in resourcing and the cost of living crisis significantly impacting upon our cyclical benchmarking of salaries (£3.9m), as well as investment in the NCC. This was, in part, offset by a reorganisation of our Communications and Marketing function (£1m) and other minor efficiencies and savings.

RESERVES

Reserves are required to cover delays in income receipts, accelerated grant claims, costs that are outside of our control, and to ensure continued construction industry funding, in line with our charitable objectives.

Reserves as of 31 March 2024 are £95.2m (2023: £102.7m). Although reducing, the Board recognises that our Cash reserves are still substantially higher than our policy floor minimum level of £40m. The draw down of £7.5m was £4.4m less than expected, due to additional income being recognised in year, but this still meant that we were able to further support industry's skills and training needs beyond our plans this year, and to utilise the receipt of Levy which held-up during the pandemic, as well as when there was a lack of demand for training grants and funding, leading to this accumulation.

It is acknowledged that the industry's demand for skills and training is cyclical and mirrors economic conditions. Our Business Plan 2024-25 continues to plan for a reduction in our Cash balances of £29.5m by 31 March 2027. Further proposals to reduce the accumulated level of Cash-in-Hand will be considered by the Board in 2024-25 to invest in our new Strategy and Strategic Plan 2025-29, which was delayed a year pending the outcome of the ITB Review and will underpin the next Consensus and Levy Order. →

TABLE 2: RESOURCE ALLOCATION

RESOURCE TYPE	2023-24	2022-23
Levy income	**£202m**	**£170.6m**
Grants Scheme	**£128.6m**	**£85.3m**
Apprenticeship grants	£77.9m	£61.5m
Qualification grants	£18.6m	£8.1m
Short duration grants	£32.1m	£15.8m
Funding	**£27.1m**	**£20.2m**
Skills and Training Fund	£12m	£8.9m
Employer and industry support funding	£15.1m	£11.3m

OUR FUTURE PLANS

Our Business Plan 2024-25 sets out our detailed plans for the year ahead and outlines those for the next three years as we prioritise investment against improving the skills system, focusing on putting the foundations in place so employers and individuals can access the right training, in the right place and at the right time for them. In essence, the Plan reflects CITB's purpose demonstrating how we will "support the construction industry to have a skilled, competent and inclusive workforce, now and in the future" by:

- Informing and enabling diverse and skilled people into construction
- Developing a training and skills system to meet current and future needs
- Supporting the industry to train and develop its workforce.

These three key priorities will impact on each part of the talent pipeline, from inspiring new people – young and old – to choose construction as their career, through to retaining and upskilling the existing talent in the industry. ●



Our Purpose

"Support the construction industry to have a skilled, competent and inclusive workforce, now and in the future."

SECTION 4

Structure, Management and Governance

Pages 28 to 57

Structure

The Construction Industry Training Board (CITB) is a statutory corporation, an executive Non-Department Public Body (NDPB) sponsored by the Secretary of State for Education and is required to comply with its statutory obligations and functions as set out in the Industrial Training Act 1982. CITB is also a registered charity in England, Wales and Scotland and is regulated respectively by the Charity Commission (in England and Wales) and Office of the Scottish Charity Regulator (in Scotland).

The CITB Board comprises non-executive directors, known as Trustees, to reflect CITB's charitable status. For the period 2023-24, in accordance with statutory requirements, the Board comprised a majority membership of employer Trustees supported by independent Trustees. The Board is also supported by an Executive Team and the following five Board Committees: Audit and Risk; Industry Funding; Nomination, Appointments and Remuneration; Levy Strategy; and National Construction College and Apprenticeships. Additionally, the Board receives strategic insights and feedback from three Nation Councils – Scotland; Cymru Wales; and England.

Trustees make the high-level strategic decisions about the organisation. The CITB has Board Reservations and a Scheme of Delegation in place which sets out the authorities reserved by the Board and the authorities delegated to its committees. All other authorities are delegated to the CEO. The CEO can then determine which of these authorities to retain for themselves, and which to delegate to other officers in the organisation.

The CITB Board complies with the principles and provisions within the Code of Good Practice for Corporate Governance in Central Government Departments as appropriate and in line with CITB's statutory duties. The only departure from this is in respect of CITB and the Department for Education (DfE) having an agreed Framework Document in place, appropriately reflecting the charitable status of CITB. This document is currently being finalised. The CITB Board also adheres to the Charity Governance Code. ●

Trustees

For the period 2023-24, the CITB Board consisted of:


Peter Lauener (CITB Chair)


Tony Elliott (left on 21 June 2024)


Louisa Finlay


Diana Garnham (left on 31 December 2023)


Michael Green


Owain Jones


Kevin McLoughlin


Holly Price


Sophie Seddon

On 1 April 2024, five new Trustees were appointed to the Board of Trustees:


Herman Kok


Rachael Cunningham


Stephen Gray


Julia Heap


Nikki Davis

As specified in Schedule 1 Section 1 of the Industrial Training Act 1982, Board members are appointed by Secretary of State following a public appointment process governed by the Office for the Commissioner of Public Appointments (OCPA), including the advertising of vacancies on the Government's Public Appointments website.

https://apply-for-public-appointment.service.gov.uk/roles

TRUSTEES 2 / 3

Whilst the Secretary of State has the discretion to decide upon the length of tenure for Trustees, the usual tenure is four years with the possibility of re-appointment for another four years. By exception, the Secretary of State may decide to reappoint a Trustee for a third consecutive term in office, although there is a strong presumption that no individual should serve in one post for more than 10 years.

The Board is headed by the Chair Peter Lauener, who took up this post on 1 May 2018 and was reappointed on 1 May 2022 to serve a second term of office. All Trustees, apart from the Chair, are unremunerated but reimbursed reasonable expenses. Trustees are required to have relevant senior experience, with the majority of their work within the construction industry, having been recruited for their broad range of industry skills, background, and experience. The other Trustees have been appointed as independents and bring additional and appropriate insight to ensure that there is a good balance of skills, knowledge, and experience across the Board as a whole.

With the addition of a fifth standing Board Committee – the National Construction College and Apprenticeships Committee – it has been agreed with DfE that Board membership be increased from 11 Trustees to 13 during the 2024-25 financial year to support the additional work that has come with this change, and to further enhance the Board's succession management processes.

The advert for new Trustees went live in August 2023, with interviews in December 2023. Appointments were made on 1 April 2024. All incoming Trustees receive a comprehensive induction process, supported by CITB's Governance Team. Further support and training (both formal and informal) is provided to Trustees on an ongoing basis. Trustees liaise regularly with relevant Executive Team members in relation to specific Board, Committee and Nation Council matters. →



Further information relating to the Board of Trustees is available on our website:

www.citb.co.uk/trustees

TRUSTEES 3 / 3



BOARD PERFORMANCE

The purpose of the Board is to ensure that CITB fulfils its statutory and charitable purposes by setting and maintaining the vision, mission and values of the organisation, to develop and shape its future direction and strategy, whilst adhering to the principles of the Framework Document (currently in draft) negotiated and agreed with DfE, and to ensure good corporate governance. It acts in accordance with the Board's standing orders and delegations, and provides leadership, advice and challenge to the Executive Team on the management and performance of the organisation.

Every three years, we commission an external review of the effectiveness of the Board. The next of these is due in 2024-25. This review cycle is also supplemented by annual internal effectiveness reviews of the Board, its Committees and the Nation Councils. The connectivity between these governance groups continues to strengthen. Over the coming year, there will be an increased focus on offering members relevant training opportunities to help support them to discharge their governance responsibilities, which include holding CITB to account in the delivery of its purpose: "To support the construction industry to have a skilled, competent and inclusive workforce, now and in the future". Additionally, an annual appraisal of the Board Chair is undertaken by DfE, while individual appraisals of Trustees and Nation Council Chairs are conducted by the Board Chair.

The Board met eight times in 2023-24 and considered key issues such as the ITB Review and the development of the new Strategic Plan. With the ITB Review having commenced in June 2023, the Board decided to delay the publication of the then 2024-28 Strategic Plan pending the outputs from the Review. This resulted in the Board seeking a one-year Levy Order for 2025 and delaying the Consensus process for a year. During the 2023-24 financial year, the Board also considered the 2024-25 Business Plan, the development and delivery of the Employer Network pilot scheme and the impact this would have on Training Groups; the introduction of the NEST; the continued delivery and performance of Onsite Hubs; and competency in the industry and CITB's role in this area.

Overall, the Board has been pleased with the quality of data and information provided to support Board discussions and decisions. The establishment of the NCC and Apprenticeships Committee in March 2023 has ensured that the Board have an overview of the NCC and Apprenticeships performance and this has resulted in more robust decision making. ●

GOVERNANCE 1 / 8

Governance

AUDIT AND RISK COMMITTEE (ARC)

The Audit and Risk Committee is a committee of the Board that supports its strategic leadership with corporate oversight of strategy and performance. The Committee is charged with ensuring that the Board and the Accounting Officer gain the assurance they need on the adequacy and effectiveness of CITB's arrangements for risk management, governance and control. Within this, the Committee engages with internal audit, the work of the external auditor, financial reporting issues, and annually reviews key corporate policies for recommendation to the Board for approval. There were five meetings of the Audit and Risk Committee during 2023-24, and the Committee fulfilled its Terms of Reference.

The Committee has three Trustee members: Diana Garnham was the Chair until December 2023; Louisa Finlay and Peter Lauener subsequently chaired one meeting each as interim Chairs; Julia Heap took on the Chair from July 2024. The Committee benefits from the contribution of two external members, who bring additional depth of experience and expertise. In addition, other observers and attendees from our Internal Audit delivery partners (Grant Thornton), Sponsor Department (DfE) and the External Audit team from the National Audit Office (NAO) contribute to the breadth and robustness of scrutiny and discussion.

RISK

A strategic and operational risk management process has operated throughout the year. Strategic Risks were reviewed and updated to reflect those that might impact on the achievement of the updated Strategic Plan, and the process has been strengthened by a formalised assessment of risks against the Board's Risk Appetite, which had been formally defined in February 2023. Regular reports on risks provided the Committee with assurance that risks were being identified, assessed and managed appropriately against the tolerances set by the Board. Where risks were identified as exceeding tolerable levels, related action plans prepared by management were considered, and progress to bring the risk to within tolerance monitored. The Committee also undertook a horizon scan to consider potential upcoming risks.

GOVERNANCE

The Committee supported the work of the Board in reviewing its Risk Management Policy, including its risk appetite. Maintaining its focus on key risks and the implementation of risk mitigation plans, the Committee carried out deep dives into several high-risk areas including HR, IT systems, cyber security, grant claims, countering the risk of fraud, and business continuity. The Committee continued to take a particular interest in the operation of controls for the delivery of apprenticeships and training through NCC and monitored the progress of work to resolve issues and improve governance and processes. The Committee noted that controls in this area had been strengthened significantly over the course of the year providing a foundation for performance enhancements in 2024-25. →



GOVERNANCE 2 / 8

INTERNAL AUDIT

The Committee approved the internal audit plan for 2023-24, kept the plan under review and approved amendments during the year. The full 2023-24 plan was completed, except for the deferral of a planned audit of Communications because of changes taking place in that function. Internal audit work provided the Committee with assurance across a wide range of areas, including Information Governance, Contract Management, income from Health, Safety and Environment Tests, Health and Safety processes, and controls to counter the risk of fraud. The effectiveness of internal audit activities was monitored through progress reports from the Head of Audit and Risk received at each meeting. These set out the findings from each audit and the actions that management had agreed to undertake in response. The results of internal audit work evidenced that the framework of controls had been maintained during the year and strengthened in certain areas, in particular in relation to delivery of apprenticeships, but also highlighted that in some operational areas internal controls required improvement. These included enhancing business continuity planning and processes for follow-up actions in respect of unpaid Levy. The Committee will continue to monitor the completion of agreed actions in response to audit recommendations and the revised assessment of risk and controls derived from further audits in 2024-25.

The Committee received and endorsed the Head of Audit and Risk's annual opinion that CITB's systems of governance, risk management and financial control are generally satisfactory, but that improvement is required to internal controls in areas other than these. While this opinion was similar to that for 2022-23, it was recognised that there had been significant improvements to controls during 2023-24 and that as audits had not identified any significant new areas requiring improvement, the required further actions were already planned to be taken in 2024-25.

EXTERNAL AUDIT

The statutory external audit of the Annual Report and Accounts was performed by the NAO on behalf of the Comptroller and Auditor General, in accordance with the Industrial Training Act 1982. The NAO attended all five meetings of the Committee in 2023-24. An update report was provided for each Committee meeting and an interim audit enabled the Committee to understand progress and pinch points, and to identify issues for further review. The Committee reviewed the Audit Plan in advance of the audit commencement and reviewed the Audit Report and findings. CITB had received an unqualified certification for the 2022-23 year, and the Committee continues to monitor the implementation of the Management Letter recommendations and Management Responses to the audit findings.

The Committee acknowledges the recommendations resulting from the NAO 2022-23 Audit Completion Report and interim update report on the 2023-24 Financial Statement Audit. The recommendations have either been actioned or form part of an ongoing action plan for completion. The Committee supports the delivery of this action plan, which has been closely monitored.

CITB also receives additional assurance from other external bodies on specific activities and/or functions, including from Ofsted for NCC and Apprenticeships, and the BSI where CITB holds accredited standards, e.g. in Health and Safety. →



NOMINATION, APPOINTMENTS AND REMUNERATION COMMITTEE (NARCO)

The Nomination, Appointments and Remuneration Committee (NARCO) supports the Board in the delivery of its responsibilities in respect to proposals regarding organisational-wide remuneration and bonus schemes, CITB's people and culture strategy, pension arrangements, senior appointments, departures, and key HR policy and practice across the organisation. The Committee has three Trustee members. Tony Elliott was the Chair throughout 2023-24. The Committee met five times and provided advice to the Board regarding appropriate pay awards, performance management and the People Strategy.

A major focus for the Committee in 2023-24 was the development and benchmarking of a new pay and grading framework, which was approved by the Board and then implemented.

During the year, NARCO members worked with CITB's Chief Executive Officer to recruit and appoint Nadine Pemberton Jn Baptiste as interim Executive Director for Legal, Governance and Compliance in December 2023 following the departure of Emma Black in September 2023. Additionally, Deborah Madden was appointed as Executive Director for Nations Engagement in December 2023 and Kirsty Evans as Executive Director and Principal for National Construction College (NCC) in March 2024.

NARCO also recommended to the Board the re-appointment of the England and Scotland Nation Council Chairs for a second term and was involved in the appointment of a new Wales Nation Council Chair from July 2024.

Succession planning for Executive Director and Leadership roles will continue to be a focus for NARCO, as well as the development of CITB's Total Reward Framework. Additionally, NARCO continues to support the Executive Team to embed CITB values and culture, fostering a customer-led, productive and engaged workforce in support of our mission. →

GOVERNANCE 4 / 8

INDUSTRY FUNDING COMMITTEE (IFC)

The Industry Funding Committee (IFC) is a decision-making body with delegated authority from the Board to authorise industry funding of up to £5m for any one commission or funding scheme. The Committee is tasked with assisting the Board in adopting a funding strategy which supports CITB's strategic aims, then monitoring the delivery and impact of this funding strategy and ultimately making resultant recommendations to the Board as necessary.

During the 2023-24 financial year, the Committee moved to focus more sharply on reviewing the funding investment proposed as part of the Strategic Plan and annual Business Plan. All budget allocated via funds, the Grants Scheme and commissions were reviewed by the Committee. There was also an increased focus on the alignment of funding against outcomes and greater consideration of the expected impact of investments. Following a series of detailed discussions regarding the relative value of different funding interventions, principles around additionality and an assessment of the return on investment, the Committee agreed and gave recommendation to the Board on the investment priorities for the then 2024-28 Strategic Plan and 2024-25 Business Plan. The Committee's advice shaped the proposals which were signed off by the Board. The Committee took these decisions in the context of the industry's response to a large-scale consultation completed in the summer of 2023, which provided a customer perspective on overarching priorities as well as specific information about views on how much support should be provided for different categories of training.

Throughout the financial year, Committee members worked closely with CITB to use quantitative and qualitative sources of information, including performance dashboards and deep dives to monitor the performance and impact of CITB's grants and funding schemes, employer funds, commissions and pilots.

The Committee monitored progress against recommendations set out in the Employer Funding Review and provided advice and insight into the ongoing improvement of funds, including expansion of the Industry Impact Fund scope. A member of IFC, Hannah O'Sullivan, was delegated to support the decision-making process for high-value bids coming through the Industry Impact Fund. As well as focusing on funding investments to deliver the Strategic Plan, the Committee also provided enthusiastic support for proposals to simplify funding channels and develop arrangements that will facilitate longer-term investment in training via alternative routes. Views were provided on specific matters such as the development of Employer Networks and the role of Training Groups.

Holly Price has continued as Chair. Collectively, these members of the Committee bring extensive experience and knowledge from construction along with a good spread of industry representation from major contractors, medium-sized employers, SMEs and connections with federations. The mix of the Committee members ensures that the industry investment profile takes account of the needs of different sizes and types of business. →

GOVERNANCE 5 / 8

LEVY STRATEGY COMMITTEE (LSC)

The Levy Strategy Committee is a sub-committee of the CITB Board that make recommendations to the Board on matters relating to the strategic direction of the Levy system. This includes maintaining a level playing field for all CITB-registered employers.

At the start of the year, the primary focus for the Committee was to develop Levy Proposals for the next three-year Levy Order commencing in 2025. However, the commencement of the Government's regular review into the CITB and ECITB in June 2023 resulted in the Board proposing to delay the Consensus process for a year. The Committee's focus, therefore, turned to Levy Proposals for a Levy Order in 2025 that would provide continuity and stability in the one-year period before a subsequent three-year, consensus-backed Levy Order in 2026.

The resulting Levy Proposals recommended to the Board and subsequently to DfE saw:

- The Levy Rates retained at 0.35% on directly employed workers (PAYE) and 1.25% on taxable sub-contractors (Net CIS)
- The Small Business Levy Exemption threshold increased from £120,000 to £135,000
- The 50% Levy Reduction threshold increased from £400,000 to £450,000.

These rates and thresholds, assuming they are approved by Parliament in early 2025, will be drafted into the one-year Levy Order in 2025 and used for the Levy assessments raised in April 2025.

Committee members have also been exploring:

- The increased use of third parties who provide labour to employers (Labour Suppliers)
- Reducing the time lag between leviable work being undertaken and the Levy due on it being paid (Close the Gap), through a proposal to see the annual Levy Assessment being raised 10 months earlier to form part of the Levy Proposals for the 2026 Levy Order
- The practice of passing on the Levy by some contractors to their sub-contractors; members have considered the wording of a statement setting out CITB's opposition to this, with the intention this will be published in 2024 with other stakeholders as joint signatories.

The Committee currently has nine members including Peter Lauener, the Board Chair, who stepped in to chair the Committee in the interim when Diana Garnham's tenure in office came to an end in December 2023. The Committee is made up of four independent members (including Peter Lauener) and five members representing Levy-registered employers. The mix on the Committee brings extensive skills and diversity of industry intelligence, which has helped shape the Committee's recommendations to the Board. Over the course of the financial year, Andrew Harvey and Diana Garnham (Trustee and Committee Chair) stepped down from the Committee, meaning that three vacancies, including a permanent Chair, are currently being recruited. →

The mix on the Committee brings extensive skills and diversity of industry intelligence, which has helped shape the Committee's recommendations to the Board.

GOVERNANCE 6 / 8

NATIONAL CONSTRUCTION COLLEGE AND APPRENTICESHIPS COMMITTEE (NCC&AC)

The National Construction College and Apprenticeships Committee was established following the Board's decision to invest to improve the quality of provision at the National Construction College (NCC) and to enhance the quality of apprenticeships. The Committee's inaugural meeting was on 6 March 2023.

The purpose of the National Construction College and Apprenticeships Committee is to:

- Support the Board in the delivery of its responsibility to ensure oversight of the curriculum, the quality and delivery of the training provision, the learner experience, learner safeguarding and wellbeing, health and safety, resourcing, and the funding and regulatory compliance of CITB's National Construction College (NCC) and Apprenticeships provision
- Monitor and review the delivery, quality, and impact of CITB's apprenticeships provision in England, Scotland and Wales, to provide assurance to the Board regarding funding and regulatory compliance activities and to offer recommendations to the Board as to future direction of this provision
- Make decisions and recommendations with regard to all relevant legal and regulatory requirements together with guidance and best practice in skills training, education, and safeguarding.

During the 2023-24 financial year, the Committee oversaw a significant transformation programme for NCC and for apprenticeships, aiming to address areas for improvement highlighted by Ofsted in England (following an inspection on 21 March 2023), and also in Scotland, working closely with Skills Development Scotland and sub-contracted colleges. This has led to significant improvements in performance and better support for apprentices. Ofsted confirmed this to be the case during a monitoring visit in June 2024, which found that three of the themes noted for improvement have seen 'Significant Improvement' with the fourth theme seeing 'Reasonable Progress'. The Committee has also overseen plans to develop the NCC estate and to develop a new NCC Business Plan for 2024-25.

Peter Lauener, the Board Chair, initially chaired the Committee. He handed over the Chair to Michael Green in February 2024. The Committee currently has four Board Trustee members. →

During the 2023-24 financial year, the Committee oversaw a significant transformation programme for NCC and for apprenticeships.



NATION COUNCILS

Nation Councils remain essential in shaping the future of construction throughout Great Britain, offering strategic guidance to the Board to enhance the industry's ability to meet its skills requirements.

The objectives of the three Nation Councils are to:

- Provide insight into the challenges and opportunities for the nation they represent
- Steer and influence the Board on the development and effective delivery of the Strategic Plan, encouraging adjustments to delivery to reflect unforeseen events/changes that impact on the nation/industry more generally
- Debate and offer constructive challenge in relation to the proposed allocation of resources against competing industry priorities across Great Britain
- Provide individual national perspectives on construction skills gaps against agreed forecast needs.

During 2023-24, the Councils were instrumental in the development of the 2024-25 Business Plan and one-year Levy Order for 2025. CITB continues to work closely with the Councils in the development of the new 2025-29 Strategic Plan. →



GOVERNANCE 8 / 8

ENGLAND NATION COUNCIL

The England Nation Council worked with the CITB Board to inform the Business Plan KPIs and support delivery of the England Nation Plan and KPIs. The Council continued to bring constructive challenges and support to initially shape the priorities in England and offered ongoing insight into the challenges around the delivery of these plans throughout the year.

The Council has supported the continued rollout of NEST and Employer Networks, offering insight and a breadth of experience in helping to shape and inform both successful programmes. The Council also supported the development of the one-year Levy Order for 2025. In addition, the England Council provided insight and feedback on an ongoing basis on the real challenges facing our industry, from micro-organisations through to Tier 1 contractors and this in turn supported our strategic and business planning activities.



Sharon Llewellyn continued as Chair, with Kevin McLoughlin as Deputy Chair. During the 2023-24 financial year, Karen Brookes' tenure ended as a Council member. Currently the Council has four vacancies with a recruitment process underway.

SCOTLAND NATION COUNCIL

The Scotland Nation Council had input into policy and operational matters which were of relevance to CITB's activities in Scotland. This work included the production of the 2024-25 Business Plan, which outlined CITB support in Scotland, and the development of KPIs which reflect GB and national priorities and allow for operational performance reporting at a Scotland-specific level. The Council also advised and supported the one-year Levy Order.

Throughout the year, the Council re-iterated the importance of apprenticeship provision in Scotland and worked with the Board and senior staff members to ensure this was reflected in terms of CITB's operational priorities in Scotland. The Council members were also active in ensuring CITB products and services, such as funding, are suitable and relevant for Scottish employers, and that wherever possible regional areas of Scotland are properly supported. Two examples of this are the emergence of a Scottish NEST as well as Employer Networks which will initially be rolled out in rural and remote areas of Scotland.



Angela Forbes continued in her role as Council Chair with Tony Elliot as Deputy Chair. Currently the Council has four vacancies with a recruitment process underway.

CYMRU WALES NATION COUNCIL

The Cymru Wales Nation Council worked with the CITB Board to support industry with challenges faced during the year. These included labour shortages, skills needs and the cost of living crisis. The Council provided feedback and gave its input to the Nations Plan and Engagement Team priorities.

The Council was supportive of the projects to deliver the Strategic Plan and sought updates on the pilot initiatives and delivery throughout the year. It also provided input around Green Skills, Net Zero and Retrofit, changes to the Welsh apprenticeship frameworks, development of degree level construction apprenticeships, and talent pipeline activity, such as hosting women into construction events, National Apprenticeship Week, and See your Site events. Council Members also supported the three CITB Roadshows held in the Autumn of 2023 and attended a working CITB Board dinner in September 2023.



Leigh Hughes remained the Council Chair, while Owain Jones was the Deputy Chair and sits on the CITB Board of Trustees. The Council currently has four vacancies and is seeking to appoint a new Chair and recruit new Council members in this upcoming financial year.

RISK MANAGEMENT 1 / 7

Risk management

OVERVIEW

Our system of risk management and internal control is designed to: manage risks, including the risk of not making the most of opportunities, to a reasonable level; evaluate and mitigate the likelihood of those risks occurring and the impact should they be realised; and manage risks efficiently, effectively and economically. The system was in place for the financial period ending 31 March 2024 and up to the date of approval of the Annual Report and Accounts. During the year, the Audit and Risk Committee reviewed the operation of the Board's Risk Appetite Statement and the risk management framework. The Executive reviewed the strategic risks facing CITB before they were discussed with the Audit and Risk Committee and with the Board, and an updated set of strategic risks was subsequently adopted reflecting CITB's then Strategic Plan 2024-28.

The framework of risk management is designed to support informed decision-making, helping to ensure that CITB can take opportunities to be more effective in its support of industry while not becoming exposed to unacceptable levels of risk. We manage risk through regular scrutiny at management and team levels, alongside oversight by the Audit and Risk Committee, which reports to the Board. The Board also receives updates on strategic risks and exceptional operating risks at each meeting.

A number of sources contribute to the review of risks and the assessment of risk management, including:

- Reports and recommendations from the Audit and Risk Committee
- Risk reports and the Annual Report and Opinion from the Head of Internal Audit and Risk
- Assessments against the Government's Functional Standards including the "Management of Risk – A Strategic Overview" (commonly known as the "Orange Book")
- Findings and recommendations from NAO
- Annual accountability statements from members of the Executive and senior managers, which outline the governance, risk and control arrangements in their business areas
- External reports on CITB and its processes produced by independent organisations, such as the Education and Skills Funding Agency, Skills Development Scotland and Ofsted
- Legislative and regulatory guidelines, including those relating to charitable status, state aid and tax arrangements. →

RISK MANAGEMENT 2 / 7

RISK MANAGEMENT PROCESS

As a registered charity, we have a prudent and balanced attitude to risk, placing emphasis on our risk management and control framework to manage risk within the Board's risk appetite, which is set out in the Board's Risk Appetite Statement. The ways in which we managed risks for the year ending 31 March 2024, included:

- A review of our strategic risks performed in November 2023 in light of CITB's then developing Strategic Plan 2024-28, with oversight by the Audit and Risk Committee. Assessments of these risks and the effectiveness of mitigating actions are monitored on an ongoing basis
- Risks were also identified and assessed at an operational level by each team and escalated where appropriate. A process is in place to ensure consistent identification, assessment and monitoring of risks by all teams, facilitated by the Audit and Risk function. In addition to reporting through line management, significant operational risks are reported independently to the Executive and the Audit and Risk Committee
- The Executive holds collective oversight of risks at the strategic level and undertook several deep dive reviews into the management of certain of the more significant risks during the year
- Each meeting of the Audit and Risk Committee received a risk update, including details of the strategic and significant operational risks and the operation of the system of risk management. The Committee also performed its own deep dives into key risks by asking management to provide an update on the risks, current challenges and mitigations. →



RISK MANAGEMENT 3 / 7

STRATEGIC RISKS

The strategic risks that have been the main focus of attention during the year are set out below, together with details of the key mitigations and actions taken to manage them. Each strategic risk is owned by a member of the Executive Team who is responsible for the regular review of the risk and mitigating actions. The extent to which the actions are working to mitigate the risk sufficiently is assessed and where further actions are required to bring a risk to within tolerance, an action plan is agreed.

TABLE 3: RISK MITIGATIONS

RISK:
CITB may be unable to maintain industry's support for, and engagement with, CITB's strategy in order to be able to implement the Strategic Plan.

MITIGATION:

1. Strategic decisions are informed by Industry Analysis and Forecasting. Significant consultation at an industry, nation and sector level has been undertaken, including with Prescribed Organisations, Nation Councils and through the Industry Funding Committee (IFC)
2. Opportunities for industry to be involved in decision making, including the allocation of funds, have been increased and IFC's role strengthened. Employer Networks were introduced, providing an opportunity for Networks to allocate a proportion of CITB funding to local priorities
3. CITB has a programme of developing Sector Skills Plans
4. A Strategic Communications Strategy is being developed, to build on the direction that was shared with stakeholders in the 2023 Autumn Roadshows.

RISK:
That CITB may not be able to make the contribution to addressing the industry skills shortage that it has committed to.

MITIGATION:

1. In setting out our commitment to addressing the skills shortage the aim is to be ambitious whilst also reflecting the contribution that CITB can make and acknowledging where we will need to work with others
2. Partnerships with industry, national Governments and others have been strengthened and designed to achieve a shared, industry-owned approach to addressing the shortage
3. CITB is developing its range of impact measures and related KPIs against which progress, and achievements will be monitored and reported
4. Maintaining flexibility within plans to allow for changed or additional approaches in response to ongoing assessment or new information.

RISK MANAGEMENT 4 / 7

RISK:
There may be limitations to the extent to which stakeholder behaviour may change, or can be influenced, to adopt training quality as envisaged.

MITIGATION:
1. Development of Competence Frameworks is being undertaken in partnership with the Industry Competence Steering Group

2. We are working to align the skills system behind Competence Frameworks, e.g. through engagement with the Construction Skills Delivery Group and key bodies such as the Institute for Apprenticeships and Technical Education (IfATE).

RISK:
There may not be the level of engagement from training providers to establish a network that provides the range and volume of quality training that the construction industry needs.

MITIGATION:
1. Delivering an ongoing programme of supporting and assuring Approved Training Providers

2. Working to develop a Value Proposition for training providers

3. Improvements being made to our Training Model to improve the experience of, and engagement with, the network of providers.

RISK:
NCC and CITB apprenticeships may not be able to deliver the ambition of providing high quality apprenticeships valued by learners and employers.

MITIGATION:
1. The NCC and Apprenticeships Committee established to strengthen governance arrangements

2. The College transformation project was completed in England and is continuing in Scotland, with a focus on improving quality and the learners' experience. Process, systems and delivery compliance have been significantly enhanced

3. A budget for estate investment was agreed in principle with work ongoing to develop the more detailed Sustainable Estates Strategy

4. Throughout the year the Board, supported by the NCC and Apprenticeships Committee and the Audit and Risk Committee, closely monitored progress towards resolving the issues relating to Apprenticeships funding for 2018/19 and 2019/20 highlighted by the Education and Skills Funding Agency.

RISK:
Skills system and funding changes in Scotland may impact on recruitment into construction.

MITIGATION:
1. Following publication of the "Review of the Skills Landscape" report for Scotland and in light of announced changes to Scottish Government funding of education, CITB has maintained its engagement with the Scottish Government and its agencies and been monitoring developments and the potential impact on apprenticeship numbers and the skills gap in Scotland.

RISK:
Inability to recruit, develop and retain the people and skills that CITB needs.

MITIGATION:
1. A pay benchmarking and grading review was completed to inform the 2023 pay award

2. A new performance management process has been implemented with a stronger focus on development. A new 'Conversations in Leadership' programme and coaching training have been delivered

3. Recruitment processes are being strengthened and CITB also attained accreditation to ISO45003 Psychological Health in the Workplace.

RISK MANAGEMENT 5 / 7

RISK:
CITB may not have the capacity and capabilities required to implement the changes that are necessary to deliver its Strategic Plan.

MITIGATION:
1. A revised operating model of management oversight groups is being rolled out covering strategy development, investment, delivery, change and corporate operations

2. An established but expanded change management function is in place. Formal programmes and projects have been established to develop and implement the systems and processes required for the future

3. A plan of work is also underway working with our outsourced Enabling Partner to identify and implement potential improvements and to increase the efficiency and effectiveness of their services.

RISK:
Government policy and CITB strategy and plans may not be aligned fully, impacting CITB's ability to implement the industry-led skills system.

MITIGATION:
1. An active programme of engagement with Ministers, their officials and Shadow Ministers across the three nations is in place

2. UK Government Priorities are confirmed through an annual Ministerial Priorities Letter, incorporated into business planning and continually monitored

3. CITB monitors national Governments' forward agendas and policy development to enable us to respond to emerging issues

4. A particular focus in 2023-24 has been the Industrial Training Board Review. A dedicated Project Team was assigned to support the Review and a series of Position Papers was prepared on key topics. Pending the findings from the Review, CITB took the decision to seek a one-year Levy Order for 2025 and to delay Consensus until Spring 2025, which allows an extra year for the actions from the Review to be reflected in our new Strategic Plan 2025-29 and in the proposals for a three-year Levy Order for 2026.

RISK:
Breach of Cyber Security leading to loss or disclosure of sensitive data, or with financial or operational consequences.

MITIGATION:
1. Information Security Policy and National Cyber Security Centre early warning system adopted

2. Mandatory security training is provided to all employees, alongside an active security awareness programme and phishing simulations

3. Penetration testing performed, with firewalls, web filtering and VPN multifactor authentication in place

4. A programme to replace Legacy IT and attain Cyber Essentials Plus accreditation has been running throughout the year. Plans are in place to address the remaining actions to attain full accreditation.

RISK:
Harm arising from a failure of, or weaknesses in, Health and Safety (H&S) arrangements.

MITIGATION:
1. CITB is certified to ISO45001 and has adopted BSi standards for H&S management

2. A comprehensive system of H&S risk identification, assessment and mitigation is in place across the whole organisation

3. All staff are required to undertake mandatory training on H&S and there are two Employee forums to flag and escalate H&S concerns

4. H&S is a standing agenda item at Executive and Board meetings.

RISK MANAGEMENT 6 / 7

RISK:
Harm arising from a failure of or weaknesses in Safeguarding arrangements.

MITIGATION:
In 2023-24, the risk of Safeguarding was separated from that of Health, Safety and Wellbeing to ensure a focus on the specific actions required.

1. Management refreshed all safeguarding policies and practices in 2023/24 and strengthened resourcing
2. CITB has recently attained the 'Leaders in Safeguarding' Award for England. Work is ongoing to develop arrangements in Scotland
3. A project has been completed to review the compliance with the Safer Recruitment requirements of Keep Children Safe in Education
4. Safeguarding is overseen by a monthly Safeguarding Board, with reporting through to the NCC and Apprenticeships Board sub-committee.

RISK:
An ineffective response to a business continuity incident, results in significant disruption to activities.

MITIGATION:
1. Documented emergency response procedures/ protocols are in place alongside an established approach for responding to issues and incidents
2. Work has been completed during 2023-24 to enhance resilience of our IT infrastructure
3. A dedicated Business Continuity Manager has been appointed to lead further developments in this area.

RISK:
CITB suffers significant financial losses due to fraud.

MITIGATION:
1. The Audit and Risk Committee undertakes a review of the framework to counter the risk of fraud and its effectiveness at least once a year
2. A dedicated team of counter-fraud professionals is employed to undertake investigations and promote action in response to the higher risk areas, e.g. grants and testing
3. A CITB-wide Fraud Risk Assessment is maintained identifying appropriate mitigating controls for the risks, which include:
   - **Grants:** Grants Scheme rules in place; employers must be Levy-registered to claim; grants are paid after the claim is assessed at processing and further eligibility and evidence checks are performed retrospectively as part of a verification process on a sample basis
   - **Testing:** Due diligence is undertaken on applications to become an Internet Test Centre (ITC); all centres are subject to monitoring and Quality Assurance visits; and training is provided to centre staff on signs of fraud to watch out for.

In addition to the risks outlined above, the risk of there being a significant economic downturn in the UK economy impacting construction was monitored throughout the year based on financial insights and analysis. As a result, CITB could, if necessary, respond by amending the scale and the scope of its planned interventions accordingly.

Previously, the risk that CITB might not adequately support the construction industry's needs in relation to sustainability and net zero was identified as a separate risk. However, following reassessment it was concluded that meeting these needs should be considered as part of the wider risk of supporting industry's overarching training needs. Accordingly, these no longer feature as separate strategic risks.

RISK MANAGEMENT 7 / 7

RISK MANAGEMENT AND THE DELIVERY OF PRIORITIES

Our strategic risks recognise the importance of having impact through the delivery of our strategic objectives. The strategic risks that CITB faces, and the mitigating actions in relation to them, have been subject to ongoing review throughout the year, with the level of risk assessed against the Board's Risk Appetite and remedial action taken where any of the risks exceed tolerable levels.

The process of risk reviews helped to maintain the focus on mitigating the potential impacts of these risks throughout the year and supported actions that ensured that the risks did not have a significant adverse impact on delivery of priority outcomes and achievement of the Business Plan. There was significant focus throughout the year on actions to improve performance in relation to the delivery of apprenticeships and in other areas including Cyber Security and Business Continuity. The risk of CITB's capacity and capability to implement change at the pace required to deliver its strategic objectives has been subject to particular attention by the Executive noting that implementing new systems and ways of working are critical to the delivery of the Strategic Plan 2025-29. Adding to the programme management and oversight of individual activities, the focus on this risk is helping ensure that capacity and capability is considered holistically for the organisation as a whole.

HEAD OF INTERNAL AUDIT'S OPINION

The Internal Audit Team, working to the Public Sector Internal Audit Standards, delivered the 2023-24 programme of reviews approved by the Audit and Risk Committee. The programme covered a wide range of areas within governance, risk management and control, focusing on those where there was the greatest need for assurance or potential benefit from internal audit review. The Head of Internal Audit was satisfied that sufficient work had been completed during the year to enable an annual opinion on governance, risk management and control to be provided.

An annual report, summarising the work undertaken and containing the Head of Internal Audit's opinion, was presented to the Audit and Risk Committee and stated that while the systems of governance, risk management and financial control are generally satisfactory, improvement is required to internal controls in areas other than these. It was noted that, in many of the areas identified as requiring improvement, controls had been enhanced during 2023-24 to strengthen the control environment, in particular in relation to the delivery of apprenticeship contracts. These improvements, however, were not effective throughout 2023-24 and there remain some areas that require attention and where action will be taken in 2024-25 to further strengthen these controls. ●

SUSTAINABILITY 1 / 11

Sustainability

OVERVIEW

Many organisations, including CITB, are seeking to reduce their greenhouse gas emissions and these are measured and assessed within three different 'scopes.' The three Scopes (Scopes 1, 2 and 3) are a standard way of categorising the different kinds of emissions an organisation creates in its own operations and in its wider 'value chain' (its suppliers and customers) as set out in the Greenhouse Gas (GHG) Protocol.

Our Environmental Policy sets out our ambition to be Net Zero in Scopes 1 and 2 by 2030 and Scope 3 by 2040, ahead of the UK target of 2050 and Scotland's 2045 target. The Board and the Executive Team are committed to this target, and to making the investment required, and our teams have begun making changes to our working practices to bring this about.

To ensure we can transition to a sustainable future and meet our Net Zero emission targets, we know that our workforce must have the knowledge, skills, competencies, and behaviours to undertake this work, known collectively as 'Green Skills.' This requires a mix of technical and essential skills built on a basic understanding of climate change and how it is impacting the planet. To support this development and, as a member of Business in the Community (BITC), we participated in a pilot 'Green Skills Lab' that will help develop a blueprint for businesses to adopt in practice.

As a NDPB, we are deemed 'in-scope' of Central Government's Greening Government Commitments[15] (GGCs) that set out the actions that UK Government departments and their Arms-Length-Bodies (ALB's) will take to reduce their impacts on the environment; and we have applied the HM Treasury annual guidance[16] to provide transparency in our sustainability reporting.

To support greater collaboration with our sponsoring department, DfE, a CITB representative has joined their newly formed DfE ALB Sustainability Roundtable. With their support, we are making a request to Defra to re-baseline our carbon footprint, as little comparison can be made with the baseline year of 2017-18 due to changes made as part of our Vision 2020 divestment programme and the impact of the pandemic. For this reason, only data for the last three years is presented in this report.

CITB delivers skills and training interventions through NCC, which operates from three freehold training establishments. The data presented in this report is collated from these three sites, at Erith, Bircham Newton, and Inchinnan. We are not currently able to include data from our leased Head Office, Sand Martin House in Peterborough as the freeholder is currently unable to provide relevant data. Utilities data directly related to our occupancy within the Sanctuary Building in Westminster, London, is captured by the Government Property Agency's GGC return. →

15. Greening Government Commitments 2021 to 2025 (www.gov.uk)
16. HM Treasury 2023-24 Sustainability Reporting guidance (www.gov.uk)

SUSTAINABILITY 2 / 11

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

COMPLIANCE STATEMENT

CITB has reported on climate-related financial disclosures consistent with HM Treasury's TCFD-aligned disclosure application guidance which interprets and adapts the framework for the UK public sector, including central Government department ALBs.

CITB has complied with the TCFD recommendations as follows:

- **Governance** – all recommended disclosures
- **Risk Management** – recommended disclosure (A)
- **Metrics and Targets** – recommended disclosure (B).

This is line with central Government's TCFD-aligned disclosure implementation timetable for Phase 1. CITB plans to make disclosures for Strategy and Metrics and Targets (A) and (C) in future reporting periods.

GOVERNANCE

Disclosure A – Board Oversight of climate-related risks and opportunities

The role of the Board is to set and maintain CITB's vision, mission and values, and ensure its strategy supports the construction industry to have a "skilled, competent and inclusive workforce, now and in the future". It is responsible for monitoring CITB's management and operations and obtaining assurance about the delivery of its strategy through its committees.

The Audit and Risk Committee provides assurance to the Board on the adequacy and effectiveness of CITB's arrangements for risk management, governance, and internal control, and this is extended to climate-related risks and opportunities. The Committee reviews these above its usual risk tolerance level, as identified through the risk management process.

The Board includes two Trustees with a background and experience in climate change and sustainability, including climate-related risks and opportunities.

Holly Price is the Group Sustainability Director at Keltbray Group and accountable for the delivery of its sustainability strategy, which includes environmental sustainability and the achievement of its Net Zero target.

Stephen Gray, in his role as Head of Engineering Development at BAM Nuttall Ltd, and as a reviewer and assessor with the Institution of Civil Engineers (ICE), embeds sustainable development as a core competency and commitment. Stephen joined the Board in April 2024.

Disclosure B – Management's role in assessing and managing climate-related risks and opportunities

Climate-related responsibilities relating to internal operations have been assigned to a newly formed Sustainability Group commencing in 2024-25 that is accountable to the Executive through the CFO as the Executive Sponsor. Membership is made up of relevant Leadership Team members and functional leads.

To help support the development of CITB's Strategic and Business Plans for the benefit of the construction industry, a cross-functional Net Zero Action Group exists. →

SUSTAINABILITY 3 / 11

TABLE 4: SUSTAINABILITY GOVERNANCE – MANAGEMENT OF CLIMATE-RELATED MATTERS

CITB BOARD LEVEL	EXECUTIVE LEVEL
The Board Audit and Risk Committee	Executive Team Sustainability lead: CFO
MANAGEMENT LEVEL	
Sustainability Group Chair: CFO Attended by Leadership Team members and functional leads Remit: Oversight of internal environment, social and governance matters	Net Zero Action Group Chair: Strategy lead for Net Zero Attended by departmental representatives Remit: To help develop the strategy/plan to support a training and skills system for the construction industry to meet its Net Zero obligations
WORKFORCE LEVEL	
Green Champions Group Coordinator: Corporate Social Responsibility (CSR) Manager Voluntary membership from across the organisation	

RISK MANAGEMENT

Disclosure A – The organisation's processes for identifying and assessing climate-related risks

Climate-related risks are identified with the input and guidance of the Corporate Social Responsibility (CSR) Manager taking into consideration global trends, the UK's Climate Change Risk Assessment, and the NAO's good practice guidance to identify those direct risks to core operations - and indirect risks via the supply chain or other dependencies - relevant to CITB.

The risks are assessed using the risk management system as described on page 41 and cascaded to the relevant team for including in their operational risk registers, where they will be scored, managed and monitored at the functional level. General CSR risks, including those in relation to reporting, are held centrally by the CSR Manager. Assessment, recording and reporting of the risks is facilitated by the Audit and Risk function.

An impact and likelihood assessment supports the prioritisation of the risks and of the risk management activities to mitigate and respond to them. The impact criteria consider financial and non-financial factors, such as compliance (regulatory impact), people, and technology, and are used for assessing all risks, including climate-related risks, providing a consistent basis for assessment, prioritisation, and reporting across CITB.

The Audit and Risk Committee receives updates at each meeting on the risk management process, specifically on those risks that fall outside of tolerance. The Committee also undertakes a programme of deep dives into key risks, although no climate-related risks were deemed to require this during 2023-24. The Board also reviews strategic risks at each meeting. →

SUSTAINABILITY 4 / 11

METRICS AND TARGETS

Disclosure B – The organisation's Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks

The CITB is guided by the GGC reduction targets and has not set its own material targets. These will be developed in its Sustainability Strategy for 2026-29, until then, it is actively investigating and implementing solutions to drive down its emissions.

TABLE 5: GREENHOUSE GAS (GHG) EMISSIONS

			2023-24	2022-23 RESTATED	2021-22
Non-financial indicators (tCO_2e)	Scope 1	Fuel combustion[1]	937	1,050	783
	Scope 1	Owned transport[2]	444	319	126
	Scope 1	Fugitive emissions	22	18	0
	Scope 2	Purchased electricity	388	381[3*]	519
	Scope 3	Business travel[4]	197	91	31
	Scope 3	Use of purchased materials (paper)[5, 6]	190	192	3
	Scope 3	Waste disposal[7]	5	5	4
	Scope 3	Homeworking[8]	350	331*	**Not collected**
	Scope 3	T&D purchased electricity[9]	34	**Not collected**	**Not collected**
Financial indicators (£)		Business travel	817,179	529,426	166,841
		Purchased offsets[10]	0	0	0
	Per FTE[11]		3.24	3.35	2.3

The Defra GHG conversion factors (condensed set) for 2023 have been applied, unless otherwise stated and rounded to the nearest metric tonne. **1.** Includes white diesel used for training vehicles from 2022-23. **2.** Car engine size and fuel type conversion factors have now been applied rather than the conversion factor for a medium car unknown fuel, as used in 2021-22, giving greater accuracy on emissions. **3.*** Data entry error reported in 2022-23 - figure corrected from 387 to 381. **4.** Includes personal car mileage, air, rail, and, as of 2022-23, hotel stays. No mileage was available for buses, taxis, underground, and hire cars, to enable tCO^2e to be calculated. The tCO^2e applied for rail and air travel was calculated and supplied by CTM, the travel management company used by the CITB. **5.** The conversion factor applied relates to the primary source. Some paper products are from recycled sources, although it is not possible to evidence that they are from a Closed Loop supply. **6.** The data includes material printed by the CITB's third-party printing company and includes the Levy Return and guidance note products as of 2022-23. **7.** The data excludes emissions from ICT waste as they are unknown; Conversions are applied per waste stream rather than an overall combustion factor of 21.280, as applied before 2023-24, to improve data accuracy **8.** Calculated based on an FTE working 35 contracted hours per week. **9.** Additional Scope 3 data added from 2023-24 onwards. **10.** CITB see the purchase of accredited offsets as a last resort and aims to reduce its carbon emissions as much as possible before any purchases are made. **11.** The number of staff directly and temporarily employed by CITB as an average over the year (expressed in full-time equivalents) was 763 in 2023-24, (was 666 in 2022-23) with the majority either contractually or flexibly still working from home.

SUSTAINABILITY 5 / 11

TABLE 6: WASTE

WASTE		2023-24	2022-23	2021-22
Non-financial indicators (tonnes)	Total waste arisings (not including ICT waste)	385	257	183
	ICT waste recycled	0.35	2.56	2
	ICT waste reused	0.9	1.03	3
	ICT hazardous waste	1.02	1.27	2
	Waste recycled	157	87	116
	Waste composted / food waste	3.6	4.3	3.4
	Waste incinerated with energy recovery	179	133	57
	Waste incinerated without energy recovery	0	0	0
	Waste to landfill	49	11	13
	Other non-ICT WEEE waste[1]	3.2	**Not collected**	**Not collected**
Financial indicators (£)	Main contract[2]	76,922	57,550	42,973
	ICT waste	216	0	0
	Confidential waste service[3]	8,566	2,228	2,546

1. Previously collected and included in ICT hazardous waste tonnage.
2. The performance data does not currently enable us to breakdown the costs per waste category.
3. The contract cost for confidential paper waste also includes the collection for plastics and WEEE.

SUSTAINABILITY 6 / 11

MITIGATING CLIMATE CHANGE: WORKING TOWARDS NET ZERO GHG EMISSIONS - SCOPE 1 (DIRECT)

EXPANSION OF THE ONSITE ENERGY CENTRE AT NCC BIRCHAM NEWTON

The training establishment at Bircham Newton is not connected to mains gas. Energy is provided instead by bringing fuel (mostly kerosene) onto site, together with some onsite energy generation by a biomass boiler fuelled by woodchips.

Kerosene is non-renewable and has a high carbon footprint. To help the environment and reduce our carbon footprint, a new second biomass boiler has been installed within the onsite energy centre, as the centre's original design allowed for such expansion. This will provide a backup to the existing boiler and allow for the extension of the existing heating and hot water network to a further five buildings during the first phase in 2024-25. A second external woodchip fuel store has been installed so that larger quantities can be delivered to site on a less frequent basis, helping to reduce the associated transportation emissions.

INCREASED USE OF ELECTRIC HEATING AND COOLING

Also, at the Bircham Newton training establishment, we have replaced the use of kerosene with aircon heating and cooling on two different buildings onsite, including the new gymnasium, as well as converting to an air source heat pump at our Plant Training Tea Room.

REDUCING ENERGY CONSUMPTION

LED lights with PIR sensors have also been installed in the Access and Construction Hangars this year at Bircham Newton to help reduce energy consumption and associated costs, where health and safety is not compromised.

Triple glazed windows and doors have also been installed in four buildings at Bircham Newton, providing better insulation and thermal efficiency.

COMPANY LEASED PASSENGER VEHICLES AND OWNED CARS

As part of our transition to phase out petrol and diesel cars from our fleet, company car allowances were enhanced to incentivise staff to transition to electric vehicles (EVs) through our partner, LEX Autolease, with greater availability of EVs compared to the year before. This has encouraged more staff to switch to fully electric or hybrid cars, with the number of Ultra Low Emission Vehicles (ULEVs), i.e. those producing less than 50g/CO2 per km, representing 19% of the fleet, up from 15% the year before.

CITB currently has 27 owned vehicles of which 23 are in use and 11 (48%) are now electric. The fleet's 16-seater mini-buses and 4x4's will be replaced when suitable electric versions are available. →





SUSTAINABILITY 7 / 11

TABLE 7: SCOPE 1 - COMPANY LEASED PASSENGER VEHICLES[1]

ENGINE SIZE	MILES (2023-24)	MILES (2022-23)	KGCO2E (2023-24)	KGCO2E (2022-23)	GROSS SPEND (2023-24)	GROSS SPEND (2022-23)
Electric	36,565	22,990	0	1,902	3,421	1,151
LPG[2] 1400cc or less	72	1,148	0[3]	365	6	436
LPG 1400cc to 2000cc	6,793	**Not collected**	1,196	**Not collected**	796	**Not collected**
Diesel 1600cc or less	434,244	259,246	97,358	58,367	63,970	34,336
Diesel 1601cc to 2000cc	386,029	273,416	103,850	73,929	63,259	44,747
Diesel Over 2000cc	101,683	45,379	34,135	15,303	19,924	9,469
Petrol 1400cc or less	416,791	228,951	94,445	53,987	59,033	33,461
Petrol 1401cc to 2000cc	332,900	341,647	95,462	101,551	54,022	59,570

1. Data for 2023-24 uses the date of travel rather than payment transaction date used in 2022-23.
2. LPG is now reportable within two categories by engine size rather than as a fuel source only, as in 2022-23.
3. No emissions data is listed in the GHG conversion factors.

PLANT, COMMERCIAL FLEET AND MACHINERY

We have adapted the role profile of our Plant, Fleet and Equipment Manager to help us review options for replacing diesel fuelled commercial fleet, plant and machinery with other low-emission fuel alternatives, such as electric, hydrogen and biofuel. The role holder will lead our activities to achieve zero emissions by tailpipe and towards meeting our commitments in the Supply Chain Sustainability School's Plant Charter.

FUGITIVE EMISSIONS

All air con units at our training establishments have a carbon loading of less than 30 tonnes and are fully serviced and visually inspected once a year. Some units at Bircham Newton are no longer in use and have been made safe and decommissioned. During the reporting period, 10.66kg of R410A was used to 'top-up' two air con units at Bircham Newton, while none were required at Erith and Inchinnan.

100% RENEWABLE MAINS GAS FROM OCTOBER 2023

We currently use a mains gas supply at Inchinnan and Erith. From 1 April until 30 September 2023, our gas supply came from fossil fuels. As of 1 October 2023, we started purchasing units from an environmentally friendly renewable energy source, namely biogas, significantly reducing our natural gas carbon emissions. →

SUSTAINABILITY 8 / 11

GHG EMISSIONS - SCOPE 2 (ENERGY INDIRECT)

100% ZERO CARBON ELECTRICITY FROM APRIL 2024

Our procured electricity is currently a mix of renewable and fossil fuels sources.
To become net zero in Scope 2 by 2030, the contract has been reviewed, and as of April 2024, we shall begin to procure only electricity that generates zero emissions.

In our 2024-25 Environmental Action Plan, we plan to conduct an energy audit that will help us identify actions we can take to reduce our energy consumption and costs as part of our Sustainable Estates Strategy.

GHG EMISSIONS - SCOPE 3 (OFFICIAL BUSINESS TRAVEL)

TABLE 8: SCOPE 3 - OFFICIAL BUSINESS TRAVEL (DOMESTIC ONLY)

	2023-24			2022-23		
MODE OF TRANSPORT[1]	tCO_2e	GROSS SPEND	KILOMETRES	tCO_2e	GROSS SPEND	KILOMETRES
Domestic air travel	97	£35,289	155,867	23	£19,748	99,598
Rail	30	£227,685	837,578	18	£131,602	516,447
Hotel stays	50	£521,376	N/A	30	£344,237	N/A
Private vehicle – owned by staff	20	£32,829	116,887	19	£33,839	111,704

1. Data set for 2023-24 uses departure date not the invoice date as used in 2022-23.

All modes of business travel have increased over the reporting period as colleagues return to pre-pandemic levels of face-to-face meetings.

In February 2024, changes were made to the CITB Expenses Policy to encourage colleagues to lift share when travelling to meetings or events, and to receive the HMRC payment rate of five pence per mile per passenger. A cycle rate of twenty pence per mile was also added. →



SUSTAINABILITY 9 / 11

WASTE MANAGEMENT

Overall waste arisings and the tonnage sent to landfill have both increased due to an increase in line with the upturn in training delivered post-pandemic, from 11% of total waste arisings in 2022-23 to 14% in 2023-24. This is also due to the redevelopment of our training establishments. As a result, CITB will miss the GGC target of less than 5% waste to landfill in the short term. Despite the increase in waste arisings, associated emissions remain the same as 2022-23 due to more accurate reporting through applying GHG conversions per individual waste stream.

Our overall recycling rate is currently 35%, well below the GCC 70% target. This is, in part, driven by the nature of waste derived from construction training activities. The main waste contract for NCC was re-tendered and future opportunities to increase the overall recycling rate will be discussed with the supplier and focus on the introduction of additional facilities for further on-site segregation e.g. mixed recycling, PPE and vapes. This will be supported by an awareness campaign.

CITB's catering partner (Sodexo) has been actively working towards a food reduction target of 50% at the Bircham Newton site, which serves fully-catered learner accommodation, and the amount of food waste has since decreased. Sodexo is reviewing opportunities for further reducing cup waste. Paper cups are used at the onsite water coolers and for takeaway drinks from the canteen, whilst eco cups (made from reused recyclable plastics) are used at the vending machines, with plastic recycling containers available for their collection. Opportunities to introduce new reuse schemes continue to be assessed.

We continue to explore opportunities to move more products and services from a print to a digital footprint.

PAPER USE

Although we have actively encouraged employers to switch to online Levy Returns, our paper usage has remained largely the same, due to an increase in materials printed in connection with our publication schemes and purchased office paper. The latter can be attributed to colleagues returning to the office post-pandemic and an increase in workforce numbers.

We continue to explore opportunities to move more products and services from a print to a digital footprint.

WATER

The volume of water consumed was recorded as significantly increasing over the reporting period, but this was later attributed to a major water leak at Bircham Newton. This took several weeks to detect and repair, partly due to the nature of the site, an old WWII RAF airbase. The volume reported below is net of the 'leak allowance' calculated by the water company. CITB has no indirect water use.

Through our Sustainable Estates Strategy redevelopment programme, we will look at the potential opportunities for reducing water consumption, and increasing water recovery and reuse, particularly at non-office locations. We will also set a reduction target that will be measured against our new baseline to be agreed with Defra. →

SUSTAINABILITY 10 / 11

TABLE 9: FINITE RESOURCE CONSUMPTION

			2023-24	2022-23	2021-22
Non-financial indicators	Energy	Total purchased electricity (kWh)[1]	1,875,538	1,971,380	2,443,197
		Natural gas (kWh)	167,505	520,154	326,704
		Biogas (kWh)[2]	477,699	**Not collected**	**Not collected**
		LPG (litres)	13,759	14,037	7,392
		Oil Kerosene (litres)	307,237	352,909	291,000
		Biomass (tonnes)	716	743	567
		Diesel (for Plant vehicles (litres)[3]	41,385	**Not collected**	**Not collected**
	Finite	Water from third parties (m^3)[4]	13,929	23,736	20,504
		Paper (reams)[5]	83,144	83,655	1,277
Financial indicators (£)	Energy	Electricity	608,338	581,786	486,650
		Gas (natural and LPG)	19,609	40,892	21,594
		Biogas	44,771	**Not collected**	**Not collected**
		Kerosene	231,770	327,607	175,256
		Diesel	57,736	**Not collected**	**Not collected**
		Biomass	28,582	32,183	21,123
	Finite	Water[6]	168,997	83,337	68,984
		Paper[7]	9,509	6,511	4,235

1. Purchased electricity is on a 100% standard tariff. The EDF Energy fuel mix for 2023-24 is 20% renewable with 54% zero emissions from nuclear supply. **2.** As of 1 October 2023, we switched our tariff from natural gas to biogas. **3.** Diesel figures were previously included in kerosene invoices and the data is now logged separately. **4.** CITB does not extract water (Scope 1) nor collect any water (Scope 3). A leak allowance credit of 27,843m^3 was granted against sewage for the period 22/12/23 and 18/03/24 for a major water leak. **5.** The volume of paper used has seen a sharp increase since 2021-22 due to the inclusion of printed material by the CITB's third-party printing company that includes the Levy Return and guidance notes. **6.** As a result of a water leak at Bircham Newton, a credit is due. **7.** The costs reflect purchases made through the CITB's stationary provider and does not include costs related to item 4 above. We hope to be able to extract the cost to purchase the paper from the printing, and to report this in future years.

SUSTAINABILITY 11 / 11

PROCURING SUSTAINABLE PRODUCTS AND SERVICES

As an ALB, we have a mandatory requirement to adhere to UK Government Public Procurement Notices (PPNs) on various sustainability topics: including 'PPN 06/20 - Taking account of Social Value in the award of Central Government contracts'; and if applicable 'PPN 06/21 – Taking account of Carbon Reduction Plans' in the procurement of major Government contracts.

Where a procurement has a relevant and proportionate impact on the environment, tender questions are required and weighted appropriately. With the introduction of the Procurement Act 2023, and the Transforming Public Procurement (TPP) programme, we are updating our procurement policies and processes, and we see this strengthening our approach to sustainability.

NATURE RECOVERY AND BIODIVERSITY ACTION PLANNING

We do not hold significant natural capital. However, we are looking at what opportunities there are to achieve Net Biodiversity Gain across the CITB estate. With priority given to the redevelopment of the Erith training establishment, initial ecological surveys will be conducted together with an assessment on how biodiversity can be enhanced as we prioritise the redevelopment of all our sites. The greatest potential will come at Bircham Newton, where there are wide expanses of open land owing to its former use as an RAF airbase.

ADAPTING TO CLIMATE CHANGE

We have identified climate-related risks, and the process is outlined in the TCFD Risk Management section on page 48.

REDUCING ENVIRONMENTAL IMPACTS FROM ICT AND DIGITAL

We continue to pursue a programme focussed on the removal of older systems and applications that are no longer fit for purpose, and the migration of services to platforms that offer a lower running cost and environmental impact. This mature programme is now entering its third phase and has adopted a more proactive approach to identifying services that are in scope.

This includes reviewing the remaining on-premises legacy servers across the CITB estate, decommissioning where possible, and migrating to a cloud platform.

We recently completed the migration of our on-premises virtual desktop infrastructure to Microsoft Azure, reducing our physical hosting requirements for this service to zero. Furthermore, a recently completed review of legacy database servers and infrastructure has resulted in over 80% of these being decommissioned, while those retained are now cloud hosted.

We have replaced our site-based printing capabilities and multifunctional devices to match the downsizing of our estate and to replace aging equipment. Through the new service, we now have access to granular reporting that will allow us to look at where further reductions in print may be made.

Desktop equipment (such as laptops and desktops) has been reprovisioned where possible, to get the most life from existing assets and reduce the need for new purchases. Where new laptops or desktops are required, these are now sourced from a supplier providing repurposed hardware, thereby further reducing the environmental impact of manufacture.

Equipment that is no longer in service is disposed of in line with the waste hierarchy.

CITB procures its cloud services through the UK Government's 'G-Cloud' and Crown Commercial Service (CCS) frameworks. The services they provide are approved by CCS as being aligned to central Government procurement policies for eliminating/reducing their environmental impact.

SUSTAINABLE CONSTRUCTION

To support the greening of our estate, Mott MacDonald has been selected as our design and engineering partner. The firm shares our belief that sustainability should be embedded at the heart of what we do and will support us in developing the plans we need to achieve our net zero targets, through a combination of new build and retrofit, factoring in embodied carbon. The training establishment at Erith has been prioritised for redevelopment and planning approval is to be sought from the Local Authority so that work can commence in 2024-25. ●

SECTION 5

Statement by Accounting Officer

Pages 58 to 65

Statement by Accounting Officer

OUR APPROACH TO DATA SECURITY

To achieve our aims, CITB processes personal information about individuals. Categories of data subjects include construction-related employers, employees and prospective employees within the construction industry, construction apprentices, suppliers, contractors and internal staff.

We are committed to protecting the rights and freedoms of individuals in respect of the processing of their personal data and undertake to comply with our legal obligations and responsibilities at all times.

We routinely review systems and processes for handling data securely against prevailing guidelines to ensure we continue to meet expected standards. We follow ISO 27001-compliant practices in relation to information security.

We comply with our legal obligations in relation to personal data, and any serious data-related incidents are published and reported to the Information Commissioner's Office (ICO). This year, no incidents were reported to the ICO.

As CITB's outsourced IT Service Provider, Shared Services Connected Limited (SSCL) is committed to protecting the security and access to the data of our customers. SSCL follows ISO 27001-compliant practices in relation to information security and CITB has obtained certification for Cyber Essentials+, initially for Welsh Apprenticeships, to be followed by the whole IT estate.

SSCL investigates all security incidents relating to its service to CITB to identify suitable improvements in processes, staff education, and technical security measures. There were no high severity incidents reported in 2023-24.

OUR APPROACH TO REPORTING CONCERNS

We are committed to achieving and maintaining high standards of behaviour at work, in service to the public and in all our working practices, and to maintaining a culture where people are encouraged to speak out, confident that they can do so without adverse consequences and that appropriate action will be taken. We have arrangements for reporting concerns relating to Modern Slavery, Safeguarding and the Prevent Duty. Our arrangements for whistleblowing were reviewed and approved by the Audit and Risk Committee during the year. There were no whistleblowing incidents reported during the year.

REGISTER OF INTERESTS

As an ALB of DfE, CITB must abide by the principles of regularity and propriety, ensuring that its work is not adversely impacted by conflicts of interest. Trustees, Committee members and Executive Team are required to complete a declaration of interests annually. We have a process in place which allows potential conflicts of interest to be identified and, where identified, ensures that appropriate safeguards are put in place to prevent actual conflicts from arising.

In addition, all staff are required to complete a declaration of interest return annually, including those who have no interests to declare, and to also declare any gifts or hospitality offered. →

MAINTAINING STAKEHOLDER SUPPORT

To continue to meet industry expectations, CITB must maintain support from a range of stakeholders. We liaise with industry at all levels and have connections with federations, trade unions and educational bodies. We work with the three national Governments (with the DfE at Westminster, and the Scottish and Welsh Governments) and we are involved in a range of stakeholder events, consultative groups and forums, and partake in various stakeholder surveys.

CONCLUSION

As Accounting Officer, I am satisfied that the governance arrangements that were in place during the year to 31 March 2024 are sufficient to continue managing risks effectively. This is informed by the work of Executive Team, who are responsible for developing and maintaining the governance structures and internal control framework. I acknowledge the comments made by NAO in its management letter and other reports (refer to External audit on page 33). The Governance Statement represents the end product of the review of the effectiveness of the governance framework, risk management and internal control.

Based on the review I have outlined above, I conclude that CITB has a satisfactory system of governance, risk management and internal control that supports the aims and objectives of the organisation.



Tim Balcon
Accounting Officer

11 December 2024

Statement of the Board and Accounting Officer's responsibilities

Under section 8 (1) of the Industrial Training Act 1982, the Board is required to prepare for each financial year a statement of accounts in the form and on the basis determined by the Secretary of State with the consent of the HM Treasury.

The accounts are prepared on an accruals accounting basis and must show a true and fair view of CITB's state of affairs at the year end and of its income and expenditure and cash flows for the financial year.

In preparing that statement of accounts, the Board and Accounting Officer are required to comply with the requirements of the Charities Statement of Recommended Practice (FRS 102) and have regard for the relevant requirements of the Government Financial Reporting Manual and in particular to:

A. Observe the accounts direction issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis

B. Make judgements and estimates on a reasonable basis

C. State whether applicable accounting standards as set out in the Charities Statement of Recommended Practice (SORP) and Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements

D. Prepare the financial statements on a going concern basis unless it is inappropriate to presume that CITB will continue in operation

E. Confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable, and to take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Accounting Officer for DfE has designated the Chief Executive of CITB as Accounting Officer for CITB. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding CITB assets, are set out in Managing Public Money published by the HM Treasury.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that CITB's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware. The Annual Report and Accounts are fair, balanced and understandable, and as Accounting Officer I take responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.



Tim Balcon
Accounting Officer

11 December 2024

Approved by the Board on and signed on its behalf by:



Peter Lauener
Chair

11 December 2024

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL 1 / 4

The certificate and report of the Comptroller and Auditor General to the Houses of Parliament and the Scottish Parliament

OPINION ON FINANCIAL STATEMENTS

I certify that I have audited the financial statements of the Construction Industry Training Board for the year ending 31 March 2024 under the Industrial Training Act 1982.

The financial statements comprise: the Construction Industry Training Board's:

- Balance Sheet as at 31 March 2024;
- Statement of Financial Activities and Cash Flow Statement for the year then ended; and
- The related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom accounting standards including Financial Reporting Standards (FRS) 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion, the financial statements:

- Give a true and fair view of the state of the Construction Industry Training Board's affairs as at 31 March 2024 and its net expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been properly prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 and the Charities Act 2011.

OPINION ON REGULARITY

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

BASIS FOR OPINIONS

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019.* I am independent of the Construction Industry Training Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, I have concluded that the Construction Industry Training Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Construction Industry Training Board's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Board and Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

OTHER INFORMATION

The other information comprises the information included in the Annual Report but does not include the financial statements nor my auditor's certificate and report. The Board and Accounting Officer are responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon. →

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL 2 / 4

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

OPINION ON OTHER MATTERS

In my opinion the part of the Remuneration Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Industrial Training Act 1982.

In my opinion, based on the work undertaken in the course of the audit the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

MATTERS ON WHICH I REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Construction Industry Training Board and its environment obtained in the course of the audit, I have not identified material misstatements in the Annual Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- Adequate accounting records have not been kept by the Construction Industry Training Board or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of remuneration specified by the Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005 and section 8 of the Charities Accounts (Scotland) Regulations 2006 have not been made or parts of the Remuneration Report to be audited is not in agreement with the accounting records and returns; or
- The Governance Statement does not reflect compliance with HM Treasury's guidance.

RESPONSIBILITIES OF THE BOARD AND ACCOUNTING OFFICER FOR THE FINANCIAL STATEMENTS

As explained more fully in the Statement of the Board and Accounting Officer's Responsibilities, the Board and the Accounting Officer is responsible for:

- Maintaining proper accounting records;
- Providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- Providing the C&AG with additional information and explanations needed for his audit;
- Providing the C&AG with unrestricted access to persons within the Construction Industry Training Board from whom the auditor determines it necessary to obtain audit evidence;
- Ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error;
- Preparing financial statements which give a true and fair view and are in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and regulations 8 of the Charities Accounts (Scotland) Regulations 2006 and the Charities Act 2011;
- Preparing the Annual Report, which includes the Remuneration Report, in accordance with Secretary of State directions issued under the Industrial Training Act 1982; and
- Assessing the Construction Industry Training Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board and the Accounting Officer either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so. →

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL 3 / 4

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

My responsibility is to audit, certify and report on the financial statements in accordance with the Industrial Training Act 1982, section 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING NON-COMPLIANCE WITH LAWS AND REGULATIONS INCLUDING FRAUD

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

IDENTIFYING AND ASSESSING POTENTIAL RISKS RELATED TO NON-COMPLIANCE WITH LAWS AND REGULATIONS, INCLUDING FRAUD

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- Considered the nature of the sector, control environment and operational performance including the design of the Construction Industry Training Board's accounting policies and performance incentives

- Inquired of management, the Construction Industry Training Board's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Construction Industry Training Board's policies and procedures on:

  - Identifying, evaluating and complying with laws and regulations;
  - Detecting and responding to the risks of fraud; and
  - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Construction Industry Training Board's controls relating to the Construction Industry Training Board's compliance with the Industrial Training Act 1982, the Industrial Training Levy (Construction Industry Training Board) Orders 2022 and 2023, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, section 8 of the Charities Accounts (Scotland) Regulations 2006, and Managing Public Money

- Inquired of management, the Construction Industry Training Board's head of internal audit and those charged with governance whether:

  - They were aware of any instances of non-compliance with laws and regulations; and
  - They had knowledge of any actual, suspected, or alleged fraud

- Discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Construction Industry Training Board for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, and bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Construction Industry Training Board's framework of authority and other legal and regulatory frameworks in which the Construction Industry Training Board operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Construction Industry Training Board. The key laws and regulations I considered in this context included the Industrial Training Act 1982, the Industrial Training Levy (Construction Industry Training Board) Orders 2022 and 2023, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, section 8 of the Charities Accounts (Scotland) Regulations 2006, Managing Public Money and relevant employment, pension and tax legislation.

In addition, I considered the fraud and regularity risks associated with grant expenditure. →

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL 4 / 4

AUDIT RESPONSE TO IDENTIFIED RISK

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports; and
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website. This description forms part of my certificate.

www.frc.org.uk/auditorsresponsibilities

OTHER AUDITOR'S RESPONSIBILITIES

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

REPORT

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

11 December 2024

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

SECTION 6

Financial Performance

Pages 66 to 90



Financial statements

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 31 MARCH 2024

In the current financial year, income and expenditure for the previous year have been restated* to align with the current reporting year's strategic priorities.

INCOME	NOTES	2023-24 (£'000) RESTRICTED	2023-24 (£'000) UNRESTRICTED	2023-24 (£'000) TOTAL	2022-23 (£'000) TOTAL RESTATED*
Income from charitable activities					
Levy income	2	0	202,008	202,008	170,608
Non-Levy income					
Delivering an efficient training supply		12,123	34,496	46,619	43,379*
Clawback of ESFA Funding		3,902	0	3,902	(10,915)
Improving construction's people pipeline		0	0	0	55*
Creating defined training pathways		0	99	99	120*
Total Non-Levy income		**16,025**	**34,595**	**50,620**	**32,639***
Income from trading activities					
Investment income		0	5,111	5,111	883*
Other income		0	52	52	207*
Total income		**16,025**	**241,766**	**257,791**	**204,337**

EXPENDITURE	NOTES	2023-24 (£'000) RESTRICTED	2023-24 (£'000) UNRESTRICTED	2023-24 (£'000) TOTAL	2022-23 (£'000) TOTAL
Expenditure on raising funds		0	2,415	2,415	2,232*
Expenditure on charitable activities					
Delivering an efficient training supply	4	22,056	229,693	251,749	184,545*
Improving construction's people pipeline	4	0	5,859	5,859	3,511*
Creating defined training pathways	4	0	7,692	7,692	6,094*
Total Expenditure on charitable activities		**22,056**	**243,244**	**265,300**	**194,150***
Expenditure from trading activities					
Other expenditure		0	299	299	(242)
Total expenditure		**22,056**	**245,958**	**268,014**	**196,140**
Net income/(expenditure)		(6,031)	(4,192)	(10,223)	8,197
Net movement in funds - transfer from unrestricted fund		6,031	(6,031)	0	0
		0	(10,223)	(10,223)	8,197
Other gains and losses					
Gain on revaluation of freehold property, plant and machinery		0	2,724	2,724	204
Net movement in funds		0	(7,499)	(7,499)	8,401
Reconciliation of funds					
Total accumulated funds at period start	13	0	102,654	102,654	94,253
Total accumulated funds at period end		**0**	**95,155**	**95,155**	**102,654**

The above results include all recognised gains and losses and are derived from continuing activities.
The Notes 1 to 23 on pages 70 to 90 form an integral part of these accounts.

BALANCE SHEET AS AT 31 MARCH 2024

BALANCE SHEET	NOTES	2024 (£'000)	2023 (£'000)
Fixed assets			
Tangible assets	7	16,939	12,023
Intangible assets	8	2,467	0
Total fixed assets		**19,406**	**12,023**
Current assets			
Stock		338	480
Debtors	9	22,976	29,322
Cash at bank		114,915	114,945
Total current assets		**138,229**	**144,747**
Liabilities			
Creditors: Amounts falling due within one year	10	(25,470)	(18,399)
Net current assets		**112,759**	**126,348**
Total assets less current liabilities		**132,165**	**138,371**
Provisions for liabilities	11	(37,010)	(35,717)
Total net assets		**95,155**	**102,654**
Unrestricted funds	13	95,155	102,654
Total Charity Funds	13	**95,155**	**102,654**

The Notes 1 to 23 on pages 70 to 90 form an integral part of these accounts.

Tim Balcon
Accounting Officer

Approved by the Board on and signed on its behalf by:

Peter Lauener
Chair

CASH FLOW STATEMENT AS AT 31 MARCH 2024

	NOTES	2023-24 (£'000)	2022-23 (£'000) RESTATED*
Cash flows from operating activities	See below		
Net income/(expenditure) per the SoCF		(15,392)	7,314*
Depreciation charges	7	972	588
Loss/(Profit) on sale of tangible fixed assets	6	(222)	(229)
Net effect of revaluation of fixed assets	7	300	(242)
Decrease/(increase) in debtors and stock	9	6,488	(19,665)
(Decrease)/increase in creditors and provisions	10	8,364	9,404
Net cash inflow/(outflow) from operating activities		**510**	**(2,830)***
Cash flows from investing activities			
Interest received		5,111	883*
Receipts from sales of tangible fixed assets		257	229
Payments to acquire tangible fixed assets	7	(3,441)	(596)
Payments to acquire intangible assets	8	(2,467)	0
Net cash inflow/(outflow) from investing activities		**(540)**	**516***
Increase/(decrease) in cash and cash equivalents		(30)	(2,314)
Cash and cash equivalents at period start		114,945	117,259
Cash and cash equivalents at period end		114,915	114,945

The Notes 1 to 23 on pages 70 to 90 form an integral part of these accounts.
*The previous year's cashflow has been restated to reclassify interest received from operating activities to investing activities.

RECONCILIATION OF NET INCOME/(EXPENDITURE) PER THE SOFA TO NET INCOME/(EXPENDITURE) PER THE SoCF

	2023-24 (£'000)	2022-23 (£'000)
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	**(10,223)**	**8,197**
VAT adjustments	(25)	0
Car grant	(20)	0
Interest received	(5,111)	(883)
Non-cash adjustments	(13)	0
Net income/(expenditure) per the SoCF	**(15,392)**	**7,314**



NOTES TO THE ACCOUNTS 1 / 21

Notes to the accounts

1. ACCOUNTING POLICIES

PUBLIC BENEFIT ENTITY

As a charity, CITB is a public benefit entity, therefore "an entity whose primary objective is to provide goods or services for the general public, community or social benefit and where any equity is provided with a view to supporting the entity's primary objectives rather than with a view to providing a financial return to equity providers, shareholders or members".

GOING CONCERN

The financial statements for the year ending 31 March 2024 have been prepared on a 'going concern' basis. The use of the going concern basis of accounting is appropriate as there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of CITB to continue as a going concern.

CITB has ended 2023-24 in a strong financial position with a healthy level of reserves and cash. Collection of the Levy during the second year of the current three-year Levy Order has been in line with forecasts and we are confident of collecting sufficient cash in the remaining year to enable us to fund all our plans and meet all other commitments. A one-year Levy Order has been applied for to bridge the gap in 2025-26, whilst the outcome of the ITB Review is determined by ministers. This should further secure our funding in the near term.

The Board has considered the ongoing impact of the current economic conditions on the activities of CITB and the construction industry. It has determined to keep income expectations for the foreseeable future flat, placing no further burden on Levy payers, and aims to maximise its potential commercial income generation and the return on its investments.

Grant and funding applications have risen during the year to pre-pandemic levels, as the construction industry returns to investing in the skills and training of its workforce. This is good news for the industry, but also for CITB, where accumulated reserves will be released over the next three years to enable us to fund the Strategic Plan in line with an increase in demand from industry. CITB aims to reduce its liquid reserves to target levels by 2026-27, acknowledging its planned investment in assets over this period will keep total reserves close to current levels.

Accordingly, the Board properly prepares and submits the 2023-24 Annual Report and Accounts on a 'going concern' basis.

ACCOUNTING CONVENTION

The financial statements are prepared in accordance with the Industrial Training Act 1982 and directions made thereunder by the Secretary of State for Education. The accounts also have regard to the disclosure requirements of the 2023-24 Government Financial Reporting Manual, providing additional disclosures where (See Note 22 and 23) this goes beyond the requirements of the Charities SORP (FRS 102). These accounts are prepared under the historical cost convention, as modified to reflect the revaluation of fixed assets and investments.

As an executive NDPB sponsored by the Secretary of State for Education, CITB's accounts are consolidated into the accounts of DfE (the Government department responsible for education and skills in the UK), a copy of which can be obtained from their office in Sanctuary Buildings, Great Smith Street, London, SW1P 3PT.

RESTRICTED FUNDS

Restricted funds relate to apprenticeship activity funded by Education and Skills Funding Agency (ESFA) and Skills Development Scotland (SDS) and their associated expenditure, in which contractual agreements state that funds should only be used for the provision of apprenticeships.

Expenditure for apprenticeship activities is apportioned between restricted and unrestricted based on the proportion of direct and grant expenditure relating to apprenticeships, as staff may be working on both.

No surplus is made on restricted funds and, therefore, any loss is covered by unrestricted funds.

INCOME

Income is recognised when CITB can demonstrate entitlement to the income, receipt is probable, and the amount can be quantified with reasonable accuracy. The following specific policies apply to the following material categories of income:

Levy income

Levy income is that receivable from assessments based on the employment details returned by employers, with an estimate for those from which employment details have not been received. Levy income is recognised in line with the requirements of the Levy Order.

NOTES TO THE ACCOUNTS 2 / 21

Estimated assessment income is reduced by a provision for reassessments, based on historical trends, to allow for their normal write-down in value following the receipt of a Levy Return declaring actual direct employment and labour-only subcontract payments. A provision for bad debts, based on identified doubtful debts and prior years' experience is also applied against Levy debts, and both the movement in the provision during the financial year and the actual bad debts written off in the year, are set off against Levy income. Levy Assessments are recognised in the Statement of Financial Activities in the period in which they are raised.

Non-Levy income

Training, development and publications

Registration fee income is recognised on the date the test is taken by the candidate. Publications income is recognised upon dispatch to customers of the items sold. Course fees and other product income is recognised on the start date of the course being delivered.

Apprenticeships

SDS income is recognised upon cash receipt from the funder, less any clawbacks which are disclosed separately, in line with the funding rules of the funder's contract.

ESFA income is recognised on an accruals basis, based on the outstanding amount of the progress of the Apprenticeship at the time, adjusted by the actual cash received.

Other income

This represents the interest earned on CITB's surplus cash balances and is brought into account in the year it is due.

EXPENDITURE

Grant expenditure

The charge in the Statement of Financial Activities consists of the training grants paid during the year together with an estimate of the liability for unpaid grants for the period and any adjustments to accruals and provisions made in earlier years. Grants are considered to be legally binding when the terms have been agreed by both parties.

CITB considers the recognition point for achievement grants to be when the official certification has been achieved and received by CITB. Grant provision is based on the evidence being submitted for certification but not authorised.

The recognition point for attendance grants is over the period that the trainee attends the course. In the cases of other grants, CITB considers the recognition point to be the point at which the employer has provided the training (or incurred the cost of providing the training), as at this point, they can claim a grant.

Lower value funded training grants for small and micro employers are issued with no specified funding conditions and are paid in advance where the intended training is yet to commence.

The clawback of grant claims verified as not meeting grant conditions is recognised when the grant is repaid by either the offset of other grant owed, or cash repayment received. An estimate for the value of identified grants to yet be recovered is included in other debtors.

Charitable activities

The charges in the Statement of Financial Activities are recognised on an accrual basis.

Leasing

Rentals paid under operating leases are charged in the Statement of Financial Activities on a straight-line basis over the lease term.

Allocation of expenditure

Direct costs are allocated accordingly, with support costs apportioned to activities by appropriate drivers. For the majority of support costs, this is an average of the full-time equivalent staff numbers for the financial year. However, funding support costs have been allocated based on funding expenditure split between the activities, while estate costs have been allocated on an office-based full-time equivalent basis.

ASSETS

Debtors

Levy debtors represent the estimated recoverable amounts of unpaid Levy Assessments, having taken account of provisions for bad debts and for reassessing estimated assessments following the late receipt of Levy Returns. CITB only writes off Levy debts when it has evidence that an employer has become insolvent, ceased to trade, is dissolved or, CITB having made all reasonable efforts to locate the debtor, is untraceable.

Non-Levy debtors are shown at their amortised value after any provision for impairment.

NOTES TO THE ACCOUNTS 3 / 21

Tangible fixed assets

Tangible fixed assets (excluding freehold land and buildings) are stated at cost less accumulated depreciation. Adjustments to modified historical cost, to recognise the assets at fair value, are only made if material. For non-revalued assets, the depreciated historic cost is considered to be a reasonable estimate of the fair value. Costs of acquisition, comprising only those costs that are directly attributable to bringing the asset into working condition for its intended use, are capitalised. The threshold for capitalisation is £2,500, either individually or for a group of similar assets.

Freehold land is not depreciated. All other tangible fixed assets are depreciated evenly to write off their value over their estimated useful economic lives. These lie within the following ranges:

- Freehold buildings
  - **50 years** (permanent buildings)
  - **20 years** (improvements and temporary buildings)
  - **Nil** (buildings under construction)
- Motor vehicles (ten years)
- Plant and machinery (four to twenty years)
- Office equipment (ten years)
- Computer equipment (two to five years).

Freehold properties and plant and machinery are fully revalued every five years and reviewed annually. All tangible fixed assets are subject to an annual impairment review.

Intangible fixed assets

Intangible fixed assets are measured at cost less accumulated amortisation and any accumulated impairment losses. Expenditure, including own staff costs, incurred by CITB in relation to the development and implementation of internally generated assets, such as online services have been capitalised at cost. These costs relate to the development stage of the project and are deemed to have a future economic benefit of more than a year. Once an asset is put into use, the amortisation of such expenditure will be charged on a straight-line basis over the estimated useful life of the asset up to a maximum of seven years.

Based on the Levy consensus cycle and employer engagement feedback, intangible assets are amortized over a seven-year period, accounting for identified improvements and the decommissioning of existing working methods.

Cash and cash equivalents

Cash is represented by amounts held at bank.

LIABILITIES

Deferred income

Deferred income is recognised where cash has been received during the accounting period, but for which associated activities will not be carried out until subsequent accounting periods.

Income from Health and Safety Tests and Course fees is deferred where payment is received in advance for contracted services that have yet to be provided.

Grant creditors

Amounts payable in relation to grant funding authorised but not yet paid are recognised within creditors.

College fee creditors

Amounts payable in relation to college fee invoices are calculated on the basis of known learners' records. College fees relating to students whose details have not yet been received are accrued for on the basis of historical payment patterns adjusted for any known changes in circumstances. College fee creditors are recognised within non-grant accruals.

Trade creditors

Amounts payable in relation to supplier invoices are based on those due as at the year-end where goods or services have been received.

Provisions

CITB funds training relevant to the construction industry. There is naturally a gap between the funding being earned and the claim being paid by CITB. Claims are submitted with evidence of completion, which have to be verified and processed. At year end, therefore, we make an assessment for the amount of provision that is required to account for funding earned in line with the grant recognition policy, but yet not paid.

Grant claims not yet received are largely provided for on the basis of historical payment patterns adjusted for any known changes in circumstances, although some parts of the provision relating to apprentices are based on the number of new entrant trainees known to have enrolled on the scheme.

A provision of £15.2m was included in the 2022-23 accounts with respect to non-compliance with the Education and Skills Funding Agency's (ESFA) funding rules for apprenticeship delivery in England and Wales for

the academic years 2018/19, 2019/20. That provision reflected the likelihood that, following audits carried out on behalf of the ESFA, some level of ESFA funding would need to be clawed back due to issues with records management. At the time, this was our best assessment of the most likely outcome of amounts due, following detailed investigation by CITB into the ESFA audit results.

We have successfully worked with the ESFA to provide additional assurance and resolve potential errors on most of the points raised through their initial audit work, in areas which we acknowledge record keeping was not at the level we expect. A final position has been agreed with the ESFA of £12.3m against which they will clawback funds related to these matters. This is reflected in these accounts. Through this work, the ESFA have also recognised the £1.6m claw back for 2020/21 is to be reduced and we estimate this to be by approximately £1m.

We have taken steps to transform this part of the organisation, improving processes and introducing new technology, and are confident that we will not experience similar issues for 2023/24 or future academic years.

Significant judgements

The financial statements include three significant judgements.

The key estimate required is how much of the £150m Levy debt outstanding at the year-end will be collected in the fullness of time. We have followed our normal methodology, which is based on age, but adjusted it to reflect the cash collection experience in 2023-24. We have used our experience of cash collection over the past year, against all prior Levy Assessments, to judge how much we can expect to collect in the fullness of time. The total provision is then split between bad debt (money that is owed but not expected to be paid) and reassessment (money that has been invoiced on an estimated assessment and is likely to be adjusted downwards when the Levy Return is received). The split is intended to help the reader understand the difference between the bulk assessment and the net income received. It should be noted that although this is a judgement, the split itself does not have any net impact on our financial statements.

The second significant judgement is regarding the provision for training grants. At the year end, we make an assessment for the amount of provision that is required to account for apprenticeship, qualification and short duration training grants earned, but as yet not claimed. Our methodology is largely based on historical cash payments, which we have judged to be the most appropriate, relevant and reliable predictor of future cash payment requirements. However, because grant demand patterns have fluctuated over the last few years due to the pandemic and its after-effects, this estimate contains a significant level of uncertainty, and the actual outcome will not be known until sometime after these accounts are certified.

The third significant judgement involves valuing CITB's freehold properties, plant and machinery, which requires judgements to be made regarding which valuation methodology, data and assumptions to be used and there are inherent risks in the valuation around estimation uncertainty. To mitigate those risks, CITB uses an external third party with local knowledge and expertise to perform an annual desktop valuation. A full valuation is performed every five years.

VAT

Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input tax is recoverable, the amounts are stated net of VAT.

Pensions

CITB is a participating employer in the ITB Pension 2016 and operates a defined contribution section (See Note 14).



NOTES TO THE ACCOUNTS 5 / 21

2. INCOME FROM CHARITABLE ACTIVITIES

LEVY INCOME	2023-24 (£'000)	2022-23 (£'000)
Current year's Levy Assessment receivable	244,873	205,507
Less: provision for bad debts and debt write-offs	(43,055)	(36,445)
Net value current year's Levy Assessments	**201,818**	**169,062**
Reassessment of previous years' Levy receipts	190	1,546
Net Levy income for the year	**202,008**	**170,608**

The reassessment of previous years' Levy relates to the prior year Levy Assessment that has been reassessed this year. It is, therefore, an uncertain estimation refined in 2023-24.

The increase in Levy income in 2023-24 is because of 4.6% wage growth in the construction industry due to high competition for staff and higher bonuses, and the post-pandemic boom.

The 2022 Levy Bulk Assessment was issued in April 2023 with a base collection period up to March 2024. The resulting total expected income is in line with the higher Bulk Assessment outcome.

The provision for bad debts and debt write-offs has increased by £6.6m compared to 2022-23. We have followed a more thorough write-off process against uncollectable debt. This is offset by debt from the new Levy year.



NOTES TO THE ACCOUNTS 6 / 21

3. MATERIAL CASH SUPPORT PAYMENTS IN RESPECT OF TRAINING

Accounting and Reporting by Charities: Statement of Recommended Practice (FRS 102) requires material grants made, to be disclosed. Disclosure must include the name of the recipient, and the aggregate amount of grants made to that recipient. The material payments for 2023-24 are disclosed below:

For comparative purposes, the material payments for 2022-23 were:

RECIPIENT	2023-24 (£'000)
OHOB Group Ltd	2,146
Barratt Developments Plc	1,796
Kier Group Plc	1,742
O'Rourke Investments Plc	1,700
The Skills Centre London Ltd	1,645
Persimmon Plc	1,612
Royal BAM Group Nv	1,475
Balfour Beatty Plc	1,330
M Group Services Ltd	1,203
Morgan Sindall Group Plc	910
VGC Group	876
Taylor Wimpey Plc	870
Cyfle Building Skills Ltd	851
Bell Group UK Ltd	814
Willmott Dixon Construction Ltd	808
Other recipients	135,950
Total paid or offset during the year	**155,728**

RECIPIENT	2022-23 (£'000)
O'Rourke Investments Plc	1,542
Royal BAM Group Nv	1,354
Kier Group Plc	1,242
Barratt Developments Plc	1,197
Taylor Wimpey Plc	1,115
Cyfle Building Skills Ltd	1,057
OHOB Group Ltd	1,043
Persimmon Plc	977
Procure Plus Holdings Ltd	801
Bell Group UK Ltd	636
Balfour Beatty Plc	642
M Group Services Ltd	539
The Supply Chain School	522
Morgan Sindall Group Plc	478
Advance Construction Personnel Ltd	477
Other recipients	91,899
Total paid or offset during the year	**105,521**

In 2023-24 £6.8m (2023-23 £5.2m) in grants were paid directly to, or on behalf of, individuals (Travel to Train is paid on behalf of individual apprentices), £137.5m to employers (2022-23 £91.9m) and £11.4m (2022-23 £8.4m) to other institutions.

4. EXPENDITURE ON CHARITABLE ACTIVITIES

In the current financial year, the expenditure on charitable activities for the previous year have been restated* to align with the reporting year's strategic priorities.

ACTIVITY	ACTIVITIES DIRECTLY UNDERTAKEN (£'000)	GRANT FUNDING ACTIVITIES (£'000)	SUPPORT COSTS (£'000)	2023-24 TOTAL (£'000)	2022-23 TOTAL (£'000) *RESTATED
Delivering an efficient Training Supply	56,171	154,535	41,043	251,749	184,545
Improving construction's people pipeline	3,076	1,193	1,590	5,859	3,511
Creating defined training pathways	3,259	0	4,433	7,692	6,094
Total	**62,506**	**155,728**	**47,066**	**265,300**	**194,150**

Grant funding of £155.7m (2022-23: £105.5m) is split into two elements (also referenced on page 26):

- Main Grants Scheme – £128.6m (2022-23: £85.3m)
- Funding (incorporating structured and flexible funding) – £27.1m (2022-23: £20.2m).

5. SUPPORT COSTS

In the current financial year, the Support Costs for the previous year have been re-presented to align with the reporting year's strategic priorities.

*To correct a prior year mapping error, £356k has been reallocated from Legal, Governance, and Compliance to expenses on raising funds. Additionally, £1.7m in costs, previously categorised as direct costs, are now included under Strategy and Policy.

SUPPORT COST	DELIVERING AN EFFICIENT TRAINING SUPPLY (£'000)	IMPROVING CONSTRUCTION'S PEOPLE PIPELINE (£'000)	CREATING DEFINED TRAINING PATHWAYS (£'000)	2023-24 TOTAL (£'000)	2022-23 TOTAL (£'000) *RESTATED
Legal, Governance and Compliance	1,650	58	169	**1,877**	1,807*
Communications and marketing	3,331	116	343	**3,790**	3,168
Finance	2,556	89	263	**2,908**	3,192
Human Resources	2,635	92	271	**2,998**	3,052
Technology	10,382	363	1,068	**11,813**	8,597
Change	2,266	79	233	**2,578**	2,319
Commissioning	590	21	60	**671**	674
Estates	7,938	526	1,382	**9,846**	6,351
Other corporate costs	2,400	84	247	**2,731**	1,126
Strategy and Policy	3,857	135	397	**4,389**	3,285*
Grant Support Costs	3,438	27	0	**3,465**	2,985
Total	**41,043**	**1,590**	**4,433**	**47,066**	**36,556***

NOTES TO THE ACCOUNTS 8 / 21

6. EXPENDITURE

ACTIVITY	2023-24 (£'000)	2022-23 (£'000)
The net movement in funds for the year was arrived at after charging/(crediting)		
Profit on disposal of fixed assets	(222)	(229)
Depreciation on owned assets	972	588
Hire of plant and machinery	275	197
Other operating leases	644	1,119
Indemnity insurance	100	101
Statutory external auditor fee	230	210
Other assurances (internal audit)	251	380

7. TANGIBLE FIXED ASSETS

(A) SUMMARY

	FREEHOLD PROPERTY (£'000)	PLANT AND MACHINERY (£'000)	VEHICLES (£'000)	COMPUTER AND OFFICE EQUIPMENT (£'000)	TOTAL (£'000)
Cost or Valuation					
1 April 2023	10,880	7,666	201	3,332	22,079
Additions	0	2,180	892	392	3,464
Disposals	0	(559)	(144)	(559)	(1,262)
Revaluation	1,180	1,562	0	0	2,742
31 March 2024	**12,060**	**10,849**	**949**	**3,165**	**27,023**
Depreciation					
1 April 2023	0	6,531	195	3,330	10,056
Charges during year	229	568	61	114	972
Disposals	0	(557)	(144)	(560)	(1,261)
Revaluation	(229)	546	0	0	317
31 March 2024	**0**	**7,088**	**112**	**2,884**	**10,084**
Net book value					
31 March 2024	**12,060**	**3,761**	**837**	**281**	**16,939**
31 March 2023	10,880	1,135	6	2	12,023

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(B) HISTORICAL COST INFORMATION

If the valuations had not been included, then freehold property would have been included at the following amounts:

	2023-24 (£'000)	2022-23 (£'000)
Cost	18,855	19,302
Prior year adjustment to cost	0	(447)
Accumulated depreciation	(5,831)	(5,602)
Total	**13,024**	**13,253**

(C) FREEHOLD PROPERTY

	2023-24 (£'000)	2022-23 (£'000)
Freehold land valuation	3,800	3,430
Freehold property valuation	8,260	7,450
Accumulated depreciation freehold property valuation only	0	0
Total	**12,060**	**10,880**

(D) HISTORICAL COST INFORMATION OF PLANT AND MACHINERY

If the valuations had not been included, then plant and machinery would have been included at the following amounts:

	2023-24 (£'000)	2022-23 (£'000)
Cost	**7,667**	**7,667**
Additions	2,180	0
Disposals	(557)	0
Total	9,290	7,667
Accumulated depreciation	(6,473)	(6,531)
Net book value	**2,817**	**1,136**



(E) REVALUATION

Land and Buildings

An independent valuation of all CITB freehold property was carried out by Montagu Evans LLP. The valuation as at 31 March 2024 was based on the principles of fair value and prepared using the existing use method of valuation.

Freehold property includes both land and buildings.

The assumptions applied within the valuation of CITB's properties this financial year include:

- Rental Values – £1.00-£5.75 per sq.ft (£0.50 - £5.50 per sq.ft in 2022-23)
- Yield – 9% - 20% (Yield – 8.75% - 20% in 2022-23)
- Land values per acre – £4,500 per acre - £7,500 per acre (£4,250 per acre - £7,000* per acre in 2022-23)*.

*During the reporting year, it was identified that the land values per acre reported in the previous year's financial statements was incorrect. The error was due to incorrect data provided.

The valuation assumes that each property is occupied and/or operated in accordance with a valid planning permission and that there are no matters that would affect value.

Plant and Machinery

Included in the cost of plant and machinery is £2.8m of assets that have reached the end of their estimated useful life and therefore are fully depreciated. However, those assets are still being used and are providing some economic benefit.

The valuation of plant and machinery has been carried out by an independent external valuer Cheffins in February 2024. The valuation has been undertaken on the basis of Market Value as defined in the RICS Valuation - Global Standard 2022.

The plant and machinery at CITB are somewhat unique in its existence. Most of the items are in excellent condition and have a low recorded hours and mileage. This in turn makes it challenging to value, as most of the comparable evidence is of lesser quality and has recorded more hours and mileage.

(F) CAPITAL COMMITMENTS

There were £Nil capital commitments as at 31 March 2024 (2022-23: £Nil).

(G) TANGIBLE FIXED ASSETS 2022-23 (COMPARATIVE TABLE)

	FREEHOLD PROPERTY (£'000)	PLANT AND MACHINERY (£'000)	VEHICLES (£'000)	COMPUTER AND OFFICE EQUIPMENT (£'000)	TOTAL (£'000)
Cost or Valuation					
1 April 2022	10,650	7,887	253	3,962	22,752
Additions	0	590	6	0	596
Disposals	0	(811)	(58)	(630)	(1,499)
Revaluation	230	0	0	0	230
31 March 2023	**10,880**	**7,666**	**201**	**3,332**	**22,079**
Depreciation					
1 April 2022	0	6,980	253	3,950	11,183
Charges during year	216	362	0	10	588
Disposals	0	(811)	(58)	(630)	(1,499)
Revaluation	(216)	0	0	0	(216)
31 March 2023	**0**	**6,531**	**195**	**3,330**	**10,056**
Net book value					
31 March 2023	**10,880**	**1,135**	**6**	**2**	**12,023**
31 March 2022	10,650	907	0	12	11,569

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8. INTANGIBLE ASSETS

	ASSETS UNDER CONSTRUCTION (£'000)	TOTAL (£'000)
Cost	0	0
Opening balance	0	0
Additions	2,467	2,467
Disposals	0	0
Impairment	0	0
As at 31 March 2024	**2,467**	**2,467**
Amortisation		
Amortisation Opening Balance	0	0
Amortisation charges during period	0	0
Disposals	0	0
Impairment	0	0
As at 31 March 2024	**0**	**0**
Net Book Value at 01 April 2023	0	0
Net Book Value at 31 March 2024	**2,467**	**2,467**

9. DEBTORS

	2024 (£'000)	2024 (£'000)	2023 (£'000) *RESTATED	2023 (£'000)
Levy debtors	149,998		149,274*	
Less: provision for bad debts	(132,467)		(126,024)	
Total Levy debtors		**17,531**		**23,250***
Trade debtors	4,615		3,438*	
Other debtors	134		265	
Less: provision for bad debts	(1,530)		(66)	
Total trade and other debtors		**3,219**		**3,637**
Accrued income		958		1,105
Prepayments		1,268		1,330
Total debtors		**22,976**		**29,322**
Debtors due within one year		22,976		29,322

*£1.2m of Levy debtors for 22-23 were restated to trade debtors to correct last year's figures due to the incorrect allocation of overpaid grants.

As stated in the Accounting Policies (See Note 1), CITB writes-off Levy debts only when it has evidence that an employer has become insolvent, has ceased to trade, has been dissolved or, having made all reasonable efforts to locate the debtor, is untraceable. We do provide for bad debts where we believe Levy will not be collected.

Generally, collection of the Levy has been slightly better than anticipated, while grant and funding claims have been higher than expected, therefore we have had sufficient funds to enable us to operate as normal. The key estimate required is how much of the £150m bona fide and estimated Levy debt outstanding at the year-end will be collected in the fullness of time. We have followed our normal methodology, which is based on age, but adjusted it to reflect the cash collection experience in 2023-24.

Levy debtors and income are stated net of a provision for reassessment of £42.9m (2022-23: £34.2m). →

The smaller increase in debt compared to the previous financial year reflects the fact that the main collection period for the 2022 Levy Assessment (raised in April 2023) runs until March 2024, whereas in 2022-23 the collection period finished after the year end, as the Levy was raised in June 2022, rather than April 2022. Levy collection is returning to being in line with pre-pandemic levels.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 (£'000)	2023 (£'000)
Trade creditors	6,234	1,602
Taxation and social security	1,009	798
Deferred income	1,562	1,949
Accruals		
Grant funding	4,221	4,722
Other	12,444	9,328
Total creditors	**25,470**	**18,399**

DEFERRED INCOME ANALYSIS

Income has been deferred where cash has been received for products and services in the financial year, but for which associated activities will not be carried out until subsequent accounting periods.

	2024 (£'000)	2023 (£'000)
Balance brought forward at start of year	1,949	1,674
Deferred income in current year	1,562	1,949
Prior year released	(1,949)	(1,674)
Closing balance	**1,562**	**1,949**

11. PROVISIONS FOR LIABILITIES AND CHARGES

	GRANT PROVISION 2024 (£'000)	ESFA REPAYMENT PROVISION 2024 (£'000)	OTHER PROVISIONS 2024 (£'000)	TOTAL PROVISIONS 2024 (£'000)	TOTAL PROVISIONS 2023 (£'000)
Balance as at period start	18,003	15,202	2,512	**35,717**	28,834
Utilised	(18,003)	0	(1,833)	**(19,836)**	(24,236)
Released	0	(3,902)	(267)	**(4,169)**	(373)
Additions	22,675	0	2,623	**25,298**	31,492
Balance as at period end	**22,675**	**11,300**	**3,035**	**37,010**	**35,717**

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GRANT AND FUNDING PROVISIONS

CITB pays out grants to employers to fund relevant training. There is naturally a gap between the grant being earned (the learner has had their training) and the claim being received by CITB. At the year-end, therefore, we make an assessment for provision that is required to account for grants earned but as yet not claimed.

- Apprenticeship Grant provisions are based on expected claims for known named apprentices with confirmed start dates and this is used as a basis to provide for those not yet known about (received) at year-end

- Short duration Grant and Qualification Grant provisions are based on recent historical experience payment values. The pandemic initially created delays in claims of these grants, and we have observed that these interventions remain volatile year-on-year. This has meant the provisions for Short Duration Grants has increased compared to last year and Qualification Grants has decreased.

REDUNDANCY PROVISION

In 2023-24, a restructuring provision of £116,707 was made to account for the expected redundancy costs related to the Communications and Marketing function.

OTHER PROVISIONS

Included within the provisions is a value of £511,744 for the payment of interest and compensation for late payments, in accordance with the obligations under the Late Payment of Commercial Debt (Interest) Act 1998 and Regulations 2013.

The more minor funding provisions relates to the Skills and Training Fund for Small- and Micro-Sized businesses and the Skills and Training Fund for Medium-Sized businesses.

Other provisions also include small dilapidation provisions.

ESFA REPAYMENT PROVISION

A provision of £11.3m has been included in these accounts with respect to the risk of non-compliance with the Education and Skills Funding Agency's (ESFA) funding rules for apprenticeship delivery in England and Wales for the academic years 2018/19 and 2019/20. Following productive work with the ESFA, a reduction in the clawback with respect to 2020/21 of £1.6m is expected and we estimate that to be by approximately £1m.

12. 2022-2023 RESTRICTED AND UNRESTRICTED FUNDS

INCOME	2022-23 (£'000) RESTRICTED	2022-23 (£'000) UNRESTRICTED	2022-23 (£'000) TOTAL
Income from charitable activities			
Levy income	0	170,608	170,608
Non-Levy income			
Training and Development	10,208	33,324	43,532
Clawback of ESFA Funding	(10,915)	0	(10,915)
Careers	0	55	55
Standards and Qualifications	0	120	120
Engagement and Evidence Base	0	27	27
Other	0	27	27
Total non-Levy income	**(707)**	**33,553**	**32,846**
Income from Government grants			
Other income	0	883	883
Total income	**(707)**	**205,044**	**204,337**

EXPENDITURE	2022-23 (£'000) RESTRICTED	2022-23 (£'000) UNRESTRICTED	2022-23 (£'000) TOTAL
Expenditure on raising funds	0	1,876	1,876
Expenditure on charitable activities			
Training and Development	16,067	166,766	182,833
Careers	0	3,076	3,076
Standards and Qualifications	0	6,070	6,070
Engagement and Evidence Base	0	2,527	2,527
Total expenditure on charitable activities	**16,067**	**178,439**	**194,506**
Other expenditure	0	(242)	(242)
Total expenditure	**16,067**	**180,073**	**196,140**
Net income/(expenditure)	**(16,774)**	**24,971**	**8,197**
Transfer from unrestricted fund	**16,774**	**(16,774)**	**0**
Other gains and losses			
Gain on revaluation of freehold property	0	204	204
Net movement in funds	**0**	**8,401**	**8,401**

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13. ACCUMULATED FUNDS

	GENERAL RESERVE 2023-24 (£'000)	FIXED ASSET REVALUATION RESERVE 2023-24 (£'000)	TOTAL UNRESTRICTED FUNDS 2023-24 (£'000)	TOTAL UNRESTRICTED FUNDS 2022-23 (£'000)
Opening balance	102,450	204	102,654	94,253
Net movement in funds	(10,223)	2,724	(7,499)	8,401
Closing balance	**92,227**	**2,928**	**95,155**	**102,654**

ACCUMULATED FUNDS 2022-23 (COMPARATIVE TABLE)

	GENERAL RESERVE 2022-23 (£'000)	FIXED ASSET REVALUATION RESERVE 2022-23 (£'000)	TOTAL UNRESTRICTED FUNDS 2022-23 (£'000)	TOTAL UNRESTRICTED FUNDS 2021-22 (£'000)
Opening balance	94,253	0	94,253	120,733
Net movement in funds	8,197	204	8,401	(26,480)
Closing balance	**102,450**	**204**	**102,654**	**94,253**

The accumulated unrestricted fund is available for use at the discretion of the Board in furtherance of the general objectives of the charity.

14. ITB PENSION FUND

CITB is a participating employer in the ITB Pension Funds, which comprises two funds: The Open Fund and the Closed Fund.

- The Closed Fund has no participating employers paying contributions.

- The Open Fund consists of four separate sections:

  - the original section of the Open Fund, known as the 'Old Section'
  - the 'New Section', which was introduced on 1 September 2003
  - the '2007 Section', which was introduced on 1 January 2007, and
  - the 'DC Section', which was introduced on 1 April 2012.

The Old, New and 2007 Sections provide DB (defined benefit) benefits, and the DC section provides DC (defined contribution) benefits.

As the '2007 Section' is a multi-employer scheme for which CITB's proportion of assets and funding/ liabilities cannot be separately identified, the Charity SORP (FRS 102) requires it to be accounted for as a defined contribution plan.

CITB's current and former employees will have benefits accrued in all four sections. However, from 1 April 2017 CITB elected not to offer further DB benefits and since that date the DC section has been the only section open for CITB and its employees to pay contributions into.

The most recent triennial valuation of the scheme was performed as at 31 March 2022.

The principal future assumptions used are:

- **Discount rate for determining the technical provisions (or, equivalently, the expected return on the assets)**
  The overall discount rate assumed for the valuation is based on consideration of the expected rates of return on the Fund's assets and the yields available, at the valuation date, on Government bonds (gilts). The expected nominal return on the assets is assumed to be the redemption yields on gilts plus a prudent margin of 0.15% a year to allow for expected returns on the Fund's assets exceeding those from gilts. An inflation risk premium of 0.25% is also deducted

- **Future Retail Price Inflation (RPI)**
  An implied RPI curve for future RPI is determined by comparing the annually compounded redemption yield from nominal gilt yield curves minus 0.25% for an inflation risk premium, and index-linked gilt yield curves

- **Future Consumer Price Inflation (CPI)**
  CPI increases are assumed to be 0.9% a year less than RPI increases up to 2030 and in line with RPI from 2030

- **Pension increases**
  These are assumed to be in line with the provisions under the Fund's rules, with the assumption for future CPI or RPI as appropriate, allowing for any caps and floors

- **Mortality (post-retirement)**
  Assumed to be in line with 85% of the S3NMA, S3NFA_H and S3DFA tables published by the UK actuarial profession. Ill health pensioners are assumed to experience the same rates of mortality as under the unadjusted S3IM/FA tables

- **Mortality improvements**
  Longevity improvements are assumed to be in line with the 2021 Continuous Mortality Investigation (CMI) projection model using a smoothing factor of 7.5 and a 1.5% long term improvement per year.

The 2022 triennial valuation indicated that the actuarial value of the assets held by the Scheme in total showed a surplus of £24.8m against the scheme liabilities on a statutory funding basis. There were no deficit funding contributions paid to the Scheme in the 12-month period (2022-23: £Nil).

The range for standard employee contributions is 4%-7% (2022-23: 4%-7%), although employees can elect to contribute more at their discretion, and the employer contributions will match the employee contribution plus 2% but are capped at 9% (2022-23: 9%). Expenses related to the CITB defined contribution scheme are attached to individual employees and allocated across activities on the same basis as total employee costs. These expenses are funded from unrestricted reserves.

As shown in Note 17, employer's pension contributions totalled £2.6m for 2023-24 (2022-23: £2m). The operating cost of CITB's defined contribution pension scheme for 2023-24 was £44,906 (2022-23 £16,683).

15. LEASE COMMITMENTS

CITB is committed to the following annual payments under non-cancellable operating lease agreements:

	LAND AND BUILDINGS 2023-24 (£'000)	OTHER (£'000)	LAND AND BUILDINGS 2022-23 (£'000)	OTHER (£'000)
Operating leases				
Leases expiring within 1 year	1	341	44	286
Leases expiring within 2-5 years	0	296	1	343
Leases expiring after 5 years	0	0	0	0
As at 31 March	**1**	**637**	**45**	**629**

16. BOARD MEMBERS' REMUNERATION

Remuneration of Board members was as follows:

	2023-24 £	2022-23 £
Chair – Peter Lauener	21,673	23,102

The authority under which payments were made to the Chair is contained within Schedule 1 Sections 4 and 5 of the Industrial Training Act 1982. Expenses paid to Board members during 2023-24 amounted to £6,255 (2022-23: £1,626) in respect of travel and subsistence. The total number of recipients was six (2022-23: five). No material expenses were waived by Board members during this period.



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17. PARTICULARS OF STAFF

During the period, the average number (across the year) of staff directly and temporarily employed by CITB (expressed in full-time equivalents) was as follows:

	DIRECTLY EMPLOYED	TEMPORARY STAFF	2023-24 TOTAL	2022-23 TOTAL
Total	748	15	763	666

During the period, the following costs were incurred in respect of the above:

	2023-24 (£'000)	2022-23 (£'000)
Salaries of directly employed staff	36,491	29,951
Temporary and agency staff costs	2,512	1,915
Redundancy cost	308	(145)
Social security costs	4,058	3,315
Pension costs	2,571	1,989
Total	**45,940**	**37,025**

The remuneration and pension entitlements of CITB's Executive directors can be found in the Remuneration Report on pages 92 to 97.

Redundancy costs in 2022-23 represents the net release of the provision following a reassessment of the estimated redundancy costs of restructuring.

The number of employees whose emoluments exceeded £60,000, including benefits in kind but excluding pension contributions, are outlined within the ranges shown below:

	2023-24	2022-23
£60,001-£70,000	114	45
£70,001-£80,000	24	12
£80,001-£90,000	23	14
£90,001-£100,000	7	2
£100,001-£110,000	1	1
£110,001-£120,000	1	2
£120,001-£130,000	3	1
£130,001-£140,000	0	1
£150,001-£160,000	1	0
£170,001-£180,000	0	1
£180,001-£190,000	1	0

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The total employer contributions paid in 2023-24 to the defined contribution section of the ITB Pension Fund in respect of those employees earning over £60,000 was £788,437 (2022-23: £392,963). Details of staff headcount by grade and gender as at period end are:

***The Grading for 2022-23 has been re-presented based on the current grading structure.**

GRADE (2023-24)	FEMALE	MALE	TOTAL
Chief Executive	0	1	1
Leader L3	1	1	2
Leader L2	2	2	4
Leader L1	8	14	22
Specialist Lead SL3	12	8	20
Specialist Lead SL2	22	29	51
Specialist Lead SL1	42	36	78
Specialist Contributor SC4	22	32	54
Specialist Contributor SC3	45	92	137
Specialist Contributor SC2	113	78	191
Specialist Contributor SC1	42	32	74
People Manager PM3	3	3	6
People Manager PM2	6	4	10
People Manager PM1	2	1	3
Team Leader TL3	13	3	16
Team Leader TL2	3	1	4
Team Leader TL1	3	1	4
Team Member TM3	44	20	64
Team Member TM2	27	12	39
Team Member TM1	4	3	7
APP 18 Plus	1	2	3
Total	**415**	**375**	**790**

GRADE (2022-23)	FEMALE	MALE	TOTAL
Chief Executive	0	1	1
Leader L3	1	0	1
Leader L2	2	2	4
Leader L1	11	14	25
Specialist Lead SL3	10	8	18
Specialist Lead SL2	19	28	47
Specialist Lead SL1	43	37	80
Specialist Contributor SC4	17	31	48
Specialist Contributor SC3	45	83	128
Specialist Contributor SC2	98	60	158
Specialist Contributor SC1	33	28	61
People Manager PM3	3	3	6
People Manager PM2	10	4	14
People Manager PM1	2	0	2
Team Leader TL3	13	3	16
Team Leader TL2	3	1	4
Team Leader TL1	3	0	3
Team Member TM3	36	14	50
Team Member TM2	29	11	40
Team Member TM1	4	1	5
Total	**382**	**329**	**711**

Details of staff sickness absence and off-payroll engagements are shown in the Remuneration Report (pages 96 to 97).

Details of staff leaving the organisation during 2023-24 for whom contractual redundancy exit packages were payable are:

	NUMBER OF COMPULSORY REDUNDANCIES		NUMBER OF OTHER AGREED DEPARTURES		TOTAL NUMBER OF EXIT PACKAGES BY COST BAND	
EXIT PACKAGE COST BAND	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
<£10,000	0	4	5	0	5	4
£10,001-£25,000	0	6	3	1	3	7
£25,001-£50,000	0	6	2	0	2	6
£50,001-£100,000	0	3	1	0	1	3
Total number of exit packages	**0**	**19**	**11**	**1**	**11**	**20**
Total cost £	**0**	**558,233**	**186,621**	**15,875**	**186,621**	**574,108**

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18. TAXATION

As a registered charity, CITB is exempt from corporation tax on its charitable activities under section 505 of the Income and Corporation Taxes Act 1988. However, incoming resources include income that is deemed to be of a non-charitable nature, resulting in a loss of £Nil (2022-23: loss of £Nil). This has given rise to a corporation tax liability of £Nil (2022-23: £Nil).

19. RELATED PARTY TRANSACTIONS

The sponsoring department for CITB is DfE. On 1 April 2022, the contract held with ESFA regarding apprenticeships funding has now novated to DfE.

	INCOME RECOGNISED BY CITB (£'000)		OWING TO CITB (£'000)	
	2023-24	2022-23	2023-24	2022-23
ESFA	6,182	(10,915)	252	0
DfE	0	2,523	0	518

	EXPENDITURE RECOGNISED BY CITB (£'000)		OWED BY CITB (£'000)	
	2023-24	2022-23	2023-24	2022-23
ESFA	0	49	11,300	16,199
DfE	0	0	0	0

In addition, some members of the Board hold positions of influence and decision-making with organisations with which CITB has transacted during the year. Details of such positions and employments are declared in the following appendices to this report:

- Appendix A (pages 99 to 102) shows the register of interests of Board members
- Appendix B (pages 103 to 104) shows Board and Committee attendance
- Appendix C (pages 105 to 106) lists the members of the Board and its Committees, also giving the names of their employers.

The transactions in the following tables comprise the receipt of Levy and income from the sale of training-related products and services, and the payment of grants and payments for the purchase of materials and services to the organisations classified as related parties.

	INCOME RECOGNISED BY CITB (£'000)		AMOUNTS OWING TO CITB AT PERIOD END (£'000)	
	2023-24	2022-23	2023-24	2022-23
Levy	3,767	1,079	137	326
Sale of training-related products and services	51	48	6	2
Overpaid grants	0	0	137	0
Total	**3,818**	**1,127**	**280**	**328**

	EXPENDITURE RECOGNISED BY CITB (£'000)		AMOUNTS OWED BY CITB AT PERIOD END (£'000)	
	2023-24	2022-23	2023-24	2022-23
Payment of grants	3,260	2,215	20	11
Purchase of materials and services	279	262	0	0
Total	**3,539**	**2,477**	**20**	**11**

It is the Board which sets out CITB's vision, mission and values and therefore transactions with parties related to Board members only are considered related party transactions and included in the tables on page 89.

During the year, no key manager, employee or other related party has undertaken any material transactions with CITB other than remuneration, as disclosed in the Remuneration Report and Staff Costs notes. All of these transactions were under normal terms and carried out at arm's length. No funds were held as an agent.

20. FINANCIAL INSTRUMENTS

CITB only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

A significant amount of CITB's reserves are held as cash. As well as instant access accounts CITB utilises a short-term deposit account and loans excess balances overnight on its current accounts to benefit from a higher interest rate. These are low risk and sufficient to meet CITB's liquidity requirements.

21. LOSSES AND SPECIAL PAYMENTS

Following audits and settlement negotiations with the Education and Skills Funding Agency (ESFA), a reduction of approximately £1m has been estimated by CITB with respect to the clawback of £1.6m disclosed in 2022-23 for non-compliance against funding rules for apprenticeship delivery in England and Wales for the academic year 2020/21. The provision of £15.2m for the possible clawback in respect of 2018/19 and 2019/20 has now been agreed and reduced to £12.3m, by agreement with the ESFA, resulting in a net loss of £11.3m.

For the current year, we made two payments totalling £10,000 (one of £4,608 in 2022/23) in respect of severance cases. The severance payment made in 2022-23 was omitted from last year's accounts and has been included and restated this year.

The total Levy bad debts written off, principally related to insolvent employers, amounted to £34.6m, from 6,171 individual items (2022-23: £8.5m, from 1,405 items). A total of £623,210 in overpaid grants has been written off, involving 167 employers.

No interest was paid under the Late Payments of Commercial Debts (Interest) Act 1998 (2021-22: Nil).

During the year, CITB ceased to invest in its Training Model Improvement project, as it had failed to deliver to CITB's expectation on cost, quality, and time. This was despite repeated attempts to recover the project and to secure its intended benefits. CITB had invested £1.5m (ex. VAT) with Shared Services Connected Ltd (SSCL) to deliver this project through our Partnering Agreement. Recovery of the costs incurred to date are being sought through formal contractual dispute proceedings, the outcome of which remains uncertain at this time.

22. REMOTE CONTINGENT LIABILITIES

As part of our ten-year contract with SSCL, CITB has agreed to compensate SSCL should we exit early. As at 31 March 2024, in the event that CITB were to cancel the contract, there would be a maximum liability of £1.9m to compensate SSCL for investment in systems and people due to be used over the life of the contract to January 2029. SSCL has a duty to mitigate any losses and, in the normal course of events, CITB will be paying SSCL this money as part of the contract delivery.

23. EVENTS AFTER THE BALANCE SHEET DATE

There have been no events after the balance sheet date requiring an adjustment to the financial statements. The financial statements were authorised for issue by the Board on the date the Comptroller and Auditor General signed. Events after this date have not been considered and the charity's Trustees do not have the power to amend the financial statements after issue.



SECTION 7

Remuneration Report

Pages 91 to 97

Membership

The Nomination, Appointments and Remuneration Committee is a Committee of the Board. Its terms of reference provide, among other matters, that the Committee will advise and provide assurance to the Board on senior appointments, their remuneration policy, the succession planning of the Executive and Leadership Team members, and the monitoring of people-based KPIs.

The Committee normally has three Board Trustees, one of whom is appointed as Chair. The CEO and People Director provide information to the Committee to inform its decisions.

Policy on the remuneration of directors

The individual remuneration for Executive Directors is reviewed annually with regard to external market changes and an assessment of individual performance, evidenced by the performance management process. Individual performance payments, which are not consolidated into annual salaries, are set within a range from 0%-10% of basic pay for the Executive Directors. All employees, including Executive Directors, are eligible for membership of the ITB Pension Fund Scheme.

Policy on contracts, notice periods and termination payments

All the Executive Directors are permanent employees of the organisation and have a notice period of six months.

Termination payments, if applicable, are paid in accordance with CITB contractual terms and conditions. No additional or discretionary payments are made outside of contractual terms.

Non-cash remuneration

With the exception of company cars, health insurance, dental insurance and critical illness cover (the last two are not provided as a right of office), no non-cash remuneration is provided. The provision of company cars and health insurance are part of the standard terms and conditions of employment for senior grades of staff. As an alternative, a car allowance may be paid in place of a company car being provided.

Salary and pension entitlements

The sections on the following pages provide details of the remuneration for the year and the pension benefits of the most senior members of CITB staff.

Board members' remuneration

The Nomination, Appointments and Remuneration Committee is not responsible for considering Board members' remuneration. Payments to the Chair are approved by the Secretary of State with the approval of HM Treasury under Schedule 1 section 4 of the Industrial Training Act 1982. Note 16 – Board members' remuneration provides details of the Chair's remuneration as well as Board members' expenses.



TIM BALCON
CHIEF EXECUTIVE

Tim joined CITB as CEO in September 2021, bringing with him a strong track record in developing skills, training and organisations. Tim hails from a construction background and has extensive experience in leading professional and membership bodies, as well as widespread knowledge of the education sector. Tim is driven to create a skills system that better recognises individuals' capabilities and personal strengths, whilst giving employers the competencies and capabilities when and where they need them.



ADRIAN BECKINGHAM
STRATEGY AND POLICY DIRECTOR

Adrian became CITB's Strategy and Policy Director in June 2022. Adrian has enjoyed a variety of senior roles during his 22 years at CITB. Posts include Head of IT; Head of Business Improvement; Change Director; and most recently, Corporate Performance Director. Adrian now leads the Strategy, Industry Analysis and Forecasting, Policy and Government Relations, and product development functions. His key aim is to ensure we have visibility of the current and future skills needs, guaranteeing the skills solutions and infrastructure capable of meeting that demand.



NICHOLAS PAYNE
CHIEF FINANCIAL OFFICER

Nick worked in a variety of finance, commercial and operational roles across Government, policing and the private sector, before joining CITB in November 2022. As Chief Financial Officer, his role includes estates management, business planning and performance, finance, and change and technology, as well as having responsibility for sustainability, business continuity and health and safety management. Nick's priorities are creating an environment for CITB to succeed in, and to demonstrate our value and impact for the industry.



DEBORAH MADDEN
EXECUTIVE DIRECTOR - NATIONS ENGAGEMENT

Since joining CITB in 1997, Deb has played a pivotal role in customer-facing positions within apprenticeships, careers and employer engagement. Prior to joining CITB, she gained experience in the apprenticeships and workforce training sectors, working as a tutor, assessor, verifier, and training provider manager. In 2023, Deb became Executive Director for Nations Engagement. Her portfolio includes customer engagement, commissioning, strategic engagement, marketing and customer experience.



NADINE PEMBERTON JN BAPTISTE
INTERIM LEGAL, GOVERNANCE, AND COMPLIANCE EXECUTIVE DIRECTOR

Nadine joined CITB in December 2023. Her portfolio includes legal, information risk, ITA compliance, corporate governance, audit and risk, and procurement and contract management. Prior to joining CITB, some of the roles Nadine held were as an Executive Director and General Counsel at the Gambling Commission, Executive Director at Social Work England, and Head of Governance and Legal Services at the Care Quality Commission. Qualified as a lawyer for more than 20 years, Nadine has a proven track record advising and transforming complex organisations and delivering on major UK Government projects. She is also a change and transformation specialist and has a proven commitment to equity and inclusion in all areas of her work.



KIRSTY EVANS
EXECUTIVE PRINCIPAL - NCC AND CITB APPRENTICESHIPS SCOTLAND

Kirsty joined CITB in March 2024, and she is responsible for the delivery of apprenticeships and training across the NCC sites in England and Scotland, as well as the delivery of Modern Apprenticeships across Scotland in partnership with colleges. Previously, Kirsty served as Director of Regions and Providers at DfE, where she supervised the financial health and performance of FE colleges and training providers. She also worked in senior positions within the Education and Skills Funding Agency, responsible for funding, regulation and oversight of post-16 education and skills programmes. Kirsty is passionate about ensuring education and training benefits learners, employers and the wider economy.



EMMA BLACK
LEGAL, GOVERNANCE AND COMPLIANCE DIRECTOR

Emma left CITB in September 2023.



JACKIE DUCKER
CUSTOMER AND PRODUCT DIRECTOR

Jackie left CITB on 21 April 2023.

The aggregate total of employee benefits received by Trustees and the Executive Directors for their services to CITB during the year was £796,284.

2023-24 Remuneration (audited)

BOARD MEMBER	SALARY AND ALLOWANCES (£'000)	BENEFITS IN KIND TO NEAREST £100	BONUS (£'000)	PENSION BENEFITS (£'000)	2023-24 TOTAL (£'000)
Tim Balcon Chief Executive	175-180	1,000	5-10	15.0	200-205
Adrian Beckingham Strategy and Policy Director	115-120	1,900	5-10	10.5	135-140
Deborah Madden Executive Director, Nations Engagement	115-120	800	0	9.6	125-130
Nadine Pemberton Jn Baptiste Interim Legal, Governance, and Compliance Executive Director	40-45	500	0	2.5	45-50
Nicholas Payne Chief Financial Officer	150-155	1,000	0-5	12.8	165-170
Jackie Ducker Customer and Product Director	10-15	100	0	0.7	10-15
Emma Black Legal, Governance and Compliance Director	65-70	900	5-10	4.5	80-85
Kirsty Evans Executive Principal, National Construction College (NCC) and CITB Apprenticeships Scotland	0-5	0	0	0.2	0-5

The full-year equivalent annual salary bandings (£'000) of those who left during 2023-24 were: Jackie Ducker: 125-130, Emma Black: 115-120. The full year equivalent annual salary bandings (£'000) of those who joined during 2023-24 were: Nadine Pemberton Jn Baptiste: 130-135, Kirsty Evans: 130-135.

2022-23 Remuneration (audited)

BOARD MEMBER	SALARY AND ALLOWANCES (£'000)	BENEFITS IN KIND TO NEAREST £100	BONUS (£'000)	PENSION BENEFITS (£'000)	2022-23 TOTAL (£'000)
Tim Balcon Chief Executive	165-170	1,100	0-5	9.5	180-185
Adrian Beckingham Strategy and Policy Director	110-115	100	0	10	120-125
Emma Black Legal, Governance and Compliance Director	115-120	900	5-10	9.6	130-135
Jackie Ducker Customer and Product Director	125-130	1,200	5-10	10.6	145-150
Nicholas Payne Chief Financial Officer	55-60	300	0	3.4	60-65
Deborah Madden* Executive Director, Nations Engagement	0-5	0	0	0-5	0-5

*The above table has been restated to include Deborah Madden. The full-year equivalent annual salary bandings (£'000) of those who joined during 2022-23 were: Nicholas Payne: 140-145, Deborah Madden: 105-110.

Fair pay disclosures (audited)

HIGHEST-PAID DIRECTOR RATIOS COMPARED TO THE ORGANISATION'S WORKFORCE

CITB is required to disclose the relationship between the remuneration of its highest-paid Executive Director and the lower quartile, median and upper quartile remuneration of the organisation's workforce (based on full-time equivalents).

	2023-24	2022-23
Highest-earning Executive Director's total remuneration (£'000)	185-190	170-175
Median total remuneration (£)	46,122	41,500
Ratio of remuneration of highest-earning Executive Director to remuneration of employee on lower quartile	4.7: 1	4.7: 1
Ratio of remuneration of highest-earning Executive Director to median remuneration	4.1: 1	4.2: 1
Ratio of remuneration of highest-earning Executive Director to remuneration of employee on upper quartile	3.4: 1	3.5: 1

The percentage increase from the previous financial year for salary and allowances of the highest paid Executive Director was 6%.

The percentage increase from the previous financial year for performance pay and bonus of the highest paid Executive Director was 200%.

The percentage increase from the previous financial year for average salary and allowances for all FTE employees was 15%. The increase was due to the implementation of a new benchmarked pay and grading framework.

The change in the average performance pay and bonus for FTE employees in 2023-24 was a decrease of 95%. This was principally due to the cessation of performance bonus payments to employees other than Executive Directors, aligned to the new benchmarked pay and grading framework.

In 2023-24, no employees received remuneration in excess of the highest-paid Executive Director (2022-23: £Nil).

Note: In line with fair pay guidance, the remuneration stated above excludes pension benefits.

EMPLOYEES REPRESENTING EACH QUARTILE OF PAY

QUARTILE	TOTAL PAY AND BENEFITS 2023-24 (£'000)	SALARY AND ALLOWANCES 2023-24 (£'000)	TOTAL PAY AND BENEFITS 2022-23 (£'000)	SALARY AND ALLOWANCES 2022-23 (£'000)
Lower quartile	40	40	37	34
Median	46	46	42	36
Upper quartile	56	56	50	44

Total pay and benefits year-on-year have increased due to the new implementation of the new benchmarked pay and grading framework.

Full-time equivalent remuneration ranged from £20k to £185k (2022-23: £18k to £172k).

Details of staff sickness absence (unaudited)

YEAR	DAYS LOST	ABSENCE RATE
2023-24	6,884	3.67%
2022-23	6,074	3.67%

> The absence rate is calculated as a percentage of those staff available to work.

STAFF TURNOVER

As shown in the below table, turnover has decreased during the reporting period compared to 2022-23.

YEAR	STAFF TURNOVER
2023 – 24	12.2%
2022 - 23	12.6%

EMPLOYMENT POLICIES

We have a range of employment policies to support our staff in line with our ambition to be an employer of choice.

In addition, we have a Colleague Ambassador Forum that focuses on positive engagement with colleagues across the business to encourage feedback and share best practice about business improvements. The Forum also takes an active role in facilitating positive and sustainable change in the workplace. It has set up a recognition scheme, where anyone within the business can nominate a colleague for their contribution to making CITB a better place to work. Members of the forum have been involved in work to review and update people focused policies to ensure they reflect the needs of the CITB workforce. CITB is working with our trade unions to help us shape and develop a range of support products for line managers and staff.

HEALTH, SAFETY AND WELLBEING SUPPORT

During 2023-24, there have been a total of 118 Health & Safety incidents recorded. 67 were at NCC East (Bircham Newton), two at Head Office (Peterborough), 26 were at NCC Scotland (Inchinnan), 18 at NCC South (Erith), one at home, and four reported by our mobile teams.

These incidents consisted of 32 minors, 17 near misses, 67 unsafe acts and two RIDDOR reportable incidents.

CITB retained its BSI 45001 certification for health and safety and gained certification to the BSI 45003 for wellbeing.

EQUALITY, DIVERSITY AND INCLUSION

The CITB Fairness, Inclusion & Respect (FIR) strategy ensures that we raise awareness, challenge stigma and bias, and drives change in creating the right environment for colleagues to flourish and to be their 'authentic and best selves' at work.

The FIR strategy focuses on how we engage, enable and empower colleagues in achieving the delivery of these outcomes, not just the processes or transactions required to support these.

OFF-PAYROLL ENGAGEMENTS AS AT 31 MARCH 2024, FOR MORE THAN £245 PER DAY

NUMBER OF EXISTING ENGAGEMENTS AS AT 31 MARCH 2024 OF WHICH:	2023-24
less than one year at time of reporting	0
between one and two years at time of reporting	0

OFF-PAYROLL WORKERS ENGAGED AT ANY POINT DURING THE YEAR ENDED 31 MARCH 2024 AND EARNING AT LEAST £245 PER DAY

NUMBER OF OFF-PAYROLL WORKERS ENGAGED DURING THE YEAR ENDED 31 MARCH 2024 OF WHICH:	2023-24
number determined as in-scope of IR35	0
number determined as out-of-scope of IR35	0

FOR ANY OFF-PAYROLL ENGAGEMENTS OF BOARD MEMBERS, AND/OR, SENIOR STAFF WITH SIGNIFICANT FINANCIAL RESPONSIBILITY, DURING THE YEAR ENDING 31 MARCH 2024

NUMBER OF OFF-PAYROLL WORKERS ENGAGED DURING THE YEAR ENDING 31 MARCH 2024 OF WHICH:	2023-24
Number of off-payroll engagements of Board members, and/or, senior staff with significant financial responsibility, during the financial year	0
Total number of individuals on payroll and off-payroll that have been deemed "Board members and/or senior staff with significant financial responsibility", during the financial year	3



Tim Balcon
Accounting Officer



Peter Lauener
Chair

Professional Advisers

Bankers

Barclays Bank Plc
17 Market Place
Fakenham
Norfolk
NR21 9BE

Legal advisers

CITB Legal Team
Sand Martin House
Bittern Way
Peterborough
PE2 8TY

Auditors

Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
London
SW1W 9SP

Principal office

See Appendix E (page 107) for details of principal and registered offices.

APPENDIX A 1 / 4

Appendix A: Register of Board members' interests

RELATED PARTY TRANSACTIONS

Employer Board Trustees must be concerned in the management of the activities of an employer engaging in the construction industry in order for their appointment by the Secretary of State to be valid. With the exception of the independent members, therefore, all Trustees would have had business interests, as Levy payers or potential grant recipients, at the date of their appointment, which may be perceived to conflict with their responsibilities as Board members. The following Board members have, in addition, declared other personal or business interests.

PETER LAUENER

CITB Chairman

Peter Lauener was appointed as CITB Chairman in May 2018. Peter came to CITB with a wealth of experience in the education and skills sector, having previously held the roles of Chief Executive of the Education and Skills Funding Agency (ESFA) and interim Chief Executive of the Institute for Apprenticeships (IfA), now the Institute for Apprenticeships and Technical Education.

Along with his work on the CITB Board, Peter has also been Chair of the Student Loans Company (SLC), since April 2020. SLC is a government-owned non-profit-making company, which is also an executive NDPB. This organisation administers loans and grants to students in universities and colleges in the UK.

Peter is also the Chair of Orchard Hill College, an independent special needs college based in South and West London. This college is a sponsor of a special needs' academy trust with several academies in the same area.

In addition, Peter is a trustee of Educators International, a small charity helping developing countries to improve their teaching technology and administration.

TONY ELLIOTT

Executive Director of People, Robertson Group (tenure ended 21 June 2024)

Tony Elliott has over 30 years of experience in the fields of talent, people and learning, and is part of the executive team at Robertson, one of the UK's largest privately owned construction and infrastructure services companies. Tony feels strongly about the development of people and the growing of internal talent, the attraction of new talent, and ensuring skillsets are enhanced and future-proofed within construction.

KEVIN MCLOUGHLIN

Managing Director, McLoughlin Group Holdings Ltd

Kevin McLoughlin MBE is the founder and Managing Director of London-based SME McLoughlin Group Holdings Ltd. The company is an avid supporter of apprenticeships.

Kevin was awarded an MBE in 2014 for his services to skills and apprenticeships and is a Fellow of the Chartered Institute of Building (CIOB). Kevin is a member of GMB, Liveryman of Painters and Stainers, Freeman of the City of London, and a member of the Federation of Master Builders Training Group.

He is also a partner of Maxine and Kevin Property Business Partnership.

HOLLY PRICE

Group Sustainability Director, Keltbray Group

Holly Price was the Training and Development Director at Keltbray Group from 2007 until 2022, playing a crucial role in engineering sustainable and considerable growth through getting the right people in the right place at the right time. Holly started her career in the demolition industry aged just 17, when she began training to be an engineer. She went on to become Europe's only female explosives engineer in the sector. Throughout her time at Keltbray, Holly also took the lead on Social Value delivery and played an active role in industry partnerships with trade associations and other educational establishments promoting skills in the construction sector.

In early 2022 Holly was appointed as Group Sustainability Director and her collaborative leadership approach has best placed her to take responsibility for the implementation of Keltbray's published targets for environmental, social and economic sustainability.

Holly actively promotes the need to widen the talent pool by embracing diversity and attracting newcomers from all backgrounds to the industry, and she tirelessly campaigns for continuous improvement of industry standards. Holly is also an Honorary Life Vice President of the National Federation of Demolition Contractors, which has financial management of the National Demolition Training Group, and benefits from CITB funding. She is also a Trustee of Construction Youth Trust, which receives CITB funds to support disadvantaged youth into construction jobs through training and mentoring. →

APPENDIX A 2 / 4

SOPHIE SEDDON

Non-Executive Director, Novus Property Solutions

Sophie Seddon has worked in construction for more than 10 years, having joined her family business after graduating in Business Management. Starting her career at Seddon Property Services, Sophie was instrumental in the company's rebrand to Novus. Since then, she was appointed as the Head of Client Engagement and Communication in 2018, before becoming People and Culture Director in 2020 and then a Non-Executive Director in 2022. Sophie understands the importance of nurturing young talent, as Novus offers numerous routes into construction for young people. She is passionate about the use of new technology, improving sustainability issues, and encouraging inclusivity within the industry.

Sophie is also a shareholder of JSSH Ltd, the group holdings of Novus Property Solutions Ltd and a Director and a shareholder of Hall Estates Ltd, a property development company. In addition, Sophie is a Board member of WISH Women in Social Housing (NW), a body empowered to mentor, inspire and provide opportunities for women in social housing through networking and events.

LOUISA FINLAY

Chief People Officer, Kier Construction Ltd

Louisa Finlay was appointed Chief People Officer at Kier Group in March 2023, following more than 30 years of continual service with the business. In this role, Louisa has responsibility for HR, environmental and social sustainability, health, safety and wellbeing as well as asset management and business assurance.

Before becoming Chief People Officer, Louisa worked in various national, regional and sector roles across its Construction business, including as Managing Director of the southern business and most recently as Managing Director of the clients and markets function.

Louisa started her career as a trainee engineer on a sandwich degree. She is passionate about delivering the next generation of infrastructure across the UK and is committed to having a culture at Kier where everyone feels they belong, are supported and able to thrive.

Louisa is a member of both the Chartered Institute of Building (CIOB) and the Construction and Property Industry Mentoring Circle.

OWAIN JONES

Director, T. Richard Jones (Betws) Ltd

Owain Jones has more than 30 years' experience in the construction industry having joined the family SME business after graduating initially in Business and Finance and latterly in Construction Management. Based in Southwest Wales, TRJ was recognized in 2015 as CITB Apprentice Employer of the Year for both Wales and Great Britain.

Owain is a founding trustee and Chairperson of Cyfle Building Skills, a charity which operates the largest Construction Shared Apprenticeship Scheme in the UK. Cyfle's achievements were recognised with two Queen's Awards, for innovation and for promoting opportunity in respect to social mobility. Owain has been an Executive Director of Carmarthenshire Construction Training Association Ltd since its inception and is passionate about upskilling the local workforce.

Owain is a Trustee of the Jac Lewis Foundation, a mental health and wellbeing charity. A fluent Welsh speaker, Owain is a passionate supporter of the Welsh language and culture.

MICHAEL GREEN

Managing Director, RED Systems Ltd

Michael Green has risen through the ranks, from his initial CITB Technicians Youth Training Scheme placement with Alfred McAlpine at Bircham Newton in 1989, to now, running his own, rapidly expanding glazing and curtain walling company, RED Systems.

Founded in 2003, the company has grown to become a £20m+ turnover business and is now one of the industry's most respected specialist glazing contractors. A passionate advocate for training, development and professional advancement, with over 60% of his own team studying for some kind of qualification, he is committed to nurturing skills and attracting new talent to the industry. Now, with more than 35 years' experience in the industry, and having recently completed the most challenging step on his own educational journey, an MBA, Michael is now a member of the Chartered Management Institute.

Michael is also the Managing Director of RED Optimal Ltd and RED Open Ltd following recent acquisitions, Managing Director of M&A Property Ltd, and a Director of Peninsula Multi Academy Trust. →

APPENDIX A 3 / 4

HERMAN KOK (APPOINTED 1 APRIL 2024)

Company Secretary, Lindum Group Ltd

Herman Kok is the Company Secretary at Lindum Group, where he has been instrumental in driving organisational strategy and governance. He joined Lindum in 1987, having previously been Finance Director for Almet Aluminium and Head of Treasury for Pechiney Ugine Kuhlmann in the UK. He was born and educated in Holland where he read Economics and Literature at the University of Amsterdam. As Company Secretary for Lindum, he leads the training and community involvement activities.

Herman is Chairman of Investors in Lincoln Ltd, a public/private sector partnership dedicated to the regeneration of Greater Lincoln and a Director of Lincoln City Football Club. He has held directorships of Greater Lincolnshire LEP (GLLEP), the Lincolnshire Chamber of Commerce and was Chairman of the Employment and Skills Board for Lincolnshire.

RACHAEL CUNNINGHAM (APPOINTED 1 APRIL 2024)

Bid Lead, Laing O'Rourke

Rachael Cunningham is a Bid Lead at Laing O'Rourke. Her role combines all aspects of major project work winning within the Clients and Markets team, from bid management through to preconstruction project delivery.

During a 17-year career in the construction industry, Rachael has been responsible for winning many distinguished projects across the public and private sectors, as varied as swimming pools, high-rise residential, schools and universities, laboratories and defence estates portfolio projects. Rachael is passionate about showcasing the construction sector as much more than bricks and mortar – it is an industry that delivers social change through building assets that shape how we live and work. Supporting the development of talent through CITB will ensure that individuals have a chance to be part of that social change to future-proof the industry.

Rachael is also sole Director of Sebmil Trading Limited.

STEPHEN GRAY (APPOINTED 1 APRIL 2024)

Head of Engineering Development, BAM Nuttall Ltd

Stephen Gray was appointed Head of Engineering Development at BAM Nuttall Ltd in 2023, following an operational career in the construction industry of more than 35 years.

Stephen started his career in 1988, as an assistant engineer with Edmund Nuttall Ltd and has held various engineering and project management roles throughout more than 30 years of service with BAM in southeast England and within the Major Projects business unit.

In his current role, Stephen is heavily involved with Early Careers technical apprentices, undergraduates and graduates, particularly civil engineers. He provides guidance on their technical and managerial careers as well as professional development routes within the Institution of Civil Engineers.

Throughout his career, Stephen has been passionate about training the workforce and staff members alike. With the current skills shortages, it is even more important to diversify talent pools which will also increase the need for more specific training. Stephen has acted as a mentor to many staff throughout his career and more recently plays an active role within BAM to support and improve the Mental Health and Wellbeing of employees.

Stephen is a Chartered Civil Engineer and member of the Institution of Civil Engineers where he plays an active role in reviewing Chartered and Incorporated Engineers as well as being an approved Assessor for accredited Apprenticeship End Point Assessments. →

APPENDIX A 4 / 4

INDEPENDENT BOARD TRUSTEES

DIANA GARNHAM (TENURE ENDED DECEMBER 2023)

Diana Garnham is Chair of Skills East Sussex, a member of The South East Local Enterprise Partnership Skills Advisory Panel, a Council Member of Christ's Hospital School, President of King's College London Alumni Association, Chair of King's College London Alumni Advisory Group, and Director of Tavern Quay RTM Company. Previously, she was Chief Executive of the Science Council and a Governor of the East Sussex College Group. She has a continuing interest in the social consequences of science, in good governance and strategy, and in enabling young people to achieve their potential, particularly within the STEM environment.

JULIA HEAP (APPOINTED 1 APRIL 2024)

Principal and CEO, Hopwood Hall College and University Centre

Julia is the Principal and Chief Executive Officer of Hopwood Hall College and University Centre. In her role heading a further education college Julia leads a vibrant, inclusive college that offers high-quality broad offer of technical, vocational, apprenticeships and higher education in Rochdale and North East Greater Manchester. Hopwood Hall College is an anchor institution in Rochdale and Julia works in partnership across Rochdale and Greater Manchester, with responsibility for strategic liaison with key public and industry stakeholders such as the Government, Greater Manchester Combined Authority, Rochdale Council and GM Colleges Group.

Before joining Hopwood Hall College in 2015 and being appointed Principal and CEO in 2019, Julia was an Assistant Finance Director for Oldham Council. With more than 25 years of financial experience in the public sector including Local Authorities and NHS, Julia has a wealth of experience in delivering multi-million complex revenue and capital programmes and supporting transformation projects working in multi-disciplinary teams.

Julia is a Fellow of the Chartered Institute of Public Finance Accountants (FCPFA), a board member of the Rochdale Development Agency, an advisor on skills to Atom Valley Board, a director of The Rochdale Pioneers Trust and is the lead for Careers for the GM Colleges Group.

NIKKI DAVIS (APPOINTED 1 APRIL 2024)

Principal and CEO, Leeds College of Building

Nikki is the Principal and CEO at Leeds College of Building. Her role at Leeds College of Building is to ensure high-quality delivery of education programmes to support the construction and built environment sector, with a particular focus on apprenticeships. The College is working to improve diversity in its student population and ensure that everyone can access career opportunities within the construction sector.

Before joining Leeds College of Building, Nikki worked at York College as Vice Principal of Technical and Professional Education and preceding that has worked in further education for over 20 years, across several colleges in West Yorkshire. Nikki started her career in the hospitality sector before training to teach in further education and is passionate about providing opportunities for all students.

Nikki is also a trustee of Leeds Art University and Leeds Learning Alliance, an education partnership focused on developing inclusive practice.

APPENDIX B 1 / 2

Appendix B: Board and Committee attendance

BOARD ATTENDANCE	2023-24
Peter Lauener (Chair)	8/8
Tony Elliott (tenure ended 21 June 2024)	7/8
Diana Garnham (tenure ended 31 December 2023)	5/6
Kevin McLoughlin	7/8
Holly Price	5/8
Sophie Seddon	4/8
Owain Jones	6/8
Michael Green	5/8
Louisa Finlay	5/8
Total	**52/70**

AUDIT AND RISK COMMITTEE ATTENDANCE	2023-24
Diana Garnham (Chair) (tenure ended 31 December 2023)	4/4
Lee Jones	4/5
Richard Plumb	5/5
Sophie Seddon	1/5
Louisa Finlay	2/5
Total	**16/24**

NOMINATION, APPOINTMENTS AND REMUNERATION COMMITTEE ATTENDANCE	2023-24
Tony Elliott (Chair) (tenure ended 21 June 2024)	5/5
Diana Garnham (tenure ended 31 December 2023)	3/4
Sophie Seddon	5/5
Total	**13/14**

INDUSTRY FUNDING COMMITTEE ATTENDANCE	2023-24
Holly Price (Chair)	4/4
Steve Drury	4/4
Kacey O'Driscoll	4/4
Hannah O'Sullivan	4/4
Rupert Perkins	3/4
Claire Smithson	3/4
Total	**22/24**

LEVY STRATEGY COMMITTEE ATTENDANCE	2023-24
Peter Lauener	1/1
Diana Garnham (Chair) (tenure ended 31 December 2023)	4/4
Gareth Davies	5/5
Andrew Harvey (resigned 27 June 2023)	2/2
Neil Rogers	5/5
Vikki Skene	4/5
Rob Tansey	4/5
Annette Jones	4/5
Ken Miller	3/5
James Butcher	4/5
Steve Anderson	5/5
Total	**41/47**

APPENDIX B 2 / 2

CYMRU WALES NATION COUNCIL ATTENDANCE	2023-24
Leigh Hughes (Chair)	2/4
Gareth Davies	4/4
Terry Edwards	4/4
Andrea Green (resigned 31 May 2023)	3/4
Owain Jones (Deputy Chair)	4/4
Paul Tedder	4/4
Monique Jones	1/4
Andrew Dobbs	4/4
Total	**26/32**

ENGLAND NATION COUNCIL ATTENDANCE	2023-24
Sharon Llewellyn (Chair)	4/4
Kevin McLoughlin (Deputy Chair)	3/4
Bola Abisogun	3/4
Chris Carr (resigned 20 June 2023)	0/1
Ian Dickerson	4/4
James Flannery	1/4
Dave Sargent	2/4
Maria Seabright	2/4
Annette Jones	3/4
Total	**22/33**

SCOTLAND NATION COUNCIL ATTENDANCE	2023-24
Angela Forbes (Chair)	4/4
Tony Elliott (Deputy Chair) (tenure ended 21 June 2024)	2/4
Craig Bruce	3/4
Marion Forbes	3/4
Karen McGahan	2/4
Kevin Urquhart	3/4
Ken Millar	4/4
Total	**21/28**

NATIONAL CONSTRUCTION COLLEGE AND CITB APPRENTICESHIPS COMMITTEE ATTENDANCE	2022-23
Peter Lauener (Chair)	4/4
Michael Green (Deputy Chair)	4/4
Tony Elliott (tenure ended 21 June 2024)	4/4
Owain Jones (joined September 2023)	1/2
Total	**13/14**

APPENDIX C 1 / 2

Appendix C: Membership of the Board and its Committees

This table shows all membership during the 12-month period between 1 April 2023 and 31 March 2024.

KEY

CB CITB Board
ARC Audit and Risk Committee
NARC Nomination, Appointments and Remuneration Committee
ICF Industry Funding Committee
LSC Levy Strategy Committee
NAC NCC and Apprenticeships Committee
CWNC Cymru Wales Nation Council
ENC England Nation Council
SNC Scotland Nation Council

NAME	EMPLOYER	CB	ARC	NARC	ICF	LSC	NAC	CWNC	ENC	SNC
Bola Abisogun	Diverse City Surveyors								Yes	
Steve Anderson	Construction Skills People					Yes				
Craig Bruce	Pert Bruce Construction									Yes
James Butcher	National Federation of Builders					Yes				
Chris Carr	Carr and Carr (Builders) Ltd								**Resigned June 2023**	
Gareth Davies	Knox and Wells Ltd					Yes		Yes		
Ian Dickerson	Kier Group Plc								Yes	
Andrew Dobbs	Willmott Dixon Construction Ltd							Yes		
Steve Drury	Rooff Limited and Rooff Residential Ltd				Yes					
Terry Edwards	John Weaver Construction							Yes		
Tony Elliott	Robertson Group	Yes		**Chair**			Yes			**Deputy Chair**
Louisa Finlay	Kier Group Plc	Yes	Yes							
Angela Forbes	BuildForce									**Chair**
Marion Forbes	Mactaggart and Mickel Homes Ltd									Yes
Diana Garnham	Consultant	**Tenure ended Dec 2023**	**Tenure ended Dec 2023**	**Tenure ended Dec 2023**		**Tenure ended Dec 2023**				
Andrea Green	Alstom							Yes		
Michael Green	RED Systems Ltd	Yes					Yes			
Andrew Harvey	Harvey Shopfitters Ltd					**Resigned June 2023**				
Leigh Hughes	Bouygues UK							**Chair**		
Annette Jones	Foundation Developments Ltd					Yes			Yes	
Lee Jones	Keir Group Plc		Yes							

APPENDIX C 2 / 2

KEY

CB	CITB Board	**ICF**	Industry Funding Committee	**CWNC**	Cymru Wales Nation Council
ARC	Audit and Risk Committee	**LSC**	Levy Strategy Committee	**ENC**	England Nation Council
NARC	Nomination, Appointments and Remuneration Committee	**NAC**	NCC and Apprenticeships Committee	**SNC**	Scotland Nation Council

NAME	EMPLOYER	CB	ARC	NARC	ICF	LSC	NAC	CWNC	ENC	SNC
Monique Jones	J Randall Roofing Contractors							Yes		
Owain Jones	T Richard Jones (Betws) Ltd	Yes					**Joined Sep 2024**	**Deputy Chair**		
Peter Lauener	CITB Chair	**Chair**				**Interim Chair from Feb 2024**	**Chair Until Feb 2024**			
Sharon Llewellyn	JPR Roofing and Flooring Ltd								**Chair**	
Karen McGahan	William Waugh & Sons (Builders) Ltd									Yes
Kevin McLoughlin	McLoughlin Group	Yes							**Deputy Chair**	
Ken Millar	Springfield Group					Yes				Yes
Kacey O'Driscoll	Danny Sullivan Group				Yes					
Hannah O'Sullivan	VolkerWessels				Yes					
Rupert Perkins	John Perkins Construction Ltd				Yes					
Richard Plumb	Ordnance Survey Ltd		Yes							
Holly Price	Keltbray Group	Yes			**Chair**					
Neil Rogers	Scottish Decorators' Federation					Yes				
Dave Sargent	RBF Construction Training Academy Ltd								Yes	
Maria Seabright	Greendale Construction Ltd								Yes	
Sophie Seddon	Novus Property Solutions	Yes	Yes	Yes						
Vikki Skene	Galliford Try					Yes				
Clare Smithson	Western Homes Plc				Yes					
Rob Tansey	Barratt Developments Plc					Yes				
Paul Tedder	Atlantic Dwellings Ltd							Yes		
Kevin Urquhart	Barrat & David Wilson Homes									Yes

Appendix D: Prescribed Organisations

During 2023-24, CITB maintained close contact with the following Prescribed Organisations:

- British Woodworking Federation
- Build UK
- Civil Engineering Contractors Association
- Construction Plant-hire Association
- Federation of Master Builders
- Finishes and Interiors Sector
- Hire Association Europe
- Home Builders Federation
- National Association of Shopfitters
- National Federation of Builders
- National Federation of Demolition Contractors
- Scottish Building Federation
- Scottish Decorators' Federation
- Scottish Plant Owners Association.

Appendix E: Location of principal CITB offices

HEAD OFFICE AND REGISTERED OFFICE

Sand Martin House
Bittern Way
Peterborough
PE2 8TY
Tel: 0300 456 7577

SCOTLAND

Scottish Office
4 Fountain Avenue
Inchinnan Business Park
Inchinnan
Renfrewshire
PA4 9RQ
Tel: 0344 994 8800

WALES

Welsh Office
Companies House
Crown Way
Maindy
Cardiff
CF14 3UZ

Appendix F: Glossary

ABBREVIATION	MEANING
ALB	Arm's-length body
CCS	Crown Commercial Service
CIOB	Chartered Institute of Building
CIS	Construction Industry Scheme
CPI	Consumer Prices Index
DfE	Department for Education
ESFA	Education and Skills Funding Agency
ICO	Information Commissioner's Office
IfATE	Institute for Apprenticeships and Technical Education
ISAs	International Standards on Auditing
ITB	Industry Training Board
KPI	Key performance indicator
LSC	Levy Strategy Committee
NAO	National Audit Office
NCC	National Construction College
NDPB	Non-Departmental public body
NEST	New Entrant Support Team
OCPA	Office for the Commissioner of Public Appointments
SDS	Skills Development Scotland
SME	Small and medium-sized enterprise
SORP	Statement of Recommended Practice
SSCL	Shared Services Connected Limited
STEM	Science, technology, engineering and mathematics

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National Audit Office

Construction Industry Training Board

Audit completion report (including management letter) on the 2023-2024 financial statements audit

Report to those charged with governance
December 2024

This report presents our findings from the audit of 2023-24 financial statements

Dear Audit and Risk Committee Members:

We anticipate recommending to the Comptroller and Auditor General (C&AG) that he should certify the 2023-24 financial statements with an unqualified audit opinion, without modification in respect of both regularity and the true and fair view on the financial statements. The draft audit certificate is presented in Appendix 1. The draft letter of representation is presented in Appendix 2.

At the date of this report our audit of the financial statements is finalised, subject to completion of final quality control procedures as outlined on slide 6.

The total audit fee estimated in our planning report was £230,000. We will need to raise an additional fee of £20,000 in respect of additional costs related to: ongoing higher costs in relation to the protracted nature of the audit, responding to emerging and ongoing issues related to the ESFA provision, the application of Cabinet Office Controls, impairment related to the SSCL contract, additional work over property plant and equipment, and adjustments to the accounts. There are no contingent fees in respect of the Construction Industry Training Board.

Update 11 December 2024 – The final checks of the audit file, identified that we had not fully captured all of the adjustments made in the account in this report. We have updated pages 4, 13 and 15. The changes are highlighted in red. The net effect of audit adjustments was £351k, whilst the total value of audit and client adjustments had a net effect of £4,144k which increased net assets and decreased net expenditure.

Actions for the Audit and Risk Committee

We would like to invite Audit and Risk Committee members to:

- Review the findings set out in this report, including the audit certificate and draft letter of representation at Appendices 1 and 2 respectively; and
- Consider whether the unadjusted misstatements, set out in the identified misstatements section (page 17) should be corrected. The Audit and Risk Committee minutes should provide written endorsement of management's reasons for not adjusting misstatements.

We would like to thank the Chief Financial Officer and his staff for their assistance during the audit process.

Yours Sincerely,

Khadija Qidwai

Engagement Director

We have prepared this report for the Construction Industry Training Board's sole use although you may also share it with the Department for Education. You must not disclose it to any other third party, quote or refer to it, without our written consent and we assume no responsibility to any other person.

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Overview

Audit risks (pages 6-9)

Management override of controls

Work on journals, significant unusual transactions, and estimates is complete, and we have concluded that no instances of management override of controls have been identified during the 2023-24 audit.

Levy impairment

Work on the levy debtor impairment is complete, and we have concluded that the levy debtor impairment is fairly stated and related disclosures are materially complete and accurate.

Grant entitlement and regularity

Work on grant expenditure is complete, and we have concluded that grant expenditure is fairly stated and related disclosures are materially complete and accurate. We have not identified material irregularity in grant expenditure.

Grant provision

Work on the grant provision is complete, and we have concluded that the grant provision is fairly stated and related disclosures are materially complete and accurate.

Materiality

£5,256k

- We have reported all misstatements above £105k

Audit adjustments (pages 13-15)

£351k

The net effect of audit adjustments on the Statement of Financial Activities and the Balance Sheet

Unadjusted misstatements (page 16)

£578k

The net effect of unadjusted misstatements on the Statement of Financial Activities and the Balance Sheet

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Key audit findings

Status of our audit

At the date of this report our audit of the financial statements is substantially complete subject to completion of the areas detailed below. The following items must be resolved prior to completion of the audit:

Name	Actions to resolve	Owner of action	Status
Review of final version of CITB's annual report and accounts	CITB provided a final version of the Annual Report and accounts on 19 November. Our final checks on this and internal quality control procedures are currently in progress. **Update 11 December 2024 – now complete.**	CITB	

Following resolution of the issues listed above, the Accounting Officer will sign the annual report and accounts together with a letter of representation, the proposed wording of which is included in Appendix 2.

Status

- Likely to result in material adjustment or significant change to disclosures within the financial statements
- Potential to result in material adjustment or significant change to disclosures within the financial statements
- Not considered likely to result in material adjustment or change to disclosures within the financial statement

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Key audit findings

Findings from our work on significant risks

Presumed risk of management override of controls

Why we identified this as a risk

Management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by using its position to override controls that otherwise appear to be operating effectively.

This is a presumed risk for all audited bodies under International Standards on Auditing (ISA 240) (UK).

While opportunities exist through manipulation of journals, estimates and significant unusual transactions, we have not identified any heightened risk in respect of management override of controls within CITB, only theoretical incentives to manipulate the accounts, and no particular rationalisation of risk factors was identified.

Audit response and conclusion

We have reviewed controls relevant to the audit, including those over manual accounting journals, segregation of duties, year-end controls over the preparation of financial statements, monthly management accounts, and changes in accounting policies and those relating to significant estimates. We continue to note weaknesses, particularly around the level of scrutiny by CITB Finance of work conducted by SSCL personnel. We also continue to note a very large number and value of journals that appear to us to have no or limited financial statement impact where it is hard to see the business rationale for these. We understand management have plans to revise the financial reporting processing model which should improve efficiency and oversight.

We have completed our risk-based analysis of journals and tested a selection of high-risk journals, which is complete. Testing of significant unusual transactions is also complete, and did not highlight any transactions for detailed scrutiny.

Work to identify and assess significant and unusual transactions is complete, with no indications of management override of controls in these. Our testing of significant estimates for management bias (for example, in the choice and application of data, assumptions, method, and model) is complete, with no indications of management override of controls noted.

We have considered whether there are other areas where management could manipulate the accounts, for example, through the accounts preparation process and late adjustments. Our testing has not identified any issues in this respect.

Overall, we have not identified any instances of management override of controls during the 2023-24 audit in our work.

Key audit findings

Findings from our work on significant risks

Grant provision

Why we identified this as a risk

CITB recognises a provision of £22.7m for grants expected to be paid for training undertaken but which have not yet been claimed for or authorised. The provision is highly material and by its nature there is high estimation uncertainty and requires significant management judgement with assumptions about future events. This may potentially be used to manipulate the financial statements, for example, to inflate grant expenditure to demonstrate to the industry that the levy collected is being used efficiently. In prior years, we have noted that estimates required significant adjustments after the accounts were presented for audit due to additional data being received and some overlays to the model. Clear and comprehensive management documentation of all judgements and assumptions is essential to enable appropriate audit testing to be completed in a timely and efficient manner.

Audit response and conclusion

In response to this risk, we have:

- Updated our assessment of the design and implementation of relevant controls
- Confirmed that the estimation method is compliant with the requirements of the financial reporting framework
- Confirmed the logical integrity of the model and that it correctly applies the data, assumptions and method chosen by management
- Reviewed and assessed significant assumptions, including consideration of alternatives and sensitivity analysis
- Performed substantive testing of input data driving the model outputs
- Reconciled the model outputs to the financial statements
- Confirmed that post-year end cash received data support the assumptions applied by management as at year end
- Reviewed and assessed the adequacy of accounts disclosures, including those on estimation uncertainty.

Based on our work, we can conclude that the grant provision is fairly stated and related disclosures are materially complete and accurate.

Key audit findings

Findings from our work on significant risks

Levy impairment

Why we identified this as a risk

The levy debtor is impaired to reflect the likelihood of future levy receipts and reassessments of previously calculated estimated levy income. The impairment is highly material and by its nature is highly uncertain and requires significant management judgement. While the underlying workings of the model are not particularly complex, it has been developed internally with adjustments made to reconcile the model with the accounts.

Audit response and conclusion

In response to this risk, we have:

- Updated our assessment of the design and implementation of relevant controls
- Confirmed that the estimation method is compliant with the requirements of the financial reporting framework
- Confirmed the logical integrity of the model and that it correctly applies the data, assumptions, and method chosen by management
- Reviewed and assessed significant assumptions, including consideration of alternatives and sensitivity analysis
- Performed substantive testing of input data driving the model outputs
- Confirmed that post-year end cash received data supports the assumptions applied by management as at year end
- Reconciled the model outputs to the financial statements
- Reviewed and assessed the adequacy of accounts disclosures, including those on estimation uncertainty.

The data flows between CITB's two finance systems and the impairment model are complex. In terms of reconciling the model outputs to the financial statements, management has made significant post year-end adjustments, but we note there remains a residual trivial balance of £212,000 which management has been unable to adjust for, due to the different way in which data is sourced and captured for the financial statements and levy impairment model, giving rise timing differences between the two systems. We understand that management is planning on consolidating its finance systems in the future. This should provide greater clarity over financial data and enable a closer alignment between the output of the levy impairment model with the accounts.

The levy debtor impairment is fairly stated and related disclosures are materially complete and accurate.

Key audit findings

Findings from our work on significant risks

Grant expenditure entitlement and regularity

Why we identified this as a risk

The apprenticeship attendance grant does not require evidence of continued employment/training to be validated before payment, and there is a risk of apprentices dropping out, either of employment or of training, before completing the full course. In these cases where CITB is not managing the apprenticeship itself, it relies on employers to notify it of dropouts in a timely manner, and on its risk-based verification process to detect these retrospectively. Our prior year testing found a high incidence of error in this grant population that had not been identified or corrected by CITB's own processes. There is thus a risk that a level of fraud/error exists.

Grants paid out under the Skills and Training Fund are paid in advance of the training taking place, except where the business has a high and above credit risk rating in which case payments are made in arrears. In respect of the advance payments, CITB allows recipients a full calendar year to complete the training activity and provide evidence of it, before assessing whether any clawback is required If the grant is not spent in line with the CITB's conditions. This means that by design, CITB will not have assurance over how S&T grants paid out in the second half of the year have been utilised by recipients until after the accounts are certified. CITB does, in-time gain direct assurance over the use of all S&T grant payments (and will initiate appropriate recovery action if not); the issue here is solely that the grant assurance cycle is lagged compared to the annual reporting cycle.

Audit response and conclusion

Skills and Training Fund (S&T). For S&T grants, grant funding is provided in advance of the training, and grant recipients have 12 months to spend and provide evidence of the training to CITB. For some of the grants sampled, the evidence of the grant being spent in accordance with the grant terms has not been received as it is not yet due. As such, we have not been able to definitively confirm whether these items of funding have been (or will be) used in line with the terms and conditions, resulting in some uncertainty. In order to obtain assurance over these grants, we adopted a lagged assurance approach. This involved revisiting S&T grants which had come up in our 2022-23 sample, for which no evidence of use of funds was available before the conclusion of last year's audit. Where evidence of use of funds was still not available in 2024, we recorded this as a potential irregularity and extrapolated the potential error in the 2023-24 population. Based on this extrapolation, our estimate of the mostly likely overpayment of 2023-24 grant expenditure is £865k, which is not material.

Training Groups and VAT. During 2023-24, CITB spent £3.1m on Training Group grants. These are grants to regional associations of employers in the construction industry to support the costs of skills training. In February 2023, RSM provided tax advice to CITB stating that the terms of agreement between CITB and the Training Groups constituted a contract for services and so should be subject to VAT. However, CITB has accounted for these invoices as grant expenditure, and grants are generally outside the scope of VAT. From our review of the memorandum of understanding between CITB and Training Groups, it is not clear whether they are grants or contracts for services and so the tax position is unclear. We recommend that CITB consults HMRC to confirm what the correct VAT treatment should be for these arrangements.

Overall, we can conclude that grant expenditure is fairly stated and related disclosures are materially complete and accurate.

Other Matters

The following are other matters which we wish to bring to the attention of those charged with governance in relation to the audit of the financial statements.

Title	Description	Audit findings and conclusion
ESFA apprenticeship contract compliance	Following the completion of the 2022-23 audit, we expected the live ESFA case to be resolved ahead of 2023-24 completion. In the prior year, we noted that while the case was live it had a range of potential material outcomes (high estimation uncertainty and management choice of point estimates). As such, this is an area on which we have focused.	CITB has disclosed its funding repayment provision on the basis of a draft funding audit report issued by ESFA in October 2024 identifying a £12.4m error which it expects to claw back from CITB. CITB's provision has been reduced to £11.3m, which we understand represents management's best estimate, allowing for some rebate. However, we have not seen any firm evidence to support the application of a rebate and have reported this difference as an unadjusted error. We have concluded that the repayment provision recorded in the accounts in fairly stated.
Completeness and accuracy of disclosures	Last year, we challenged management over the adequacy of disclosures and presentation within the financial statements, including restricted expenditure, related party transactions (including trustee payments), grant making disclosures required by the Charities SORP, accounting policies and estimation uncertainty.	The current year review of disclosures identified the following: • Support costs – in the first draft of the accounts, prior year support costs had been re-presented and then the changed presentation was reversed out. • The Cash flow statement did not show interest income as a separate line item. • Disclosure errors were identified in Trustee remuneration and expenses and losses and special payments. • Incorrect land valuation ranges stated in note 7 • Related parties and sustainability disclosures have improved. We recommend that management adopts a more systematic approach to assessing disclosure requirements arising from changes to the financial statements.
Going concern	Management's going concern assessment should reflect the outcome of the recent arms-length body review.	We have reviewed CITB's going concern assessment and we are satisfied that it meets the relevant requirements. We will continue to monitor any subsequent events which may impact the assessment.

Other Matters (continued)

The following are other matters which we wish to bring to the attention of those charged with governance in relation to the audit of the financial statements.

Title	Description	Audit findings and conclusion
Cabinet Office Controls and DfE Framework Document	CITB has not yet obtained an exemption from the Cabinet Office spending controls. At planning, we identified a need to consider any expenditure which requires approval under this regime to be considered for potential irregularity. CITB is currently in discussion regarding the Framework Agreement.	Based on discussion with management, we have concluded that Cabinet Office spending controls do not yet apply to CITB. Given that CITB is a registered charity, with the primacy of charity law and the role of trustees, and the lack of statutory authority for the Secretary of State to require CITB to comply with these controls, the controls do not apply in 2023-24. It is only once there is a signed Framework Agreement in place that these controls will apply.
Assurances over SSCL and the complexity of CITB's IT environment	As in previous years, the lack of assurance mechanisms in place at CITB over key controls for which it is reliant on SSCL, including those over the IT environment (which is complex and is subject to change in the current and future years) results in an ongoing risk that a control, system or data failure at SSCL will result in significant misstatement within CITB's accounts. We plan a fully substantive audit approach, and the level of audit effort is expected to remain high compared with organisations of a similar size and complexity.	We have implemented our planned approach adopting a fully substantive approach to the audit, with no reliance internal controls operated by SSCL over CITB's accounting systems (Oracle and SAP). Our testing has not identified any significant errors within the financial statements, except for those reported as having been adjusted. We were informed that CITB is reviewing its contract arrangements with SSCL. We reviewed the draft disclosures of Losses and Special Payments in respect of aborted costs which CITB has incurred to date on the project for which no value has been received. We recommended that fuller disclosure was included of the value of the project, which has now been included in the account.

Other Matters (continued)

The following are other matters which we wish to bring to the attention of those charged with governance in relation to the audit of the financial statements.

Title	Description	Audit findings and conclusion
Property & Plant and Equipment valuations	CITB uses external experts to value its property portfolio. At planning we considered the need to consult our internal property experts to challenge management's experts' assumptions.	Our work on property is complete. We detected an error relating to CITB's property revaluation whereby an upwards revaluation was incorrectly posted to the Statement of Financial Activities rather than the revaluation reserve. Management has agreed to adjust the error (£2.2m), which is not material.
	Due to plant and equipment additions in the year being higher in year than previously we have scoped in additional testing in this area since audit planning.	We have verified a sample of plant and equipment through physical inspection. We noted some areas of weakness in plant and equipment records in that serial numbers are not recorded in the fixed asset register.
Introduction of new IT systems	A new learner management system, APTEM, is initially in parallel running from February 2024 to replace the MAYTAS system for managing English apprenticeships. This is not expected to have a significant impact on the overall risk of the audit as MAYTAS has been retained for payments during this period, however we may require consultation with IT experts to determine the precise impact on the audit.	We have not needed to test APTEM as part of our 2023-24 audit. However, it will need to be reviewed as part of the 2024-25 audit.

Key audit findings

List of adjusted misstatements identified to date

Adjusted misstatements

Misstatements that we have identified, have been adjusted and are above our clearly trivial threshold of £105k. The net effect of these adjustments on the Statement of Financial Activities and the Balance sheet was **£351k**, decreasing net assets and increasing net expenditure.

In addition. CITB identified and made four adjustments to the accounts model submitted for audit covering 30 different entries, with a net impact of **£593k**, increasing net assets and decreasing net expenditure. Once ESFA had updated the clawback figure, CITB revalued the clawback provision by **£3,902k** to agree to the updated amount, which also increased net assets and decreased net expenditure.

The total impact of audit and client adjustments had a net effect of increasing net assets and decreasing net expenditure by **£4,144k.**

Adjusted misstatements		SoFA DR £000	SoFA CR £000	BS DR £000	BS CR £000
Property revaluation gain was incorrectly recognised as income instead of being credited to the revaluation reserve.	Other expenditure	**2,461**			
	Revaluation reserve movement				**2,461**
Receivable relating to grant overpayments incorrectly mapped to levy receivables.	Debtors – Other debtors			2,466	
	Debtors – Levy debtors				2,466
Incorrect presentation of grants relating to construction pipeline charitable activities.	Expenditure on charitable activities – Construction people's pipeline	1,193			
	Expenditure on charitable activities – Efficient training supply		1,193		
CITB recognized costs related to the development of the Customer IT platform as an asset under construction within Intangibles	Expenditure on charitable activities – support costs		2,467		
	Intangible assets – assets under construction			2,467	

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Key audit findings

List of adjusted misstatements identified to date

Adjusted misstatements		SoFA DR £000	SoFA CR £000	BS DR £000	BS CR £000
Adjustment of support costs mapping to align with the requirements of the Charities SORP	Change	5,045			
	Technology (IT)	11,813			
	Communications and marketing	3,790			
	Estates	9,847			
	Strategy and policy	2,375			
	Finance	2,953			
	Human resources	2,998			
	Commissioning	671			
	Grant support costs	4,688			
	Legal and governance	1,877			
	Other corporate costs	2,728			
	Corporate performance		30,023		
	CEO Teams		3,680		
	Customer engagement and operations		4,461		
	Strategy and policy		7,063		
	Legal, governance and compliance		3,302		
	Other corporate costs		256		

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Key audit findings

List of adjusted misstatements identified to date

Adjusted misstatements		SoFA DR £000	SoFA CR £000	BS DR £000	BS CR £000
Employers NIC costs on Benefits in Kind from 2023-24 were not accrued but paid after the year end.	Expenditure on charitable activities – Direct costs	100			
	Expenditure on charitable activities – Support costs	8			
	Accruals				108
Error in the presentation of the provision for late payments.	Provisions (no longer written back) – Other provisions			267	
	Provisions (new provision) – Other provisions				267
Adjustments to align the accounts more closely with the output of the levy provision model	Levy debtors			1,678	
	Provision for bad debts				1,678
	Levy income	1,223			
	Expenditure on charitable activities		1,223		
Review of the PBF provision model revealed a formula error whereby not all relevant data is being brought into the provision calculation, leading to an understatement of £249k	Expenditure on charitable activities	249			
	Provisions				249
Total		**56,031**	**55,680**	**6,878**	**7,229**
Net Total		**351**			**351**

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Key audit findings

List of unadjusted misstatements identified to date

Unadjusted misstatements

Uncorrected misstatements would Increase net expenditure and reduce net assets by **£578k**. The table below lists unadjusted misstatements, including extrapolated values, which exceed our clearly trivial threshold of £105k.

Unadjusted misstatements		SoFA DR £000	SoFA CR £000	BS DR £000	BS CR £000
Extrapolated error based on grant scheme grant expenditure overpayments as a result of processing errors	Expenditure on charitable activities (Grant funding)		422		
	Trade debtors			422	
In the absence of independent evidence to corroborate CITB's assertion that ESFA are offsetting a previous payment of £1m against the notified ESFA clawback value, we consider the provision to be understated by £1m.	Expenditure on Charitable Activities	1,000			
	ESFA Provision				1,000
Total		**1,000**	**422**	**422**	**1,000**
Net Total		**578**			**578**

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Other audit findings

Financial statement disclosures	We have challenged management over the adequacy of disclosures in the financial statements in the following areas: • Completeness of losses and special payments disclosures; • Compliance of support costs disclosures with the requirements of the Charity SORP; • Consistency of figures disclosed in the Annual Report with their equivalents in the financial statements; • Completeness and accuracy of disclosures around trustee and senior executive remuneration and expenses, including fair pay disclosures; • Completeness of accounting policies for material income streams, removal of disclosures relating only to immaterial items, and clarity of wording; • Accuracy of the grant-making disclosures required by the Charity SORP. • Completeness of disclosures around the revaluation of plant and machinery • Accuracy of disclosures around provisions. We have made a number of suggestions to improve narrative disclosures and to ensure completeness of the disclosures required under the Charities SORP and other relevant guidance. We are content with the overall neutrality, consistency and clarity of the disclosures in the financial statements as well as judgments made in formulating particularly sensitive financial statement disclosures.
Accounting policies and financial reporting	We have performed procedures with regards to the appropriateness of the judgements made by the entity on accounting policies, particularly new or changed policies, including the new policy for intangible assets. We are content that the accounting policies are complete, accurate and compliant with the relevant standards and have been appropriately applied.
Regularity, propriety and losses	Losses are adequately disclosed in the accounts.

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Other audit findings

Risk of Fraud

We shall communicate, unless prohibited by law or regulation, with those charged with governance any other matters related to fraud that are, in our auditor's judgment, relevant to their responsibilities. It is our responsibility as auditors to report to those charged with governance:

- Any risks of material misstatement identified due to fraud
- Any matters we think are relevant to those charged with governance regarding management's process for identifying and responding to the risks of fraud in the entity

The risks of material misstatement due to fraud identified and reported at planning were limited to the presumed risk of management override of controls relating to journals, estimates or significant unusual transactions, where we noted theoretical incentives and opportunities, but no rationalisation risk factors identified.

Since we last reported to you, we have been informed by management of an internal investigation which has taken place in relation to two members of staff at the National Construction College who subsequently resigned. We have considered these matters and did not identify material risk to the financial statements due to fraud in connection with CITB's investigation.

We have nothing to report in respect of management's processes for identifying and responding to the risks of fraud.

OFFICIAL

Our recommendations

Internal control findings

During the course of our audit, we identified the following internal control issues relevant to the preparation of the financial statements and regularity. The primary purpose of the audit was to express an opinion on the financial statements rather than to identify issues but during the course of the audit, we identified and have assessed these as of sufficient importance to be reported to those charged with governance.

Recovery of grant expenditure		Low risk
Finding *In 2022-23, a grant payment (£7,305) was made to Adamson Construction Group from the Skills and Training Fund. When the company subsequently went into liquidation, it had not yet provided evidence of spend. After being informed that the company had gone into administration. CITB did not make any further attempt to reclaim to the grant funding.*	**Our recommendation** *When grant recipients go into administration without satisfying the terms of funding by providing evidence of how the funding has been spent, CITB should apply to the liquidator to recover unspent funds.*	**Management response** The funding provided by CITB is unlikely to be shown as owed to CITB in the recipient's accounts, so a liquidator may not immediately identify CITB as a creditor. However, the terms of the funding agreement should allow for recovery in the event of non-compliance or liquidation, and this documentation should be used as evidence when lodging a claim with the liquidator. This will be reviewed and any required changes to process made.

VAT on grants		Low risk
Finding *In our testing of grant expenditure, we found that CITB advised training groups that it could apply VAT on invoiced for training group grants. This was based on tax advice received from RSM. In general, HMRC does not consider grants to be taxable for VAT purposes as there is no taxable supply.*	**Our recommendation** *CITB should seek guidance from HMRC on the tax status of its training group grants.* *Recommendation update: When management sought advice from the Tax Centre of Expertise (as stated in the management response), the advice was caveated with "we have not seen any supporting documents or contracts and our opinion is purely based on what we discussed during our call". We recommend that you share relevant contracts and documents with them, so that they can provide definitive evidence-based advice on this matter.*	**Management response** Management has sought the advice of HMRC's Tax Centre of Excellence. The advice received confirmed the advice given previously by RSM. The nature of the transactions are more services than grant. The VAT treatment is therefore correct, with potentially an improvement in disclosure within the accounts as these items are currently included within the grant expenditure section.

Our recommendations

Internal control findings

Support costs mapping

Medium risk

Finding
Several errors were identified relating to CITB's attempts to update how it presents its support costs in the accounts. This led to instances of non-compliance with the Charities SORP. See page 14 for the adjusted errors.

Our recommendation
CITB should ensure they have reviewed and understood the Charities SORP requirements in respect of how costs are disclosed and presented in the financial statements, before making any changes to its account preparation process.

Management response
Management intends to further improve the accounts preparation process for 2024-25 by drafting a template ARA document, reviewing all disclosure requirements from the Charities SORP and the DfE's FReM. Financial figures will then be populated with updates to disclosure details as required prior to the final audit starting.

Levy impairment model

Medium risk

Finding
The model used to calculate CITB's Levy impairment model, although simple in theory, is complex in practice, making it difficult to trace data flows and the application of assumptions. As a result, management is unable to fully reconcile the output of the model with the accounts. This is in part due to the use of two separate finance systems to record different transactions, and the complexity of data flows between them.

Our recommendation
CITB should consider how it can refine, simplify, and represent the model to ensure a higher level of accuracy and a clearer audit trail.

Management response
The model and the accompanying documentation will be reviewed and any simplification identified will be applied to the model and the documentation updated. Work is currently underway to remove the complexity added by the current Levy process interacting with SAP.

Fixed asset register

Low risk

Finding
CITB's fixed asset register has a column for serial numbers, but serial numbers have not been recorded for most assets. This created some difficulty identifying assets for the purpose of testing the accuracy and sufficiency of disclosures and matching them to items in the external valuer's report.

Our recommendation
CITB should record serial numbers for all the assets on its fixed asset register. This will help to ensure completeness and transparency of its accounting records, which will be especially important as the Charities SORP accounting treatment of leased assets converges with IFRS 16 in the coming years.

Management response
Management is aware of the forthcoming changes in lease account, applicable to CITB from 1 April 2026, and is preparing to implement the required changes. Management also recognises the benefit of ensuring asset serial numbers are recorded against relevant items and is working with colleagues to improve the recording of serial numbers.

Our recommendations

Follow up to recommendations made in the previous year

In 2022-23 we made the below recommendations to CITB and throughout this year's audit we have followed up with management on progress in implementing the accepted recommendations. Below is an update on the status of these recommendations.

Apprenticeship attendance grants -adequacy of grant fraud/error risk assessments and mitigations		High risk
Finding	**Our recommendation 2022-23**	**Management response & status**
2022 -23:Our audit testing found some cases of attendance grants which remained in payment after the apprentice had dropped out of the course they had been enrolled on. The upper bound of our statistical extrapolation was material at £5.1m, although the most likely error was not material. Apprenticeship attendance grants do not require evidence of continued employment/training to be validated before payment, so there is a risk of incorrect continued payment. CITB relies on employers to notify it of drop-outs in a timely manner, and on its risk-based verification approach to detect these retrospectively. Our testing found a high incidence of error in this grant population which had not been detected by CITB's processes, and our extrapolated error level was higher than the results of CITB's own work implies is present within the population. There is thus a risk that a baseline level of fraud and/or error exists in the population that is not prevented or detected/corrected through the current CITB verification regime. CITB's verification regime is targeted rather than including a random sampling approach and as such is not produce an estimate across the whole population.	CITB should include a statistically valid sampling approach, in addition to the current risk-based approach to estimate an error rate that can be applied to the whole population of grants paid out each year to assess whether a material level of fraud/error exists in the untested part of the population. We also recommend that the scenario where employers have claimed a full complement of attendance grants but have not claimed an achievement grant be added to the risk-based sampling strategy.	We will generate a quarterly report to show Attendance Grant payments made in the previous quarter. A random sample (2 per month initially) will be selected to enable verification activity to be completed. This new process will be rolled out from 1st April 2024. Initially, the quarterly report will show employers where they have claimed Attendance Grant, but not gone on to apply for an Achievement Grant. The report will be based on the 52 week application window and will compare the number of apprentices with employer vs number where Achievement Grant has not been applied for therefore a risk-based sampling measure to be applied. Target date for implementation of this report is May 2024. **NOW CLOSED**

Our recommendations

Follow up to recommendations made in the previous year

In 2022-23 we made the below recommendations to CITB and throughout this year's audit we have followed up with management on progress in implementing the accepted recommendations. Below is an update on the status of these recommendations.

Regularity		Medium risk
Finding	**Our recommendation 2022-23**	**Management response & status**
2022-23: Assurance for the Skills and Training fund grant stream is by design not available until up to a year after the training has been completed. CITB does not undertake analysis of error rates in prior year funding and apply that to estimate error in current year funding	Management should perform analysis to quantify the level of error in previous year's expenditure and use that to estimate the level of irregularity in current year grant expenditure to support the AO's sign off of the annual report and accounts. It should also perform risk assessments to confirm that using historical error rates as a proxy for current year rates is appropriate i.e. nothing has changed in the risk profile of the grants or their recipients.	We currently conduct a rolling review to calculate the annual error rate. We will increase the frequency to a 6 - month review to identify any change in current year's rate, and use this as the combined basis for assuring the estimated level of irregularity. We will also conduct a risk assessment in parallel. **NOW CLOSED**

Our recommendations

Follow up to recommendations made in the previous year

In 2022-23 we made the below recommendations to CITB and throughout this year's audit we have followed up with management on progress in implementing the accepted recommendations. Below is an update on the status of these recommendations.

Offsetting levy debtors and grant payable		Medium risk
Finding	**Our recommendation 2022-23**	**Management response & status**
In 2022-23 we found that CITB had offset £1.6m levy debtors with grants payable, which is not permitted by the SORP.	Levy receivables and grant payables should not be offset in future.	We will implement processes to ensure this does not recur in future. **NOW CLOSED**

Processing transactions		Medium risk
Finding	**Our recommendation**	**Management response & status**
CITB finance have implemented a set of financial delegations for journals requested by CITB personnel and have also requested that any journals over £500k that SSCL wish to post are sent to CITB finance for review first. However, CITB had not checked that the delegations had been followed in 2022-23	We recommend that the delegations process is reviewed to require review and approval by separate individuals where journals are initiated by CITB personnel. We also recommend a regular review of journals above the delegation limits to check these are being followed as planned, and a regular review of the SSCL report of journal preparers and authorisers to confirm that segregation of duties in journal processing has taken place within SOP.	2022-23 Response – We will implement new processes to ensure such reviews are undertaken going forward. 2023-24 Response – These changes have been implemented but due to the timing of the recommendations being made in April / May 2024, they were not implemented in time for 2023-24 accounts year being audited. These checks are conducted monthly and are ready for audit during the 2024-25 audit. **OPEN – in progress**

Our recommendations

Follow up to recommendations made in the previous year

Significant estimates		Medium risk
Finding	**Our recommendation**	**Management response & status**
2022-23: Documentation and review of significant accounting estimates	Estimates documentation should accurately and completely describe all the methods and assumptions applied for each section of each provision. Management review should confirm the methodology and assumptions actually applied are as expected from the documentation and that they have been applied logically and consistently across the different sections of the provisions. It should ensure the outputs of the model are accurately reflected in the financial statements (and should be able to demonstrate this).	We will implement new processes to produce the relevant documentation and to ensure management reviews of the assumptions and methodology are undertaken going forward for each provision. **THE DOCUMENTATION HAS IMPROVED - CLOSED**

Significant estimates		Low risk
Finding	**Our recommendation**	**Management response & status**
2022-23: Disclosure of significant accounting estimates	Sufficient disclosure should be made in the accounts of where and why the estimates are inherently uncertain and provide quantification of the level of estimation uncertainty in the estimate, particularly where the subsequent outcome could be materially different than the estimated value. Disclosures describing the methodology and assumptions should be reviewed to ensure they reflect the actual methodology used.	We will review the completeness and transparency of our disclosures, including the quantification of estimates, going forward. **THE DISCLOSURES HAVE IMPROVED - CLOSED**

Our recommendations

Follow up to recommendations made in the previous year

Accounts preparation		Medium risk
Finding	**Our recommendation**	**Management response & status**
2022-23: Financial statement disclosures: We made a number of suggestions to improve narrative disclosures and ensure completeness of disclosures required by the SORP and relevant guidance.	Management should review the requirements of the reporting framework regularly to ensure it has reflected all changes both in the requirements and in its own circumstances (in case disclosures that were not previously relevant to CITB now are). Policies and processes for accounts disclosures should be documented clearly and precisely. They, along with supporting working papers, should be reviewed regularly with updates made as appropriate for new circumstances (e.g. new grants, new trustees). All standard disclosures brought forward should be reviewed each year, well before submission for audit. Review should involve persons with drafting skills (to ensure clarity and readability of narrative disclosures) and persons with sufficient knowledge of the underlying business areas.	2022-23 Response – To improve the current informal practice, we will undertake a formal and documented annual review of reporting requirements, as recommended. 2023-24 Response – improvements were made, but management acknowledge that further improvements are required. The Finance Director and Financial Controller have agreed an improved approach to the preparation of the accounts for the 2024-25 and subsequent accounts years. **DISCLOSURES WERE IMPROVED BUT WE CONTINUE TO IDENTIFY ERRORS – OPEN.**

Our recommendations

Follow up to recommendations made in the 2019-20 year

Accounts preparation		High risk
Finding	**Our recommendation**	**Management response & status**
CITB relies on a number of partner organisations to manage parts of their business, most notably SSCL and Pearsons. Findings over the course of our work since 2019-20 have indicated that CITB does not have sufficient oversight of its partner organisations and the data being provided to ensure a robust system of financial control is in place across all processes relevant to its financial statements. End-to-end business processes were not mapped out to reflect the change in control environment following the migration to SSCL in 2019-20, and there is no contractual requirement for an ISAE 3402 controls report to be provided covering the control operated by SSCL on CITB's behalf (although we note that Pearsons do provide CITB with such a report).	We continue to recommend that CITB maps out its end-to-end business processes, including inter-relationships with SSCL and other third-party service providers, to identify any potential gaps in the current control environment. We continue to recommend that options for obtaining an ISAE 3402 controls report for SSCL be explored or equivalent assurance is provided by SSCL.	In principle, we agree with the recommendation, but have to balance the risk and reward of investing in such process assurance, which has not demonstrated to be an issue to date and is not considered a high risk by management. The implementation of ISAE 3402 has been demonstrated to be cost prohibitive, but we will continue to work with SSCL to determine whether there is an alternative assurance process which represents value for money. **NOT YET IMPLEMENTED - OPEN**

Our recommendations

Follow up to recommendations made in the 2019-20 year

Framework agreement and regularity controls	High risk

Finding
Over the course of the 2019-20 audit, we identified instances where CITB had engaged in new activities without first ensuring that the appropriate approvals had been obtained. Retrospective approval was obtained and as such no irregularities crystallised. However, the range of issues identified highlighted the need for more robust processes, controls and training to prevent similar potential irregularities occurring in the future.

The issue was complicated by the fact that CITB and DfE had not agreed a framework agreement, so CITB's framework of authorities (what it did and did not have authority to do without seeking approval) appeared unclear. This remained outstanding during 2022-23.

Our recommendation
CITB should pursue the framework agreement with the Department and formally confirm exemptions to controls over public money where these apply.

Once the framework of authorities is agreed, appropriate training should be provided to all relevant staff, to ensure any matters requiring approvals are identified.

Management response & status
In principle, we agree with the recommendation, but continue to face obstacles with DfE accepting the legal order of precedence for the governance of CITB. We accept that these arrangements are somewhat unique, and differ substantially from those generally encountered by DfE, especially the implications of CITB being a Registered vs Exempt Charity, and the judgement from the Court of Appeal in 1973. Progress has been made over the last year on finalising a Framework Document continuing areas where we can agree, and now broader engagement with CO and HMT is being sort on spending controls and delegated authorities, but ultimately this may require determination in the High Court. We aim to conclude negotiations and resolve matters in 2024-25.

Superseded – see page 11 for current position.

Appendices

Appendix 1: Draft audit certificate

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT AND THE SCOTTISH PARLIAMENT

Opinion on financial statements

I certify that I have audited the financial statements of the Construction Industry Training Board for the year ended 31 March 2024 under the Industrial Training Act 1982.

The financial statements comprise the Construction Industry Training Board's:

- Balance Sheet as at 31 March 2024;
- Statement of Financial Activities and Cash Flow Statement for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom accounting standards including Financial Reporting Standards (FRS) 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion, the financial statements:

- give a true and fair view of the state of the Construction Industry Training Board's affairs as at 31 March 2024 and its net expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 and the Charities Act 2011.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I am independent of the Construction Industry Training Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Construction Industry Training Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Construction Industry Training Board's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Board and Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

Other information

The other information comprises information included in the Annual Report, but does not include the financial statements and my auditor's certificate and report. The Board and Accounting Officer are responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Industrial Training Act 1982.

In my opinion, based on the work undertaken in the course of the audit the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Construction Industry Training Board and its environment obtained in the course of the audit, I have not identified material misstatements in the Annual Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept by the Construction Industry Training Board or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland)

Regulations 2006 have not been made or parts of the Remuneration Report to be audited is not in agreement with the accounting records and returns; or

- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Board and Accounting Officer for the financial statements

As explained more fully in the Statement of the Board and Accounting Officer's Responsibilities, the Board and the Accounting Officer are responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Construction Industry Training Board from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error; and
- preparing financial statements which give a true and fair view and are in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 and the Charities Act 2011;
- preparing the Annual Report, which includes the Remuneration Report, in accordance with Secretary of State directions issued under the Industrial Training Act 1982; and
- assessing the Construction Industry Training Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board and the Accounting Officer either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Industrial Training Act 1982, section 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the Construction Industry Training Board's accounting policies and performance incentives.
- inquired of management, the Construction Industry Training Board's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Construction Industry Training Board's policies and procedures on:
    - identifying, evaluating and complying with laws and regulations;
    - detecting and responding to the risks of fraud; and
    - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Construction Industry Training Board's controls relating to the Construction Industry Training Board's compliance with the Industrial Training Act 1982, the Industrial Training Levy (Construction Industry Training Board) Orders 2022 and 2023, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006, and Managing Public Money;
- inquired of management, the Construction Industry Training Board's head of internal audit and those charged with governance whether:
    - they were aware of any instances of non-compliance with laws and regulations;
    - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Construction Industry Training Board for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, and bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Construction Industry Training Board's framework of authority and other legal and regulatory frameworks in which the Construction Industry Training Board operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Construction Industry Training Board. The key laws and regulations I considered in this context included the Industrial Training Act 1982, the Industrial Training Levy (Construction Industry Training Board) Orders 2022 and 2023, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006, Managing Public Money and relevant employment, pension and tax legislation.

In addition, I considered the fraud and regularity risks associated with grant expenditure.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports; and
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on

Appendix 1: Draft audit certificate continued

estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor's responsibilities

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies **Date**

Comptroller and Auditor General

National Audit Office

157-197 Buckingham Palace Road

Victoria

London

SW1W 9SP

OFFICIAL

Appendix 2: Draft letter of representation

[CITB letterhead]

The Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
LONDON
SW1W 9SP

LETTER OF REPRESENTATION: CONSTRUCTION INDUSTRY TRAINING BOARD 2023-24

I acknowledge as Accounting Officer of the Construction Industry Training Board my responsibility for preparing accounts that give a true and fair view of the state of affairs, net income, and cash and cash flows of the Construction Industry Training Board for the year ended 31 March 2024.
In preparing the accounts, I was required to:

- observe the accounts direction issued by the Secretary of State, including the relevant accounting and disclosure requirements and apply appropriate accounting policies on a consistent basis in accordance with UK GAAP, as interpreted by the Charities SORP, in force at the reporting date;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards have been followed and disclosed and explain any material departures in the accounts; and
- make an assessment that the Construction Industry Training Board is a going concern and will continue to be in operation throughout the next year; and ensure that this has been appropriately disclosed in the financial statements.

I confirm that for the financial year ended 31 March 2024:

- neither I nor my staff authorised a course of action, the financial impact of which is that transactions infringe the requirements of regularity as set out in Managing Public Money;
- having considered and enquired as to the Construction Industry Training Board's compliance with law and regulations, I have disclosed to you any actual or potential non-compliance that could have a material effect on the ability of the Construction Industry Training Board to conduct its business or whose effects should be considered when preparing financial statements;
- all accounting records have been provided to you for the purpose of your audit. All other records and related information, including minutes of all management meetings which you have requested have been supplied to you;
- all transactions undertaken by the Construction Industry Training Board have been recorded in the accounting records and are properly reflected in the financial statements;
- all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements have been disclosed to the auditor; and
- the information provided regarding the identification of related parties is complete; and the related party disclosures in the financial statements are adequate.

All material accounting policies as adopted are detailed in note 1 to the financial statements.

INTERNAL CONTROL

I acknowledge as Accounting Officer my responsibility for the design and implementation of internal controls to prevent and detect fraud and error and I have disclosed to you the results of my assessment of the risk that the financial statements could be materially misstated.

I confirm that I have reviewed the effectiveness of the system of internal control and that the disclosures I have made are in accordance with HM Treasury guidance on the Governance Statement.

FRAUD

I acknowledge as Accounting Officer my responsibility for the design and implementation of internal controls to prevent and detect fraud and I have disclosed to you the results of my assessment of the risk that the financial statements could be materially misstated as a result of fraud.

I have disclosed to you any knowledge of fraud or suspected fraud affecting the Construction Industry Training Board involving management, employees who have significant roles in internal control, or others where the fraud could have a material effect on the financial statements.

I have disclosed to you any knowledge of any allegations of fraud or suspected fraud, affecting the Construction Industry Training Board's financial statements communicated by employees, former employees, analysts, regulators or others.

ACCOUNTING ESTIMATES

I acknowledge as Accounting Officer my responsibility to make judgments and estimates on a reasonable basis.

I confirm that the methods, the data, and the significant assumptions used by the Construction Industry Training Board in making accounting estimates and related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of Charities SORP.

GOING CONCERN

I have assessed whether the going concern basis of accounting is appropriate for the Construction Industry Training Board. The plans for future actions upon which this assessment is based including future levy receipts are feasible. The assumptions made in my assessment are reasonable and appropriate in the context of the Charities SORP.

ASSETS

General

All assets included in the balance sheet were in existence at the reporting date and owned by the Construction Industry Training Board, and free from any lien, encumbrance or charge, except as disclosed in the financial statements. The balance sheet includes all tangible assets owned by the Construction Industry Training Board.

Appendix 2: Draft letter of representation

Non-Current Assets

All assets over £2,500 are capitalised. Freehold properties are revalued in accordance with the Charities SOEP. Depreciation is calculated to reduce the net book amount of each asset to its estimated residual value by the end of its estimated useful life in the Construction Industry Training Board's operations.

Other Current Assets

On realisation in the ordinary course of the Construction Industry Training Board's operations the other current assets in the balance sheet are expected to produce at least the amounts at which they are stated. Adequate provision has been made against all amounts owing to the Construction Industry Training Board which are known, or may be expected, to be irrecoverable.

LIABILITIES

General

All liabilities have been recorded in the balance sheet in accordance with the Charities SORP.

Provisions and Contingent Liabilities

Provision is made in the financial statements for:

- grants earned by recipients but not yet paid;
- expected clawback of funding from the Education and Skills Funding Agency;
- redundancy costs;
- dilapidations;
- payment of interest and compensation for late payments.

I have disclosed to you all actual or possible litigation and claims whose effects should be considered when preparing the financial statements. All such matters have been accounted for and disclosed in accordance with the Charities SORP.

I am not aware of any action which is or may be brought against the Construction Industry Training Board under the Insolvency Act 1986.

Other Liabilities

I have disclosed to you all contingent liabilities, remote or otherwise. In the financial statements I disclose a remote contingent liability in relation to CITB's contract with its shared service provider, SSCL.

OTHER DISCLOSURES

Results

Except as disclosed in the financial statements, the results for the year were not materially affected by transactions of a sort not usually undertaken by the Construction Industry Training Board, or circumstances of an exceptional or non-recurring nature.

Losses and special payments

All losses and special payments requiring disclosure under the requirements of Managing Public Money have been included in the Annual Report.

Unadjusted Errors

The following unadjusted errors have been brought to my attention:

Unadjusted misstatements		SoFA DR £000	SoFA CR £000	BS DR £000	BS CR £000
Extrapolated error based on grant scheme grant expenditure overpayments as a result of processing errors	Expenditure on charitable activities (Grant funding)		422		
	Trade debtors			422	
In the absence of independent evidence to corroborate CITB's assertion that ESFA were intending to offset a previous payment of £1m against the notified ESFA clawback value, we consider the provision to be understated by £1m.	Expenditure on Charitable Activities	1,000			
	ESFA Provision				1,000
Total		**1,000**	**422**	**422**	**1,000**
Net Total		**578**			**578**

I consider the effect of these unadjusted errors to be immaterial, both individually and in aggregate, to the financial statements taken as a whole.

Events after the Reporting Period

All matters regarding events occurring subsequent to the date of the financial statements, and for which the Charities SORP requires adjustment or disclosure, have been adjusted or disclosed.

Tim Balcon
Accounting Officer
Date:

Appendix 3: Audit Scope

We have completed our audit of the 2023-2024 financial statements in accordance with International Standards on Auditing (ISAs) (UK) issued by the Financial Reporting Council and with the audit planning report presented to the Audit and Risk Committee in April 2024.

We also read the content of the draft annual report and the governance statement to confirm that:

- the parts of the Remuneration Report to be audited been properly prepared in accordance with Secretary of State Directions made under the Industrial Training Act 1982;
- in the light of the knowledge and understanding of the entity and its environment obtained in the course of the audit, we have not identified any material misstatements in the Annual Report;
- the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- that the governance statement has been prepared in accordance with HM Treasury guidance.

As part of our audit, we assessed:

- whether the accounting policies are appropriate to the Construction Industry Training Board's circumstances and have been adequately disclosed;
- the reasonableness of significant accounting estimates made by the Accounting Officer; and
- the overall presentation of the financial statements.

We are also required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Further disclosures on responsibilities:

- ISAs (UK) do not require the auditor to design procedures for the purpose of identifying supplementary matters to communicate with those charged with governance.
- When an extended auditor's report is issued, the auditor's responsibilities are to determine and communicate key audit matters in the auditor's report.
- The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

Appendix 4: Other matters for consideration

Independence	We are independent of CITB in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard. We have fulfilled our ethical responsibilities in accordance with these requirements and have developed important safeguards and procedures in order to ensure our independence and objectivity. Information on NAO quality standards and independence can be found on the NAO website: https://www.nao.org.uk/about-us/our-work/governance-of-the-nao/transparency/.
International standards on Auditing (ISAs) (UK)	We consider that there are no additional matters in respect of items requiring communication to you, per International Standards on Auditing (ISAs) (UK), that have not been raised elsewhere in this report or our audit planning report. Items requiring communication cover: • Fraud • Going concern • CITB's compliance with laws and regulations • Significant difficulties completing the audit • Disagreements or other significant matters discussed with management.
Cooperation with other auditors	We have engaged with Internal Audit during the audit process and reviewed the results of their work. We have not sought to place reliance on Internal Audit's work, but have used their findings to support our risk assessment procedures.

OFFICIAL

Appendix 4: Other matters for consideration

Communication with the NAO	Organisations we audit tell us they find it helpful to know about our new publications, cross-government insight and good practice. Our website holds a wealth of information from latest publications which can be searched, to pages sharing our insights on important cross-cutting issues. We also publish blogs and send email notifications to subscribers about our work on particular sectors or topics. If you would like to receive these alerts, please sign up at: Main newsletter (nao.org.uk) You will always have the option to amend your preferences or unsubscribe from these emails at any time.
Management of personal data	During the course of our audit we have had access to personal data to support our audit testing. The General Data Protection Regulations (GDPR) came into force in May 2018. These regulations make no difference to the C&G's access rights. The Data Protection Act provides the C&AG with an exemption from the individual rights provisions where to apply the provisions would be likely to prejudice the proper discharge of the C&AG functions. For example this would mean that we would not need to inform an individual about processing nor could an individual object to processing of their information for audit purposes where that would disrupt an efficient audit. We take our obligations under GDPR seriously. We have appointed a Data Protection Officer and all our staff are required to comply with formal data protection policies, guidelines and procedures designed to keep third party data secure and support privacy by design. We will destroy, return, or store personal data as necessary on completion of our work. We confirm that we have discharged those responsibilities communicated to you in the NAO's Statement on Management of Personal Data. The statement on the Management of Personal Data is available on the NAO website: http://www.nao.org.uk/freedom-of-information/publication-scheme/how-we-make-decisions/our-policies-and-procedures/policies-and-procedures-for-conducting-our-business

OFFICIAL

Appendix 5: Task Force on Climate related Financial Disclosure

HM Treasury have confirmed central government will be aligning to the TCFD recommended disclosures as set out by the Financial Stability Board. These are being implemented as a framework to understand and disclose climate-related financial information in the public sector. Phase 1 of this implementation has been captured in the 2023-24 Annual Report and Accounts. CITB has included a Compliance Statement in-line with the Phase 1 requirement.

HM Treasury have developed updated application guidance to support the implementation. The implementation of this phase 2 of TCFD-aligned disclosure will be for 2024-25. The requirements of each phase are set out below:

	Phase 1 - Governance Focus	Phase 2 – Risk Management and Metrics and Targets	Phase 3 – Strategy
Target Period	2023-24	2024-25	2025-26
Focus	High-level overview	Qualitative disclosures and quantitative disclosure with less technical requirements	Quantitative disclosures with more technical requirements. TCFD-aligned disclosure is fully implemented
Requirements	Reporting entities shall provide a TCFD Compliance Statement and the recommended disclosures for: • Governance • Metrics and Targets (b), only where available from existing reporting processes. Comply or explain basis	Reporting entities shall provide a TCFD Compliance Statement and the recommended disclosures for: • Governance • Risk Management • Metrics and Targets Comply or explain basis	Reporting entities shall provide a TCFD Compliance Statement and the recommended disclosures for: • Governance • Risk Management • Metrics and Targets, considering wider reporting. • Strategy Comply or explain basis
Interaction with Greening Government Commitments	Continue to apply GGC21-25 for emissions for Metrics and targets., in line with SRG	Continue to apply GGC21-25 emissions for Metrics and Targets, in line with SRG	Consider new GGC period for 25-30 (GGC21-25 runs until 31 March 2025 with the next commitment period for GGC25-30 starting on 1 April 2025)

Additional disclosures in Phase 2 include those in respect of Risk Management: describing the organisation's processes for identifying and assessing climate-related risks, for managing climate-related risks and describing how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.

For TCFD Metrics and Targets there are requirements to disclose the metrics used by the organisation to assess climate related risks and opportunities in line with its strategy and risk management process. To also disclose Scope 1, Scope 2, and, if appropriate, Scope 3 Greenhouse Gas (GHG) emissions, and the related risks-aligning with existing Greenhouse gas emissions reporting methodologies. Finally to describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

CITB

England & Wales - Charity number 264289

Accounts

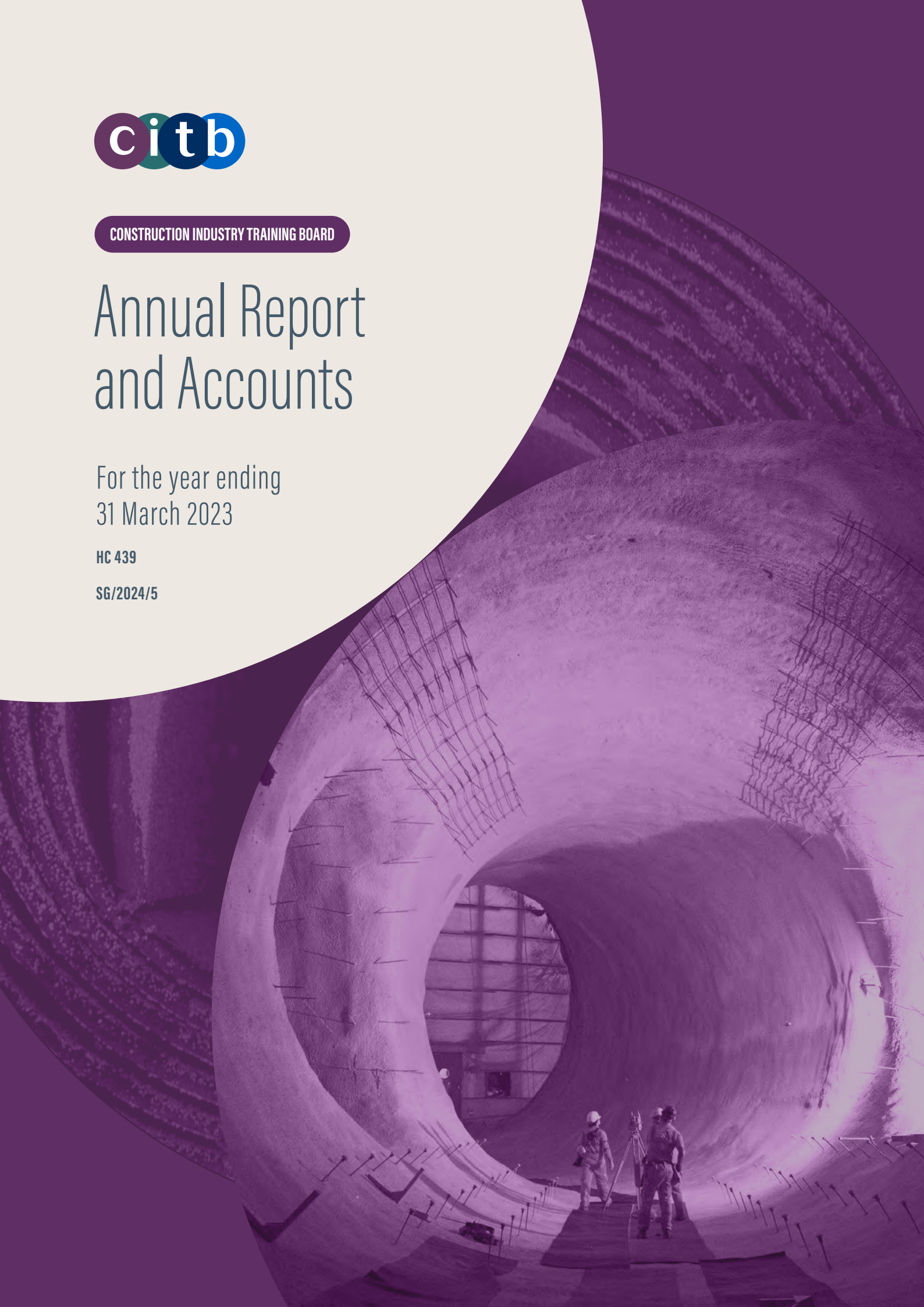
CONSTRUCTION INDUSTRY TRAINING BOARD

Annual Report and Accounts

For the year ending
31 March 2023

HC 439

SG/2024/5



Construction Industry Training Board (CITB)

Annual Report and Accounts 2022-23

For the period 1 April 2022 to 31 March 2023

Presented to Parliament pursuant to section 8 (4) of the Industrial Training Act 1982
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Any enquiries regarding this publication should be sent to us at CITB Board Secretary, Sand Martin House, Bittern Way, Peterborough, PE2 8TY.

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Chair's Foreword

2022-23 was a year of challenges for society, in the economy, in the construction industry and for CITB.

We ended the year having made radical changes to the way we work to focus better on how we support skills in the industry.

The year started with a huge change in society. After two years of Covid, all restrictions were lifted in England from April 2022 and from a little later in Scotland and Wales. But the effects on education and training have lingered, old patterns and habits had been lost and apprenticeships had fallen during Covid.

At the start of Covid, remember the debate about the impact on the economy? Would GDP follow a V, a W or an L shaped recovery? Well the good news was that it was pretty much a V shaped recovery, sharp down and bouncing back. But the path of GDP in the economy since April 2022 has been pretty flat, with new shocks that have damaged growth, in particular the cost of living crisis.

The construction industry has fared better than the economy as a whole. We were very grateful for the support of all Governments in keeping sites open during Covid because of the importance new homes, roads and infrastructure have for our communities and wider society. Repairs and maintenance were equally busy. So construction output had recovered above pre-Covid levels by April 2022 and grew a further 3.6% by March 2023. But the last few months have seen the housing sector fall back with some offset from a continuing strong performance in the commercial and infrastructure sector.

So 2022-23 was a busy year for construction. But not so good for training, since employers were telling us that they were too busy to prioritise training. Demand for our grant support was down and our reserves grew in 2022-23 above the level we had targeted.

CITB faced other challenges as well. In England, our construction apprenticeships were inspected by Ofsted. This confirmed what we knew and were working on, which is that quality needs to be better. We have increased our investment in apprenticeships to make sure that we can provide a benchmark for the sector and we are already seeing significant improvements, including in employers' net promoter scores. But there is more to do in 2023-24. →

→ Our response to these challenges is to focus even more sharply on supporting the construction industry. We have changed our systems so that they start with what employers need. We launched Employer Networks who decide what is needed in their local area or sector. We established the New Entrant Support Team (NEST) which takes the hassle out of arranging apprenticeships for employers and connects them with young people who want to make their future in the industry. And we are developing new pathways for adults and supporting greater diversity in our industry.

At the start of 2023-24, we published our new Business Plan which set out how we will grow this approach and how year-by-year we will increase the investment we make in skills on employers' behalf. We are responding to the challenge and we will serve employers in the industry to the best of our ability.

I am grateful to all our Trustees, our Nation Council Chairs and our committee members who are committed and passionate about improving training in construction. At the end of 2022-23 we said goodbye to Yvonne Kelly, who reached the end of her term of office, and welcomed Mike Green and Owain Jones as new Trustees. ●

"We have increased our investment in apprenticeships to make sure that we can provide a benchmark for the sector."



PETER LAUENER
CITB Chair

Chief Executive's Introduction

This year we set out to respond to feedback we received from the last Consensus and the **unique workforce circumstances surrounding construction.**

Firstly, we empowered employers by giving them a greater say on skills and training, both in how it's delivered and where. We felt this was a really important step to form a more collaborative approach to addressing the skills challenges; needless to say, all our employer-led committees have demonstrated an enthusiasm to support these changes.

I am extremely grateful for the contribution employers make to our committees. Our committees have been instrumental in setting the agenda for skills and ensuring our initiatives truly respond to employers' needs. New initiatives, such as the Employer Network pilot, which allows employers to determine how CITB funding can be best used in their area, are the start of this new dawn. NEST is a further example of CITB making training easier to access. Both are being warmly embraced by our customers.

On my arrival, I was surprised by the variety of expectations placed on CITB. So, we worked hard this year to better frame what we do, ensuring that there is greater clarity and expectations on what CITB delivers for its customers. To focus our delivery, we developed a new purpose statement: 'to support the construction industry to have a skilled, competent and inclusive workforce, now and in the future.' That's what the sector needs, so that's what we'll do.

We achieved some fantastic things together this year. 26,200 apprentices, the future of construction, were supported by almost £61.5m of CITB funding – 14% more than last year. Our Skills and Training Fund helped more than 2,100 SMEs – the bedrock of our industry – to upskill their workforce. Our comprehensive short course grant scheme supported over 173,000 learners to complete their qualifications. And Go Construct, the home of construction careers information, saw a record 1.3 million visits to the site.

I am delighted by the incredible response to our programme of work tasters which surpassed our expectations, with over 14,000 potential new entrants given a hands-on and engaging insight into construction. I'm hoping I'll see some of them taking part in next year's SkillBuild, which is an important showcase for construction, where we will be strengthening our support to champion the skills and talent in our industry.

We acknowledge the value of the National Construction College (NCC) and my view is we need to better utilise its unique capabilities. The Board has agreed a three-year Business Plan that includes greater investment in the facilities and resourcing of NCC. Our aim is to become a beacon of quality in the construction industry, with a further aim to double the number of learners completing training. →

→ We will embrace the findings from the Ofsted report to improve the delivery of training to apprentices but also all other learners. That said, we have increased learners at NCC in 2022-23 by 14% and we expect to see this trend continue if we are to meet the skills demand across the industry. We were pleased Ofsted also identified numerous areas of good practice at NCC and we are committed to return to providing an outstanding apprenticeship offer going forward. In Scotland, we have a comparable programme of investment in facilities and training, where we manage the contract for apprenticeship provision, predominantly through colleges but also in NCC.

Our Nation Councils have been pivotal in ensuring our response is optimised for each nation. I'm extremely grateful to all our dedicated partners and stakeholders across industry who work tirelessly with us to address the skills challenges we face. I feel we have taken big leaps forward together this year and this will continue as CITB develops its future work plans. Looking ahead, our priorities will focus on improving construction's people pipeline, creating defined training pathways and delivering an efficient training supply.

Responding to the skills challenges faced by SMEs, we have created NEST. This was trialled in the year and in 2023-24 we are on track to support SME and Micro businesses to recruit over 2,000 apprentices and skilled new entrants. There were 650 employers contacts and 377 starts in 2022-23. We will continue to focus on SME and micro business.

"I'm extremely grateful to all our dedicated partners and stakeholders across industry who work tirelessly with us to address the skills challenges we face."

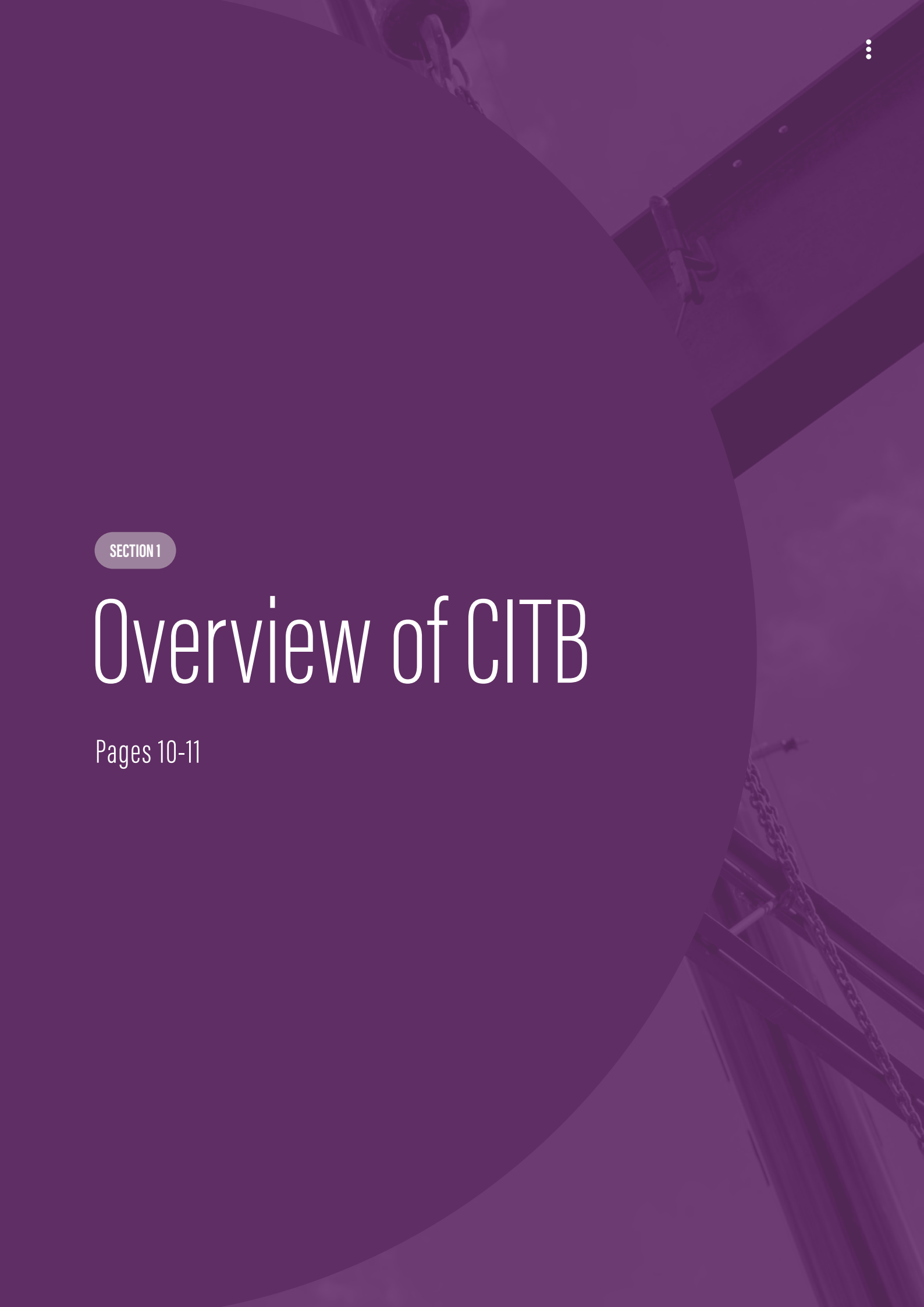
Meanwhile, the Industry Impact Fund, which is better suited to larger companies, will take the best employer initiatives for skills development to the broader industry. This will drive innovation around key challenges, such as productivity and inclusion.

Finally, I'd like to thank my colleagues for their tremendous hard work and dedication throughout the year. Their passion is what drives CITB forward. I am proud of our collective achievements, and optimistic for the future.

Construction offers people a good wage, fantastic opportunities to upskill and is instrumental in tackling the big issues of today and the future, like infrastructure, housing and climate change. The industry already makes a real difference to society. Let's promote this message, address the challenges we face and build on the successes of 2022-23 for the future. ●

TIM BALCON
Chief Executive





SECTION 1

Overview of CITB

Pages 10-11



OUR PURPOSE

To support the construction industry to have a skilled, competent and inclusive workforce, **now and in the future.**

OUR STATUTORY BASIS

CITB's charitable activities are partly funded by the statutory Levy raised pursuant to the Industrial Training Act 1982 and confirmed through Levy Orders passed by both Houses of Parliament. The most recent Levy Order came into force on 29 April 2022.

Full details of CITB's powers and responsibilities, as well as the restrictions placed on it, can be found in the **Industrial Training Act 1982** and subsequent amendments. CITB is registered as a charity in England and Wales (264289) and in Scotland (SC044875).

www.legislation.gov.uk

WHO WE ARE

CITB is the Industry Training Board for construction in England, Scotland and Wales. Since 1964, we've worked with industry and Government to equip the sector with the skills and talent needed to succeed. A key part of this, then and now, is to help keep workers safe on site. CITB's work since the 1960s has contributed to an 85% reduction in onsite deaths.

We help employers attract more people to join the sector, and for them to access high-quality, accredited training when and where it is needed. This includes delivering specialised training at NCC.

We provide practical support to employers through a range of products and services. We play a strategic role for the construction sector, identifying immediate and future skills needs and working out how they can be met. Where emerging needs are identified, we commission innovative pilot projects, delivered by employers, that can be ramped up if they are successful. We use our unique position to listen to employers and influence Government policy so they have the right support.

We help workplaces to become safer and more productive. This, in turn, helps create and maintain a world-class, sustainable built environment that is of benefit to us all.

OUR CHARITABLE STATUS

CITB is a non-departmental public body (NDPB) and has been a registered charity since 1972. The Board has regard to the Charity Commission's general guidance on public benefit and the Charities Act 2011 when planning activities to achieve its aims.

SECTION 2

Operating Environment

Pages 12-14

The construction industry continued to demonstrate a high level of resilience throughout the year, in terms of its post-pandemic recovery and growth.

Output returned to its pre-pandemic (Q4 2019) level in the first quarter of 2022, and it outperformed the UK economy across the year with output growth of 6.2% compared to a 4.1% growth in Gross Domestic Product (GDP)[1]. However, construction activity slowed over the course of the second half of the year. Negative contributions mainly stemmed from a contraction in private housing (both new build and repair and maintenance), driven by a combination of high inflation and rising interest rates.

Issues with materials availability and supply chain disruption that plagued the industry for much of 2021 largely dissipated throughout 2022. They were replaced by high levels of inflation from increased energy costs and rising wages caused by an extremely tight labour market. Our research throughout 2022 consistently showed around eight in ten employers reported high, or rising, prices of materials were a challenge, while six in ten were challenged by high labour costs or wage inflation. Consequently, generating enough revenue to combat rising costs emerged as a growing issue, exacerbated by late payments and waning demand.



The wider economy narrowly avoided falling into recession in late 2022 as consumer confidence fell away amid the cost of living crisis and economic uncertainty. Slowing demand has also taken some of the heat out of the labour market, but the shortage of workers across the economy has emerged as a preeminent constraint on growth.

While construction employment has continued to recover from its 2021 low, the workforce remains about 8% smaller than its pre-pandemic level. Growth in the number of employees has been offset by a substantial reduction in the number of self-employed workers. In fact, self-employment in construction is now at its lowest level for over 20 years. This is particularly evident in the reduction in the number of older workers and those in skilled trade roles.

The industry has struggled to recruit replacement workers with vacancies reaching a record high of 50,000 in October 2022. The demand has since fallen back as wider economic uncertainty has increased, but the number of vacancies remains well above the long-term average.

The potential supply of skilled workers available has been limited, as the number of unemployed people whose last job was in construction and those made redundant from construction remained at historic lows. There has also been little success in attracting back those who found alternative work in other sectors during the pandemic, or who left the industry due to ill health or early retirement.

Research in 2022 showed that two-fifths of employers found recruiting suitably skilled staff had become much more difficult. →

[1] Year on Year growth: CVM SA %
Office for National Statistics **(ons.gov.uk)**

2022-23 in numbers

80%
...of employers reported high, or rising, prices of materials were a challenge

60%
...of employers were challenged by high labour costs or wage inflation

8%
...decrease in workforce compared to pre-pandemic level

40%
...of employers found recruiting suitably skilled staff had become more difficult.



→ Employers also noted that the availability of younger applicants (under 25) and older workers (over 55) had decreased as participation in education and more workers retiring increased. The competition with other sectors together with an overall smaller labour market, caused by high levels of inactivity, has also been an issue.

The consensus is that unmet skills shortages held back growth in 2022 and are likely to be a drag on growth going forward.

The pressure of higher costs on businesses also appears to have influenced decisions on training, particularly longer-term investments such as apprenticeships. Around a fifth of employers reported that increased costs of materials and wages, as well as staff being too busy, were preventing them from adequately investing in training. Also, inflation in training costs and uncertainty over future work volumes have played a role in reduced training activity.

Where increases in training activity occurred or were planned, this was most often because it was mandatory, due to increasing business activity and recruitment, or the need to develop or improve the skills of staff. Training does appear to have taken a backseat for many firms as the focus has been on clearing the backlog of work that built up during the pandemic.

A continued easing of demand resulting from high interest rates and slowing earnings growth might mitigate some of the more immediate labour supply issues, but demand will bounce back and with it the need for skilled people. It's also becoming increasingly clear that industry will almost certainly be operating with a smaller workforce for the foreseeable future, and perhaps permanently. As a result, the industry needs to get to grips with its strategy for workforce planning. This includes attracting new entrants and upskilling existing workers to take advantage of new technologies and new ways of working that will reduce costs and increase productivity.

In March 2023, the Government relaxed visa restrictions for some construction occupations by adding them to the shortage occupation list. This made it easier to apply for a skilled worker visa, helping to address some of the most acute skills shortages.

Occupations include:

- Bricklayers and masons
- Roofers, roof tilers and slaters
- Carpenters and joiners
- Construction building trades n.e.c.

Industry Analysis and Forecasting 'dip' surveys for industry health indicators show that throughout 2022-23 the industry has remained static with some growth towards the end of the year, and the same with skill shortages.

Our 2023-24 Business Plan shows how we are moving forward with our three long-term priorities of responding to the skills demand, developing the capacity and capability of training provision, and addressing future skills needs. This plan reflects CITB's purpose, how we will "support the construction industry to have a skilled, competent and inclusive workforce, now and in the future" by:

- Improving construction's people pipeline
- Creating defined training pathways
- Delivering an efficient training supply.

Our three key priorities will impact on each part of the talent pipeline, from inspiring people to choose construction as their career, through to retaining talent.

SECTION 3

Strategic Report

Pages 15-27





Building skills, shaping construction

CITB is here to support skills needs for construction employers across Britain. A skilled workforce is contingent on a flexible, accessible and well-funded training supply. That's what we delivered.

We invested over £194.5m, over half of which was direct employer funding. This includes grants, such as for apprenticeships and training courses, funded training activity, and directly delivering training and apprenticeships.

Our work this year focused on tackling three key challenges: responding to the skills demand, developing the capacity and capability of training provision, and addressing future skills needs. These challenges impact on each part of the talent pipeline, from inspiring people outside of the industry to choose construction as their career, through to retaining existing talent.

We raised the profile of construction careers through the popular Go Construct and STEM Ambassador initiatives. Meanwhile, Onsite Experience hubs and taster experiences offered an alternative route into construction, building a bridge between education and work. Apprenticeships are at the heart of addressing the skills demand, so we invested in and supported thousands of apprentices and their employers.

Demand for training relaxed as the year went on, driven by economic pressures, so we developed the Employer Network pilot and NEST to create new avenues for employers to upskill their workforce. NCC and the National Specialist Accredited Centre (NSAC) directly trained thousands of learners, often providing niche, specialised qualifications not available anywhere else.

Pages 16 to 22 provide an overview of what was achieved this year.

Our three key challenges:

- RESPONDING TO THE SKILLS DEMAND
- DEVELOPING THE CAPACITY AND CAPABILITY OF TRAINING PROVISION
- ADDRESSING FUTURE SKILLS NEEDS

We enhanced our support for non-technical skills, increasing funding for leadership and management training while putting the foundations in place for a more sustainable industry. Underpinning everything is our standards system, giving employers peace of mind that all training is delivered and assessed to a recognised standard. Competence Frameworks are another step to make sure standards reflect new and changing skills needs.

Our network of advisers helped businesses across the country access the funding, training and support that CITB offers. We placed a particular focus on supporting SMEs and it paid dividends, with a huge increase in small businesses utilising our Skills and Training Fund and accessing our Grants Scheme.

We used our unique position to listen to employers and influence Government policy so they have the right support, such as changes made to the skilled worker shortage occupation list. Most importantly, we ensured the Levy was well spent, helping to deliver a skilled, competent and inclusive workforce.

This year demonstrated the extraordinary resilience of the construction industry. Faced with inflationary pressures, businesses continued to deliver work to an exemplary standard, train their workforce and build the world around us. And CITB supported them every step of the way.

REVIEW OF 2022-23: ACHIEVEMENTS 2 / 7

In Numbers

Responding to the skills demand

858
GO CONSTRUCT STEM AMBASSADORS RECRUITED

1.3m+
VISITS TO THE GO CONSTRUCT WEBSITE



8,500+
JOB APPLICATIONS THROUGH THE TALENTVIEW WEBSITE

650
EMPLOYERS SUPPORTED BY NEST

7,731
PEOPLE ACCESSED OUR FAIRNESS, INCLUSION AND RESPECT MATERIALS

£5.2m
INVESTED IN TRAVEL TO TRAIN



9,800
MENTAL HEALTH FIRST AIDERS TRAINED

Case study

Onsite Experience hubs

Our network of Onsite Experience hubs aim to take away the barriers to construction employment. The hubs attract people from new and wider talent pools that may not normally consider construction.



Construction is giving me a sustainable income to provide a good life and future for myself and my family."

STEFAN
Attended an Onsite Experience hub

"With the increasing skills gap, initiatives such as the Onsite Experience hubs are fantastic," said Karen Heaton-Morris, Director at Read Construction. Through their local hub, they offered a work placement to Stefan, who was finishing a sentence at HMP Berwyn and looking to turn his life around.

"I attended the course and saw it as a great opportunity for a crime-free future," said Stefan, who was warmly welcomed and gained valuable career skills and experience. **"Construction is giving me a sustainable income to provide a good life and future for myself and my family."**

People from all walks of life can apply to complete the two-week programme. With work experience gained on live sites, local employers are able to recruit site-ready workers straight into their vacancies. **"Stefan initially joined our team on a short-term placement to improve his site experience whilst on day release, and we were delighted to offer him a full-time employment opportunity,"** explained Karen. **"Stefan's appointment filled a long-term vacant position within the business."**



In Numbers

Developing the capacity and capability of construction training provision

2,100
SMEs SUPPORTED BY OUR SKILLS AND TRAINING FUND

26,200
APPRENTICES SUPPORTED THROUGH THEIR TRAINING



£61.5m
ISSUED IN APPRENTICESHIP GRANTS

173,000
SHORT DURATION TRAINING COURSES RECEIVED GRANT SUPPORT

£2.5m
SAVED BY OVER 1,300 MEMBERS USING OUR 85 TRAINING GROUPS TO ACCESS TRAINING

10,000+
LEARNERS TRAINED AT NCC



3,400
LEARNERS TRAINED THROUGH OUR EMPLOYER NETWORK

Case study

Funding

From upskilling staff to attracting new recruits and increasing the services they offer, the team at Sanctus enjoyed a wealth of benefits thanks to CITB's Skills and Training Fund.



> **Our staff are always keen to upskill and CITB provides that opportunity to offer more training."**
>
> **ALEX WILLISON**
> Contracts Director at Sanctus

"Over the last few years, everybody was already so upskilled in plant training from CITB," said Alex Willison, Contracts Director at Sanctus. **"But we've had a few people move on recently and it's allowed us to invest in new people coming into the business."**

As CITB-registered employers, Sanctus has known about CITB's training funding for a long time – and they've made frequent use of this pot of money to upskill their team. When it comes to recruitment, training is a large part of the appeal. So much so that, during interviews, applicants are told about the training opportunities on offer, all of which are supported by CITB.

"People starting their careers want to know that they're not just going to be stagnant. They want to know that they'll be upskilled and know, 'if I ever move on, I can take those skills with me,'" explained Alex.

"We're all about increasing what people can do. Going forward, we're still utilising CITB funding. It's very useful. Our staff are always keen to upskill and CITB provides that opportunity to offer more training." ●



REVIEW OF 2022-23: ACHIEVEMENTS 6 / 7

In Numbers

Addressing future skills needs



14
ATOs WHO HAVE BEEN ONBOARDED TO DELIVER THE NEW LEADERSHIP AND MANAGEMENT SUITE OF TRAINING STANDARDS

282
SHORT DURATION STANDARDS REVIEWED*



NOS NATIONAL OCCUPATIONAL STANDARDS

105
NATIONAL OCCUPATIONAL STANDARDS REVIEWS COMPLETED



90
SHORT DURATION TRAINING STANDARDS HAVE BEEN WITHDRAWN AS NO LONGER REQUIRED



2
COMPETENCE FRAMEWORKS COMPLETED

*Including updates to safety critical standards, such as Asbestos, as well as new standards in the Retrofit sector and Insulation Building Treatments.

Case study

Apprenticeships

As a family-run company with 45 years of successful trading under its belt, Hawkins Group were ready to expand. This year, thanks to financial support from CITB, the company has been able to employ six apprentices and upskill its workforce.



"When I joined the company, we already had a CITB adviser, so the relationship with the business was already there," said Erika Szommer, HR and Training Manager. **"It was great to see there was always somebody I could reach out to and get advice from."**

Working closely with their CITB adviser, they drew on support from CITB's Short Duration Grants, as well as the Apprenticeship Attendance Grant, and topped this up with the free funding on offer via CITB's Skills and Training Fund.

"We become more agile as a team. More people now have more abilities so if we have more sites, for example, then we no longer have to wait for that one person who is able to operate a scissor lift, or whatever it may be," she said.

Without this combination of funding and grants, Erika doubts that the company would have taken on so many apprentices this year. **"If I wasn't able to put in for different grants and funding from CITB for our apprenticeships and the additional training that we've utilised through the Skills and Training Fund, we might have taken on fewer apprentices."** ●

"If I wasn't able to put in for different grants and funding from CITB ... we might have taken on fewer apprentices."

ERIKA SZOMMER
HR and Training Manager
at the Hawkins Group



KEY PERFORMANCE INDICATORS 1 / 3



The KPIs and their targets are shown in **Table 1 (page 25)**.

Measuring success for the construction sector

We report on our performance to support employers and the industry through a series of key performance indicators (KPIs). The Board agreed 12 KPIs for 2022-23, covering three key challenges, which are measured via interventions either delivered by industry, by CITB or nationwide to pursue continual improvement in our support of the construction sector.

THE RESULTS

The 12 Business Plan measures against the three "Challenges" set for 2022-23 in the Business Plan have mixed end-year performance. 50% have met their target, with five out of six of those overachieving. Those falling below target did not meet their volumetric outputs, and three of those that underperformed targets were, to varying degrees, outside of our control. In addition to the 2022-23 Business Plan KPI measures, we have undertaken several new activities and initiatives with some outlined below.

The number of people visiting Go Construct has significantly increased to over 1.3m, and we have seen increases in visits to the apprenticeship pages and outbound clicks to Talentview Construction, which shows that construction careers are seen as attractive by potential entrants and their influencers.

We have significantly over performed in the number of tasters delivered. Over 14,000 people were given the opportunity to find out first-hand what it's like to work in construction, while employers benefitted from an increased talent pool of potential new entrants.

Nation funding bodies report apprenticeship data at different times and over different periods (England and Wales follow the academic year, while Scotland reports on a financial year basis). We have complete data for all nations for 2021-22 and England, Scotland and Wales combined are showing an increase of 4,950 learners.

For the academic/learner year 2022-23, nation start data will not be available until April 2024, therefore we are unable to report progress against the 5% target. For CITB-managed apprenticeship starts, we have seen an increase of 2% compared to last year. England increased from 215 in 2021-22 to 276 in 2022-23, whereas Scotland slightly decreased from 1,551 to 1,525. The overall increase in starts demonstrates that entrants have access to skills and longer-term opportunities that will enhance their understanding of the construction industry and will contribute to filling skills gaps while improving their own employability. →

KEY PERFORMANCE INDICATORS 2 / 3

→ We set up a new Engagement Apprenticeship Taskforce in 2022-23 to work with SMEs and training providers to simplify the apprenticeship recruitment process and journey for applicants and employers. 650 employers were contacted, resulting in 377 new apprenticeship starts.

Across the nations, apprenticeship achievement rates show: Scotland 75.4%, Wales 71%, and England 53.6% (marginally up against all subject areas).

Taking into account all 2021-22 data, it would suggest an all-nation achievement rate of 60.7%, falling short of the Government's target of 67%. England national statistics for 2021-22 show that the overall achievement rate in all subject areas for apprenticeships fell to 53.4%, a drop of 4.3 percentage points on the year before. Although falling, these achievements demonstrate that people are filling skills gaps across the industry and research is informing us that some apprentices leave early to start a construction job.

Over 4,500 onsite experiences were delivered to new entrants, over 4,000 of which are site-ready or have started a job. This is an increase on last year but falls short of target. Additionally, we launched two new commissions in 2022-23: the Scottish Academy for Construction Opportunities, the first onsite hubs in Scotland, and England Construction Opportunities, which follow a previously developed programme. The 2022-23 increase supports new entrants progressing into a career in the construction industry.

On Occupational Traineeships, we've successfully developed four Occupational Traineeship standards. A small cohort started their traineeships in Wales, funded by the Welsh Government and supported by CITB through the Grants Scheme on completion.

We also introduced new programmes to support learners transitioning from further education to work. This includes specialised brickwork training interventions, all of which finished above target: 16 new short duration courses, which trained 430 existing workers and 1,529 further education learners; brickwork masterclasses delivered to 2,225 learners; and 79 virtual brickwork CPD sessions for lecturers.

The number of employers accessing CITB training support increased significantly, ending the year far above target. The Skills and Training Funds for Micro, Small and Medium-Sized Businesses, short course grants and apprenticeship grants all enjoyed particularly strong take-up. This shows that employees within construction have generally taken positive steps to improve their knowledge and skills.

Substantial increases in the number of learners trained at NCC and NSAC, alongside high levels of engagement in core skills, including our suite of Health, Safety and Environment and Site Safety Plus courses, contributed to the number of individuals trained or supported exceeding expectations by a large margin.

We have six Employer Networks, an increase from the original five, which supported 246 employers and 3,435 learners. Each Employer Network is targeted to engage with 25% of disengaged employers in their delivery region, increasing their access to the right training to reduce skills gaps.

CITB is the Sector Skills Council for the construction industry. Standards for nationally recognised qualifications are developed and maintained by Sector Skills Councils and registered by qualification boards in England, Scotland, Wales and Northern Ireland.

Competence Frameworks are a set of skills, knowledge, and behaviour statements that set out what a person needs to do in a particular role to be deemed competent. They are new and as such, there is not an established process for determining competence frameworks to develop. This caused activity to progress slower than anticipated.

Two frameworks have been agreed, and we are working closely with employer groups to guide the development of others. →

KEY PERFORMANCE INDICATORS 3 / 3

→ A total of 279 short duration training standards were reviewed in 2022-23, including updates to safety critical standards such as asbestos, as well as new standards in the retrofit sector and insulation building treatments. 90 short duration training standards were withdrawn as they were no longer required.

There are now 14 Approved Training Organisations (ATOs) who have been onboarded to deliver the new Leadership and Management suite of training standards and all modules are available to be delivered. 105 National Occupational Standards (NOS) covering eight occupations were reviewed, and any resulting vocational qualification structures have also been updated.

Our net zero action plan was published in September 2022. It laid the foundations for how we'll support construction to transition to a net zero future, making sure employers and the workforce are well prepared.

Read our full net zero action plan online:

www.citb.co.uk net zero

TABLE 1: SUMMARY OF BOARD KPIs – RESULTS AND STATUS

CHALLENGE	KPIs	TARGET	PERFORMANCE
Responding to the skills demand	Increase in the number of people visiting Go Construct	10%	61%
	Taster opportunities available	4,600	14,166
	Apprenticeship starts (GB-wide, all providers)	30,450	35,420
	Increase in apprenticeship starts	GB 5%	CITB 2%
	Apprenticeship completion rate (GB-wide, all providers)	67%	Scotland 75.4% Wales 71% England 53.6%
	Onsite experiences delivered	6,750	4,612
	Onsite experience people site-ready or job starts	6,450	4,053
	Learners starting Occupational Traineeships	200	18
Developing the capacity and capability of training provision	Increase in the number of employers accessing CITB training support	3%	15%
	Increase in the number of individuals trained or supported	3%	7%
Addressing the future skills needs	Competence Frameworks agreed with industry	5	2
	Net zero action plan agreed	September 2022	September 2022

FINANCIAL REVIEW 1 / 2

Forecasting a brighter future through stormy economic conditions

OVERVIEW

Despite the economic uncertainty, the construction industry has been successful compared to the wider economy. Levy income increased from £108.3m in 2021-22 to £170.6m in 2022-23, and collection of the Levy has been strong. Although both years were affected by the pandemic with the previous year being a reduced assessment and the current year based on economic activity during 2020 and 2021, when the pandemic was at its "peak". Due to the wider economic conditions the demand for training was lower than expected and has meant that we have ended the year with higher reserves than planned, which we have addressed with our spending plans for 2023-24 and beyond.

RESULT FOR THE PERIOD

In 2022-23, CITB added £8.4m to reserves (2021-22 reduction in reserves of £26.5m), which was £28.4m higher than the published Business Plan where we anticipated a £20m deficit. The reason for the variance was mainly an ongoing lack of demand for training, grants and funding (£29m) as employers reduced the amount of non-mandatory training. Our other costs were £8.1m lower than expected. This was due to lower grant and funding activity, an active programme seeking savings and efficiencies, and delays in some projects which will now be executed in 2023-24. Non-Levy income was also £2.1m lower than expected and we have recognised a £10.9m increase in the potential liability for ESFA to clawback historic funding for apprenticeships in England.

LEVY INCOME

Levy income is the primary source of funding for CITB, and its predominant use is for the grant and funding schemes which support the construction industry to respond to the skills demand, develop the capacity and capability of training provision, and address future skills needs.

Levy income for the period was £170.6m (2021-22: £108.3m), comprising £169m (2021-22: £100.4m) in respect of the current year assessment (net of current Levy year's bad debt), and an increase in respect of prior years' assessments of £1.5m (2021-22: £7.9m). The total amount of Levy collected was in line with that predicted.

> **"In 2021-22 we reduced the Levy rates by 50% to support the industry during the height of the pandemic."**

In 2021-22 we reduced the Levy rates by 50% to support the industry during the height of the pandemic when training had been cut.

For 2022-23, we returned to the full Levy rates of 0.35% on direct labour payments (PAYE) and 1.25% on net Construction Industry Scheme (CIS) payments.

We maintained exemptions and reductions for small businesses. Those with a turnover below £120,000 were exempt from the Levy, while companies with a turnover above £120,000 but below £400,000 received a 50% reduction in the Levy.

On 31 March 2023, the number of employers in the Levy and Grant register was 74,670 (77,649 on 31 March 2022). The decrease is due to the number of businesses, especially in the small enterprise sector, that went out of business during the pandemic.

NON-LEVY INCOME AND OTHER INCOME

Non-Levy income was £33.7m (2021-22: £40.3m). This mainly relates to health and safety testing £13.3m (2021-22: £12.1m), managed apprenticeships income £10.2m (2021-22 £13.6m, reduced due to the England and Wales Government contracts not being renewed), eLearning and publications £8.6m (2021-22: £7.7m), Site Safety Plus £6.1m (2021-22: £6m), NCC commercial income £5.1m (2021-22: £4.4m) and interest earned £900,000 (2021-22: £200,000).

The 2021-22 figure included £2.1m of funding from the Department for Education (DfE) for the Construction Skills Fund which has now ended. The figures also include the movement in the provision for the potential clawback of historic funding of £10.9m (2021-22: £5.9m). Excluding these two exceptional items, the total Non-Levy income would show an increase of £600,000 year-on-year.

GRANTS SCHEME

Grant expenditure in the year was £85.3m, up from £78.8m (8%) in 2021-22. The increase was not as high as expected (£100.7m) as the continued impact of the pandemic and the general economic uncertainty dampened the demand for training. →

FINANCIAL REVIEW 2 / 2

→ CITB grants helped support 22,803 (2021-22: 19,823) apprentices, 14,300 (2021-22: 15,752) vocational qualification achievements and 8,740 (2021-22: 12,169) plant tests. The total number of employers in receipt of grant was 14,523 (2021-22: 13,950).

PROGRAMME-BASED FUNDING

In total we spent £20.2m on programme-based funding (2021-22: £18.4m), up from the prior year, but less than planned. This included the Skills and Training Fund for Small and Medium-Sized Businesses £8.9m, Training Groups £2.6m and Shared Apprenticeships £900,000.

OTHER EXPENDITURE

Our non-grant expenditure, including staff costs, was £90.6m (2021-22: £78m), reflecting our investment in the business following the pandemic. This was, however, still £8.1m below our expectations, with £3m due to negotiated savings on planned expenditure, £3.5m due to projects that were delayed and will now be expensed in 2023-24, £1.7m of planned expenditure that was no longer required and £500,000 that was gained on the revaluation of our property.

RESERVES AND RESERVES POLICY

Reserves are required to cover delays in income receipts, accelerated grant claims and costs that are outside of our control, and to ensure continued construction industry funding, in line with our charitable objectives.

General reserves as of 31 March 2023 are £102.7m (2022: £94.3m), which is substantially higher than our policy floor of £40m. At this point in an economic cycle, and exacerbated by the impacts of the pandemic, where Levy receipts hold up, there is a lack of demand for training grants and funding.

This means that our expenditure will show a cyclical decline. The Board have given a clear direction that the level of reserves should be reduced and this underlines the plans set out in the 2023-24 Business Plan, which show a reduction in our reserves of £47.5m by 2026.

Further proposals to reduce the level of reserves will be considered by the Board in 2023-24 to invest in our new Strategy and Strategic Plan 2024-28, which will underpin the next Consensus and Levy Order.

FUTURE PLANS

Our plan shows how we are moving forward with our three long-term priorities of responding to the skills demand, developing the capacity and capability of training provision, and addressing future skills needs. This plan reflects CITB's purpose, how we will "support the construction industry to have a skilled, competent and inclusive workforce, now and in the future" by:

- Improving construction's people pipeline
- Creating defined training pathways
- Delivering an efficient training supply.

Our three key priorities will impact on each part of the talent pipeline, from inspiring people to choose construction as their career, through to retaining talent. ●

Long-term priorities:

- IMPROVING CONSTRUCTION'S PEOPLE PIPELINE
- CREATING DEFINED TRAINING PATHWAYS
- DELIVERING AN EFFICIENT TRAINING SUPPLY

TABLE 2: RESOURCE ALLOCATION 2022-23

INCOME	AMOUNT
Levy Income	**£170.6m (2021-22 £108.3m)**
Grants Scheme	**£85.3m (2021-22 £78.8m)**
Apprenticeship grants	£61.5m
Qualification grants	£8m
Short duration grants	£15.8m
Programme-based Funding	**£20.2m (2021-22 £18.4m)**
Skills and Training Fund	£8.9m
Employer and industry support funding	£11.3m

SECTION 4

Structure, Management and Governance

Pages 28-51

STRUCTURE 1/1

Structure

The Construction Industry Training Board is an executive NDPB accountable to the Secretary of State for Education and is required to comply with its statutory obligations and functions as set out in the Industrial Training Act 1982. CITB is also a registered charity in England, Wales and Scotland and is regulated by the Charity Commission (in England and Wales) and Office of the Scottish Charity Regulator (in Scotland).

The CITB Board comprises independent non-executive directors, known as Trustees, to reflect CITB's charitable status. For the period 2022-23, in accordance with statutory requirements, the Board comprised a majority membership of employer Trustees supported by independent Trustees.

The Board is also supported by an Executive team and the following five Board Committees: Audit and Risk; Industry Funding; Nomination, Appointments and Remuneration; Levy Strategy; and the newly formed National Construction College and Apprenticeships Committee which will bring greater strategic oversight of training provision delivered directly by the College, and of CITB's wider apprenticeships offer across the three nations. Additionally, the Board receives strategic insights and feedback from three Nation Councils: Scotland, Cymru Wales and England.

Trustees make the high-level strategic decisions about the organisation. CITB has Board Reservations and a Scheme of Delegation in place which sets out the authorities reserved by the Board and the authorities delegated to its Committees.
All other authorities are delegated to the CEO. The CEO can then determine which of these authorities to retain for themselves, and which to delegate to other officers in the organisation.

The CITB Board complies with the principles and provisions within the Code of Good Practice for Corporate Governance in Central Government Departments as appropriate and in line with CITB's statutory duties. The only departure from this is in respect to CITB and DfE having an agreed framework document in place, although this document is currently being finalised, appropriately reflecting the charity status of CITB.



TRUSTEES 1 / 2

Trustees

As specified in Schedule 1 of the Industrial Training Act 1982, Board members are appointed by and answerable to the Secretary of State following a public appointment process governed by the Office for the Commissioner of Public Appointments (OCPA), including the advertising of vacancies on the Government's Public Appointments website (apply-for-public-appointment.service.gov.uk/roles).

Whilst the Secretary of State has the discretion to decide upon the length of tenure for Trustees, the usual tenure is four years with the possibility of reappointment for another four years. By exception, the Secretary of State may decide to reappoint a Trustee for a third consecutive term in office, although there is a strong presumption that no individual should serve in one post for more than ten years.

The Board is headed-up by the Chair Peter Lauener, who took up this post on 1 May 2018 and was reappointed on 1 May 2022 to serve a second term of office. Other Trustees reappointed during 2022-23 were Holly Price and Kevin McLoughlin. Exceptionally, Diana Garnham was reappointed for a third and final term in office of 12 months and will step down from the Board on 31 December 2023.

All Trustees are required to have relevant experience in a senior role and, with the exception of the Chair, are unremunerated but reimbursed reasonable expenses. The majority of Trustees work within the construction industry, having been recruited for their broad range of industry skills, background and experience. The other Trustees have been appointed as independents and bring additional and appropriate experience to ensure that there is a good balance of skills, knowledge, and viewpoints across the Board as a whole.

All incoming Trustees receive a comprehensive induction process, supported by CITB's team. Further support and training (both formal and informal) is provided to Trustees on an ongoing basis. Trustees liaise regularly with relevant Executive team members in relation to specific Board, Committee and Nation Council matters.

Further information on the Board of Trustees is available online:

www.citb.co.uk/trustees

Government Public Appointments:

apply-for-public-appointment.service.gov.uk/roles

The CITB Board

FOR THE PERIOD 2022-23



Peter Lauener
CITB Chair



Tony Elliott



Louisa Finlay
(appointed on 25/07/22)



Diana Garnham
MA, DSc, LLD



Michael Green
(appointed on 25/07/22)



Owain Jones
(appointed on 25/07/22)



Kevin McLoughlin
MBE, FCIOB



Holly Price



Sophie Seddon

Steve Fox
CBE (left on 31/05/22)

Yvonne Kelly
(left on 17/02/23)

TRUSTEES 2 / 2

Board performance

The purpose of the Board is to ensure that CITB fulfils its statutory and charitable purposes by setting and maintaining the vision, mission and values of CITB to develop and shape it's future direction and strategy, whilst adhering to the principles of the Framework document (currently in draft) negotiated and agreed with DfE and ensuring good corporate governance.
It acts in accordance with the Board's standing orders and delegations, and provides leadership, advice and challenge to the Executive on the management and performance of the organisation.

Every three years, we commission an external review of the effectiveness of the Board, the most recent of which took place in early 2021. This review cycle is also supplemented by annual internal effectiveness reviews of the Board, its Committees and the Nation Councils. The results of the 2022-23 internal effectiveness review highlighted that the connectivity between these governance groups continues to strengthen, although there is still more work to do in order to further enhance these links. Over the coming 12 months there will also be an increased focus on offering members relevant training opportunities to help support them to discharge their governance responsibilities, which include holding CITB to account in the delivery of its purpose. Additionally, an annual appraisal of the Board Chair is undertaken by DfE, and individual appraisals of Trustees and Nation Council Chairs are conducted by the Board Chair.

The Board met six times in 2022-23, and considered key issues such as the performance and impact of the Grants Scheme and funding – challenging the business to get funding out to industry in quicker and more impactful ways; the development and delivery of the Employer Network pilot scheme; the launch of NEST; the continued delivery and performance of onsite hubs; and competency in the industry and CITB's role in this arena.

Overall, the Board has been pleased with the quality of data and other information provided to support Board discussions and decisions. However, there was one exception to this - the quality of information presented to the Board in relation to NCC and apprenticeships performance which was not sufficiently robust to enable Trustees to be fully sighted on emerging concerns with progress. This has now been addressed and, along with the addition of a Board Committee dedicated to providing strategic oversight of this provision, the quality of data provided to the Board and the new Committee is now very strong.

Further to the decision made by Trustees in 2021-22 to retain NCC, and the subsequent Board approval in November 2022 of a new NCC Business Plan, Trustees agreed to establish a fifth Board Committee – the NCC and Apprenticeships Committee – to offer a greater level of strategic support and challenge to the College and to CITB's wider apprenticeship provision. The first meeting of this Committee took place in March 2023, just days before Ofsted inspected CITB's apprenticeship and college provision. Ofsted published their report in May 2023 with a rating of Requires Improvement. Whilst this inspection identified some areas for improvement it also highlighted other areas of good practice. The ongoing work to address these weaker areas and to build upon those areas of good practice to drive up the quality of provision to an outstanding level will be a key focus for the Board, and particularly for the NCC and Apprenticeships Committee, throughout the forthcoming year.



GOVERNANCE 1 / 8

Audit and Risk Committee (ARC)

The Audit and Risk Committee is a committee of the Board that supports the Board's strategic leadership with corporate oversight of strategy and performance.

The Committee is charged with ensuring that the Board and the Accounting Officer gain the assurance they need on the adequacy and effectiveness of CITB's arrangements for risk management, governance and control. Within this, the Committee engages with the internal audit, the work of the external auditor, financial reporting issues, and annually reviews key corporate policies for recommendation to the Board for approval. There were five meetings of the Audit and Risk Committee during 2022-23, and the Committee fulfilled its Terms of Reference.

The Committee has three Trustee members, with Diana Garnham as the Chair. The Committee benefits from the contribution of two external members, who are able to bring additional depth of experience and expertise from internal audit and finance. Peter Lauener, in his capacity as CITB Board Chair, also regularly attends Committee meetings. In addition, other observers and attendees from our Internal Audit delivery partners (Grant Thornton), Sponsor Department (DfE) and the External Audit team from the National Audit Office (NAO) contribute to the breadth and robustness of scrutiny and discussion.

RISK

A strategic and operational risk management process has operated throughout the year. This provided the Committee with assurance that risks were being identified, assessed and managed appropriately against the tolerances set by the Board. Where risks were identified as exceeding the tolerable levels set by the Board, related action plans were considered, and progress to bring the risk to within tolerance monitored. This year the Committee also had a valuable opportunity to horizon scan to consider potential upcoming risks.

The Committee supported the work of the Board in reviewing and updating its risk appetite, agreeing a Risk Appetite Statement that will be used in decision-making in the future, helping to ensure that we take opportunities to be more effective in our support of the industry while not becoming exposed to unacceptable levels of risk.

Maintaining its focus on key risks and implementation of risk mitigation plans the Committee received regular updates on the progress of several high risk areas including joint working with CITB's enabling partner; staff recruitment and retention; cyber security and the roll out of CITB's replacement IT systems. In addition, the Committee was able to undertake deep dives into staff recruitment and retention and Customer Voice systems.

The Committee has taken a particular interest in issues identified in relation to the operation of controls for the delivery of apprenticeships and training through NCC, monitoring the progress of work to improve governance and processes throughout the year. Changes were made to the structures of the organisation involved in apprenticeships delivery and additional appointments made and consultancy support engaged to ensure a stronger focus on quality and compliance. We continue to monitor progress in this area closely to ensure that the underlying issues are resolved and will not impact delivery of apprenticeships in the future. →

GOVERNANCE 2 / 8

INTERNAL AUDIT

The Committee approved the internal audit work programme, and keeping the plan under review and approving amendments in response to circumstances and changing risk profiles. The full 2022-23 plan was completed, providing the Committee with assurance across a wide range of governance, risk management, financial and operational control areas. These included, for example, decision-making, HR starters and leavers, HR case management, finance month-end procedures, apprenticeships delivery in Scotland, and cyber security. The Committee also received a report on the maturity of CITB's risk management arrangements. The effectiveness of internal audit activities was monitored through receiving and discussing progress reports from the Head of Audit and Risk at each meeting that set out the findings from each audit and the actions that management had agreed to undertake in response.

The results of internal audit work evidenced that the framework of controls had been maintained during the year and strengthened in certain areas, but also highlighted that in some operational areas internal controls required improvement. These included systems of control over the delivery of apprenticeships. The Committee will continue to monitor the completion of agreed actions in response to audit recommendations and the revised assessment of risk and controls derived from further audits in 2023-24.

The Committee received and endorsed the Head of Audit and Risk's annual opinion that CITB's system of governance, risk management and financial control is satisfactory, but internal control requires improvement.

EXTERNAL AUDIT

The statutory external audit of the Annual Report and Accounts was performed by NAO on behalf of the Comptroller and Auditor General, in accordance with the Industrial Training Act 1982. NAO attended all five meetings of the Committee in 2022-23.

An update report was provided for each Committee meeting and an interim audit enabled the Committee to understand progress and pinch points and identify issues for further review. The Committee reviewed the Audit Plan in advance of the audit commencement and reviewed the Audit Report and findings. The Committee also reviewed the Letter of Representation and Management Responses to the audit findings, including the 2020-21 and 2021-22 Management Letters and the 2022-23 interim audit update report.

We acknowledge the recommendations resulting from the NAO 2021-22 Audit Completion Report and interim update report on the 2022-23 Financial Statement Audit. The recommendations have either been actioned or form part of an ongoing action plan for completion. The Committee supports the delivery of this action plan, which has been closely monitored.



GOVERNANCE 3 / 8



Nomination, Appointments and Remuneration Committee (NARCO)

The Nomination, Appointments and Remuneration Committee supports the Board in the delivery of its responsibilities in respect to proposals regarding organisational-wide remuneration and bonus schemes, CITB's people and culture strategy, pension arrangements, senior appointments, departures, and key HR policy and practice across the organisation. The Committee has three Trustee members. Tony Elliott is the Chair. Peter Lauener, in his capacity as CITB Board Chair, also regularly attends Committee meetings.

During 2022-23, the Committee met five times and provided advice to the Board regarding appropriate pay awards, performance management and the development of a revised People Strategy. The Committee also reviewed the performance of CITB's pension scheme – noting the introduction of low carbon investments into the scheme's investment portfolio.

Discussions in the first part of the year predominantly focussed upon agreeing a 2022-23 pay award proposal to present to the Board for consideration and approval. Once the approved pay award had been discussed with the relevant unions and implemented, the Committee's work moved swiftly on to monitoring and constructively supporting a comprehensive salary benchmarking process which formed the basis of a new, evidence-driven proposed Pay Strategy and pay award process for implementation in 2023-24. Running alongside this work, a proposed new grading system based upon grouping roles into distinct families was also discussed and refined, which the Committee recommended to the Board, which approved and adopted the new arrangements.

NARCO members also worked with CITB's Chief Executive Officer to recruit and appoint a Chief Financial Officer, Nick Payne, who joined the organisation in November 2022, and approved the temporary appointments of an Executive Director – Engagement and Operations and an Executive Lead – Apprenticeships and Industry Training in April 2023, following the departure in March 2023 of Jackie Ducker, Executive Director – Customer and Products.

During 2022-23, the Committee met five times.

GOVERNANCE 4 / 8

Industry Funding Committee (IFC)

The Industry Funding Committee is a decision-making body with delegated authority from the Board to authorise industry funding of up to £5m for any one commission or funding project. The Committee is tasked with assisting the Board to adopt a funding strategy which supports CITB's strategic aims, and then monitoring the delivery and impact of this funding strategy, making resultant recommendations to the Board as necessary.

Throughout the year, Committee members have worked closely with CITB to use quantitative and qualitative sources of information, including performance dashboards and deep-dives to monitor the performance and impact of CITB's Grants Scheme, employer funds, commissions and pilots.

During the 2022-23 financial year, the Committee spent significant time focusing on the Employer Funding Review. They reviewed evidence, feedback and debated on key issues to develop funding principles and recommendations to the Board. This work has been instrumental in the development of proposals for a new funding delivery model which was presented to the Board in March 2023.

Following a series of detailed discussions about the relative value of different funding interventions, principally around additionality and assessment of return on investment, the Committee agreed and gave recommendation to the Board on the investment priorities for the 2023-24 Business Plan. The Committee's advice resulted in some important changes to plan and shaped the proposals which were signed off by the Board.

The Committee's advice resulted in some important changes to plan and shaped the proposals which were signed off by the Board.

On the recommendation of the Committee, the Board also signed off several significant changes to the Grants Scheme during the 2022-23 financial year and provided advice and insight into the development of new funds. This included the development of an Industry Impact Fund which was launched in April 2023. The Industry Impact Fund aims to provide an opportunity for employers or collaborators to come forward with innovative solutions which will benefit wider industry. The initial focus of the fund would be productivity, equality, diversity and inclusion, but it has the potential to be expanded to meet new industry priorities as they emerge over time.

The Committee also agreed the launch of a Leadership and Management Fund for Large Employers. This was in the context of analysis into the effectiveness and take-up of CITB's wider leadership and management offer. For the Grants Scheme an important decision was taken to increase rates for short duration courses from April 2023. This was recommended in response to the economic conditions and was underpinned by earlier work on the Funding Review which had identified the poor level of incentivisation of the current rates.

When Steve Fox stepped down as Committee Chair and Trustee in May 2022, Holly Price became the Chair. She has worked closely with Committee members Rupert Perkins, Steve Drury, Kacey O'Driscoll, Hannah O'Sullivan, Clare Smithson, and Julia Evans (who subsequently stepped down from the Committee in December 2022) to make funding decisions on behalf of the Board. Collectively these Committee members bring extensive experience and knowledge from construction along with a good spread of industry representation from major contractors, medium-sized employers, SMEs and connections with federations.



GOVERNANCE 5 / 8

Levy Strategy Committee (LSC)

The Levy Strategy Committee (LSC) is a sub-committee of the CITB Board that make recommendations to the Board on matters relating to the strategic direction of the Levy system. This includes striving to maintain a level playing field for all CITB-registered employers.

The initial priority of the Committee for the year was to continue the work on the fundamental review of Levy, the purpose of which is to ensure the system of generating Levy remains fit for purpose now and into the future, as well as making it as user-friendly and simple as possible while embracing modernisation and digitalisation, where appropriate.

As part of this review the LSC spent considerable time during 2022 assessing the feasibility of moving the CITB Levy closer to a Real Time-based model to reduce or remove the current time lag between a worker being paid and the Levy on that payment being paid. This involved assessing the feasibility of an automated system which would result in employers potentially paying Levy monthly and no longer having to complete an annual Levy Return. An alternative option called Close the Gap was also considered which would still require an annual Levy submission from employers but would reduce the gap between employers submitting their Levy Return and being assessed on it.

The LSC's recommendation to consult further on Close the Gap as part of future Levy Proposals was approved by the Board, whilst a move to Real Time Levy was put on hold pending implementation of Close the Gap and its benefits being realised.

In addition, the LSC has looked at the following aspects of the current Levy system:

- Consideration of sources of leviable data beyond the current PAYE and Net (taxable) CIS subcontractors including payments such as director's dividends and sole traders' drawings
- Whether to move to a single Levy rate or maintain the two different Levy rates
- Whether to retain the Small Business Exemption and Reduction Thresholds
- What to do, if anything, about payments employers make to third party Labour Suppliers.

This work has resulted in the following recommendations being approved by the Board:

- Levy will continue to be based on PAYE and Net (taxable) CIS subcontractors
- Two separate Levy rates will continue to be applied to PAYE and Net CIS
- To retain the Small Business Exemption
- To retain the Reduction Threshold
- Agreement that there is no case to seek CITB registration being made mandatory.

Consultation with industry on Levy rates and threshold upper limits for the 2025 Levy Order will take place before the Consensus process is launched.

Finally, the Committee has also contributed to an ongoing review of the CITB Scope Order, considering whether there is an argument for the Secretary of State to consider changing it to bring into scope sectors of the wider construction industry that are currently out of scope but would benefit from to the support provided by CITB.

The LSC currently has ten members: four independent members including Diana Garnham who Chairs the Committee and six members representing Levy-registered employers. The mix of the Committee brings extensive skills and diversity of industry intelligence, which has helped shape the Committee's recommendations to the Board.

Over the course of the fiscal year Alison Duckles and Yvonne Kelly (a Trustee) stepped down from the Committee while Annette Jones, Ken Millar, Steve Anderson and James Butcher joined the Committee.

GOVERNANCE 6 / 8

National Construction College and Apprenticeships Committee

Following on from CITB's decision to retain NCC and the three College sites at Bircham Newton, Erith and Inchinnan, the Board approved a new NCC Business Plan in August 2022 and agreed that an enhanced, robust governance structure was needed to support the College achieve its long-term strategy to become a centre of excellence for construction and training provision, with beacon leadership in the sector.

Integral to achieving this aim is the continuing success and development of CITB's overall apprenticeships provision across the three nations. Therefore, in November 2022, the Board approved the creation of its fifth Board Committee to provide this support and constructive challenge.

The Committee's remit is to support the Board in the delivery of its responsibility to ensure oversight of the curriculum, quality and delivery of the training provision, the learner experience, learner safeguarding and wellbeing, health and safety, resourcing, and the funding and regulatory compliance of CITB's NCC and apprenticeships provision in England, Scotland and by exception Wales. The Committee is also providing oversight of the Executive's plans to improve quality of apprenticeships provision in England, following Ofsted's inspection of this provision in March 2023.

There are currently four Board Trustees who sit on this Committee, including Peter Lauener who is the Chair. The inaugural meeting was held at the start of March 2023. There are a further three Independent Committee member vacancies to fill, and a recruitment campaign to address this will be launched in 2023-24.



GOVERNANCE 7 / 8

Nation Councils

Nation Councils continue to play an integral role to help shape the future of construction across Great Britain and provide strategic advice to the Board to better meet industry's skill needs.

THE PURPOSE OF THE THREE NATION COUNCILS

- Capture and articulate to the Board key issues affecting or likely to affect industry over a forecast period of three years
- Assist the Board to accurately prioritise support for key issues affecting industry across Great Britain and to advise on KPIs and other targets to measure progress, including on CITB's efficiency and effectiveness
- Review and advise the Board on CITB's Strategic Plan ('the Plan') to ensure that the Plan appropriately addresses industry opportunities, pressures and priorities as identified through CITB's evidence base, which the Nation Councils will help to enhance
- Inform and assist CITB to distil from the Strategic Plan, clear Nation Plans that reflect the differing needs and priorities of each nation with achievable and measurable targets
- Make timely recommendations to the Board about extraordinary matters arising that may impact on the ability of the Board to deliver either the Strategic or the Nation Plan.

During the 2022-23 financial year, the Councils were instrumental in the development of the 2023-24 Business Plan which was published in early April 2023, as well as in the preparation of Nation Plans for Scotland, Wales and England. CITB continues to work closely with the Councils in the development of the next Strategic Plan.

www.citb.co.uk business plan

CYMRU WALES NATION COUNCIL

The Cymru Wales Nation Council worked with the CITB Board to support industry with challenges faced during this post-Covid period, including the economic impacts of rising costs. The Council provided feedback on and inputted to the Nation Plan and Engagement Team priorities.

The Council were supportive of new initiatives such as Employer Networks and sought updates on the pilot development and delivery throughout the year. They also provided input around green skills, net zero and retrofit, changes to the Welsh apprenticeship frameworks, development of degree level construction apprenticeships, and talent pipeline activity including Women into Construction, National Apprenticeship Week, and See Your Site events. The Council also requested an opportunity to specifically support the South East Wales onsite hub to help improve their performance. →




Leigh Hughes continues as Council Chair while Owain Jones is now the Deputy Chair after his appointment to the CITB Board of Trustees. The Council currently has three vacancies.



GOVERNANCE 8 / 8



ENGLAND NATION COUNCIL

The England Nation Council worked with the CITB Board to inform the Business Plan KPIs and support delivery of the England Nation Plan and KPIs. The Council continued to bring constructive challenge and support to initially shape the priorities in England and offered ongoing insight into the challenges around the delivery of the plan throughout the year.

The Council has supported the continued rollout of the New Entrant Support Team and the Employer Networks, offering insight and a breadth of experience in helping to shape and inform both of these successful programmes. The Council Chair has supported the shaping of Employer Networks from the outset and continues to offer her full support in the development of this initiative. The Council has supported and given input into consultation on new funding options, the further development of taster opportunities in England and the continued success of Go Construct and TalentView Construction. In addition, the England Council provides insight and feedback on an ongoing basis on the real challenges faced by the sector, from micro-organisations through to Tier 1 contractors and this in turn supports our strategic and business planning.



Sharon Llewellyn continues as Chair, with Kevin McLoughlin as Deputy Chair. During the 2022-23 financial year, Alison Duckles (Lamplough) and Jem Musselwhite stepped down as Council members while Annette Jones joined the Council. The Council currently has two vacancies.



SCOTLAND NATION COUNCIL

The Scotland Nation Council provided input into policy and operational matters which were of relevance to CITB's activities in Scotland. This work included the production of the 2022-23 Business Plan, which outlined CITB support in Scotland, and the development of KPIs which reflect Great Britian and Nation priorities and allow for operational performance reporting at a Scotland-specific level.

Throughout the year the Council reiterated the importance of apprenticeship provision in Scotland and worked with the Board and senior staff members to ensure this was reflected in CITB's operational priorities in Scotland. The Council members were also active in ensuring CITB products and services, such as funding, are suitable and relevant for Scottish employers, and that wherever possible regional areas of Scotland were properly supported. An example of this is the Scottish Academy for Construction Opportunities, a construction careers commission which was successfully launched within the Highlands and Islands.



Angela Forbes continued in her role as Council Chair with Tony Elliot as Deputy Chair. During the 2022-23 financial year, Jenifer Phin and Susan Jackson stepped down as Council members while Ken Millar joined the Council. The Council currently has four vacancies.

RISK MANAGEMENT 1 / 5

Managing risks and making the most of opportunities

OVERVIEW

Our system of risk management and internal control is designed to manage risks, including the risk of not making the most of opportunities, to a reasonable level; to evaluate and mitigate the likelihood of those risks occurring and the impact should they be realised; and to manage risks efficiently, effectively and economically.

The system has been in place for the financial period ending 31 March 2023 and up to the date of approval of the Annual Report and Accounts. During the year the Board reviewed and updated its risk appetite, agreeing a Risk Appetite Statement that will inform decision-making in the future, helping to ensure that CITB takes opportunities to be more effective in support of industry with training while not becoming exposed to unacceptable levels of risk.

We manage risk through regular scrutiny at management and team levels. Oversight of the effectiveness of risk management and the assurances from management is provided by the Audit and Risk Committee, which reports to the Board. The Board also receives updates on key strategic risks and by exception operating risks at each meeting. A number of specific sources contribute to the review of risks and risk management, including:

- Reports and recommendations from the Audit and Risk Committee
- Risk reports and the Annual Report and Opinion to the Accounting Officer from the Head of Internal Audit and Risk
- Recommendations from NAO
- Annual accountability statements from members of the Executive and senior managers, outlining the governance, risk and control arrangements in their business areas
- External reports on CITB and its processes produced by independent organisations, e.g. ESFA, SDS and Ofsted
- Legislative and regulatory guidelines, including those relating to charitable status, state aid and tax arrangements.

RISK MANAGEMENT PROCESS

As a registered charity, we have a prudent and balanced attitude to risk, placing emphasis on our risk management and control framework to manage risk within the Board's risk appetite. The ways in which we managed risks, specifically for the year ending 31 March 2023, include:

- A review of our strategic risks is performed periodically with these risks being formally reassessed during the period through discussion by the Executive and management, and oversight by the Audit and Risk Committee. Assessments of these risks and the effectiveness of mitigating actions are monitored on an ongoing basis
- Risks are also identified and assessed at an operational level by each team and escalated where appropriate. A process is in place to ensure consistent identification, assessment and monitoring of risks by all teams, facilitated by the Audit and Risk function. In addition to reporting through line management, significant operational risks are reported independently to the Executive and the Audit and Risk Committee by Audit and Risk
- The Executive hold collective oversight of risks at the strategic level and undertook deep-dive reviews into the management of the significant risks throughout the year
- Each meeting of the Audit and Risk Committee received a risk update, including details of the strategic and significant operational risks and the operation of the system of risk management, and also performed its own deep-dives by asking management to provide an update on key risks and mitigations. →

RISK MANAGEMENT 2 / 5

STRATEGIC RISK OVERVIEW

The strategic risks that have been the main focus of attention during the year are set out below. Each strategic risk is owned by a member of the Executive team who is responsible for the regular review of the risk and mitigating actions. The extent to which the actions are operating to mitigate the risk sufficiently is assessed and where further actions are required to bring a risk to within tolerance an action plan is agreed. Performance in managing risks is reviewed regularly. →

TABLE 3: RISK MITIGATIONS

RISK DESCRIPTION	KEY MITIGATIONS
Meeting the needs of industry Activity does not meet the needs of industry because we are not able to identify a defined set of priority needs and to deliver them.	Process of developing an evidence base of industry needs and priorities and engagement programme to discuss this with and consult employers, Prescribed Organisations (See Appendix D) and Nation and Nation Councils, feeding into the published Business Plan
	Industry involvement in decisions about the allocation of funds through the Industry Funding Council
	Strategy subject to ongoing review through assessment of impact, ongoing engagement activities, industry and other stakeholder feedback and support.
Sustainability CITB may not adequately support the construction sector's need to address the industry's significant sustainability challenges through a workforce that is appropriately skilled, competent and inclusive.	CITB has set out its role in encouraging employers to skill the existing and future workforce required to deliver on net zero in its net zero action plan
	Cross-CITB team to identify the approach and relevant actions on net zero, and ensure that these actions are effectively communicated to industry and Government (through Policy)
	CITB engages with relevant industry and Government groups where combined influence and action can support positive change and mitigate risks
	Diversity action plan, with actions monitored through our Performance Hub.
Restrictions on our ability to deliver industry needs Our ability to deliver what industry needs may be restricted if we fail to effectively communicate our purpose and functions and the corresponding benefits.	Active programme of engagement with Ministers and officials across the three nations on policy development to support industry skills needs, in alignment with the Construction Leadership Council's Industry Skills Plan and industry approaches in Scotland and Wales
	Monitoring of Government's forward agenda and policy development and engaging to address any emerging issues and opportunities
	CITB's response to the Government Priorities Letter identifies how CITB will respond to the priorities in the coming year
	Clear process of engagement with employers and industry to understand emerging issues that informs our engagement with Government.
Reliance on others to be able to deliver our strategy Commitments in the strategy to support industry do not achieve the expected impact because delivery is dependent on the support and action of others.	In developing the Strategic Plan, a full review of the key industry priorities is tested with employers and Prescribed Organisations
	Strategy team sets KPIs that CITB has the ability to deliver and/or influence, and identifies the inputs required of others
	Engagement and relationship strategy with key bodies.
Training quality and supply We are unable to develop and implement quality standards into the industry to improve safety and performance levels.	Engagement and relationships strategy for working with and influencing key organisations including standards setters, e.g. the Institute for Apprenticeships and Technical Education
	Working as part of Working Group 2 and the Interim Industry Competence Committee and with industry working groups to shape the development of Competence Frameworks
	CITB maintains standards which underpin qualifications
	Grant funding supports and encourages access to approved training, qualifications and Competence Frameworks.

RISK MANAGEMENT 3 / 5

TABLE 3: RISK MITIGATIONS (CONTINUED)

RISK DESCRIPTION	KEY MITIGATIONS
NCC and CITB Apprenticeships NCC may not deliver on its ambition for growth and to be known as a centre of excellence that provides beacon leadership and improves the quality of training for the construction sector.	New strategy approved in August 2022
	Revised governance structure under Education and Training sub-committee of the Board
	Recruitment to additional leadership roles and updated Quality Development Plan
	Recruitment campaign for instructors with improved progression opportunities and use of highly qualified contractors when required
	Estates investment approved, to be informed by a detailed Estates Plan for each site
	Equipment investment plan
	Progress tracking against apprenticeship delivery controls improvement plans.
Economic downturn Due to an economic downturn impacting construction, CITB's support of industry may have less impact or be less effective because of reductions in training and draw down of grant and funding or additional ways of supporting industry or CITB does not have sufficient funds to deliver its business plan.	Monitoring of the economy and gathering insights to horizon scan the impact of the recession and trigger responses as impacts materialise
	Work to identify the risks that a downturn poses to the impact of planned interventions and to identify the reactive interventions to possible scenarios
	Forecasts of income, credit monitoring and rolling cash flow forecasts, with cash reserves providing a level of contingency.
Health and safety There is a risk of significant harm to individuals and of reputational and financial consequences if there was to be any failure of health and safety arrangements.	BSI standards and auditing for health and safety (H&S) management
	Comprehensive system of risk identification, assessment and mitigation with clear procedures
	All construction training activities operated under the supervision of a competent person, the subject of a risk assessment and method statement where appropriate; and activities carried out in designated areas
	H&S managers carry out regular site audit inspections
	Standing agenda item at Executive and Board meetings.
People We are unable to attract, recruit and retain the right people to develop and deliver our strategy and services.	CITB Vision and Purpose reflected in our updated People Strategy
	Implementation Plan for the updated Strategy
	Reward benchmarking completed in 2022-23
	Implemented enhanced training and development offer and updated performance management framework.
Cyber Security Risk of significant harm from a cyber attack, e.g. theft of sensitive data, denial of service or ransomware.	Updated Information Security Policy
	Mandatory annual training for all colleagues supported by phishing simulation and targeted training
	Adopted the National Cyber Security Centre early warning system. Architecture and environment including firewalls, VPN using multi-factor authentication and web filtering
	Ongoing process of monitoring and reporting to assess effectiveness and programme to achieve Cyber Essentials Plus.
ITB Review Risk that the recommendations from the ITB Review are only known after the new Strategy has been prepared and cause confusion due to coinciding with Consensus. Also, that recommendations may not be fully informed if CITB has not provided all relevant information to the Review Team (recognised as an additional Strategic Risk during 2022-23).	Dedicated project manager and team established to prepare for the Review
	Ongoing dialogue with DfE and subsequently Lead Reviewer to discuss timing of findings and recommendations
	Information pack and series of position papers prepared to inform the Review Project Team supporting the Review, which commenced in June 2023 and is ongoing
	Project Team supporting the Review, which commenced in June 2023 and is ongoing.

RISK MANAGEMENT 4 / 5

→ Our strategic risks recognise the importance of having impact through delivery of our Strategy. The Strategy is supported by annual business plans that cover each of the nations, ongoing engagement activities with Government, industry groups and employers, and by performance management processes that measure progress towards each planned outcome on a monthly basis. Sustainability is a key area of focus for CITB in relation to supporting employers to upskill the existing and future workforce to deliver on net zero and address diversity and the wider sustainability agenda.

Delivery of apprenticeships has been an area of particular focus during the year, informed by risk management activities and the results from independent inspections, internal and external audits. Mitigating actions have been kept under review and plans updated where necessary. A revised governance structure and resourcing, with consultancy support, is in place to continue to drive improvement at pace in 2023-24.

A provision has been included in these accounts with respect to the risk of non-compliance with the Education and Skills Funding Agency's (ESFA) funding rules for apprenticeship delivery in England for the academic years 2018-19 and 2019-20. This represents the upper limit of our liability and, following productive engagement with them, we seek to agree a significantly lower and final position with the ESFA by the end of March 2024.

In parallel, we have withdrawn from sub-contracting provision in England and Wales, and taken steps to transform our approach to records management in this area, including investing in changes to our operating model, and the adoption of a market-leading learner management system (LMS) to provide the timely and compliant collation of evidence to support future provision. We have also benefitted from an external assurance exercise, completed by RSM, which has confirmed that our current practice has improved markedly since these years, in which records management was not at the level we expect.

We are clear, however, that the training we have facilitated has enabled apprentices to develop their skills and to progress in the industry, such that this funding was used as intended, and added value by supporting the pipeline of skilled workers into construction careers.

It is recognised that alongside genuine errors, our grant scheme could be subject to some illegitimate claims.

CITB are aware of this exposure and have processes in place to check and to correct genuine errors and/or recover illegitimate claims. It is acknowledged that some residual and unquantifiable risk remains in the population of claims made by eligible employers and CITB are working to tighten these procedures. The strategic risks that CITB faces and the mitigating actions in relation to them have been subject to ongoing review throughout the year. The risks, mitigating controls and further action required are reviewed at least monthly by senior management and at each meeting by ARC and the Board. A programme of deep-dive reviews probes the risks in more detail to consider whether action being taken is sufficient to ensure that risk remains within, or is brought to within, the Board's Risk Appetite. In late 2022 the risk of a significant economic downturn was escalated to a Strategic Risk as a result of the uncertain economic outlook, with steps taken to consider how CITB could support industry most effectively should a significant downturn occur.

The process of risk reviews maintained the focus on mitigating the potential impacts of the risks throughout the year and supported actions that ensured that the Strategic Risks did not have a significant adverse impact on delivery of priority outcomes or strategic objectives.

CITB's Strategy for 2024-28 is being developed taking account of the Strategic Risks and, where possible, how those might be reduced or mitigated for the future. Risks relating to objectives and proposed interventions are being identified and considered as part of the planning process. A recent exercise of horizon-scanning highlighted a number of potential risks for the future, including the potential opportunities and threats posed by new technology and artificial intelligence, but none at this stage have been assessed as posing a significant risk to future performance. Once the 2024-28 Strategy has been agreed, we will undertake a full reassessment of the Strategic Risks that may threaten achievement of the objectives. ●

The strategic risks that CITB faces and the mitigating actions in relation to them have been subject to ongoing review throughout the year.

RISK MANAGEMENT 5 / 5

Head of Internal Audit's opinion

Overall, based on the results of internal audit work performed during 2022-23, as Head of Internal Audit my considered conclusion is that the opinion I can provide is that while the systems of governance, risk management and financial control are satisfactory, improvement is required to internal controls in areas other than these.

Action plans have been agreed in respect of each audit that, when fully implemented, will strengthen controls. In a number of the areas identified as requiring improvement, enhancements to controls were completed during 2022-23 and have strengthened the control environment by 31 March 2023. The key area requiring improvement is the controls over the delivery of apprenticeship contracts. In this area, despite continued efforts to improve the position throughout 2022-23, further improvements are still required. The need for additional support has been recognised by the Executive and the Board and is the subject of an ongoing programme of development. The strengthening of IT systems will also support the control environment in this area by reducing reliance on manual processes, spreadsheets and workarounds. Projects to deliver these improvements are underway.

Action plans have been agreed in respect of each audit that, when fully implemented, will strengthen controls.



SUSTAINABILITY 1/7

Internal Sustainability Strategy

CITB recognises the importance of sustainability. In 2022, we completed a materiality exercise to help identify, refine and assess numerous potential environmental, social and governance (ESG) issues that could affect the organisation. A shortlist of material factors was compiled, and some stakeholder engagement took place to seek feedback on what material issues CITB should prioritise.

CITB's Internal Sustainability Strategy will focus on the four key areas:

- EQUALITY, DIVERSITY AND INCLUSION
- NET ZERO / ENVIRONMENTAL IMPACT
- HEALTH, SAFETY AND WELLBEING
- TRAINING AND SKILLS

As a member of Business in the Community (BITC), we completed their Responsible Business Tracker and will incorporate the feedback on areas for improvement into our Sustainability Strategy.

The ownership of sustainability was discussed and reviewed, and accountability was reassigned to the Chief Financial Officer.

SUSTAINABLE CONSTRUCTION

CITB hasn't undertaken any construction or major refurbishment during the reporting year. Future years will see significant investment in NCC and the estate will be developed to enable it to reach its net zero targets.

CARBON FOOTPRINT

CITB has set out a Statement of Intent in its Environmental Policy to reach net zero in Scopes 1 and 2 by 2030 and Scope 3 by 2040.

In our efforts to work towards net zero, CITB is prioritising this work and has completed its first screening exercise using the GHG Protocol Quantis Tool to understand its Scope 3 emissions, identifying that over 90% of its carbon footprint sits within Scope 3, with Category 1 'Products and Services' showing the greatest percentage of the total inventory. Data for Scope 3 emissions can be difficult to obtain, and work has begun on how best to gather this data and a phased approach will be applied.

CITB is 'in-scope' of Central Government's Greening Government Commitments[1] (GGCs) that set out the actions that UK Government departments and their agencies will take to reduce their impacts on the environment; and we have applied the HM Treasury annual guidance[2] to provide transparency in our Sustainability reporting.

The data is collated from CITB's three owned sites, Erith, Bircham and Inchinnan, and does not currently include data from leased premises, i.e. the Head Office at Peterborough and Sanctuary Building in London.

Due to a shift in more hybrid working patterns, the Peterborough office space was downsized in 2022 and data related to workforce homeworking emissions is now included.

Training has been introduced to upskill all colleagues on the importance of climate change and reaching net zero to help them understand what changes they can make in the workplace and at home.

CITB is continuing to work with suppliers to improve the accuracy and timeliness of invoices and usage data.

Due to the impact of the Covid pandemic and the Vision 2020 divestment programme, little comparison can be made between the years and therefore data for two reporting years (2019-20 and 2020-21) has not been included. Establishing an appropriate baseline year for measuring reductions in Scopes 1, 2 and 3 is under review.

The information contained within this section has not been subject to audit and does not form part of the auditors' opinion on the accounts. →

[1] Greening Government Commitments 2021 to 2025 (www.gov.uk)
[2] HM Treasury 22-23 Sustainability Reporting Guidance (bit.ly/hmtsrg)

SUSTAINABILITY 2 / 7

TABLE 4: GREENHOUSE GAS EMISSIONS

			APR 22-MAR 23	APL 21-MAR 22
Non-financial indicators (tCO2e)	Scope 1	Fuel combustion[1]	**1050**	**783**
		Owned transport[2]	**319**	**126**
		Fugitive emissions	**18**	**-**
	Scope 2	Purchased electricity	**387**	**519**
	Scope 3	Business travel[3]	**91**	**31**
		Use of purchased materials (paper)[4,5]	**192**	**3**
		Waste disposal	**5**	**4**
		Home working[6]	**331**	**-**
Financial indicators (£)	Business travel	-	**529,426**	**166,841**
tCO2e	Per full-time employee (FTE)[7]	-	**3.35**	**2.3**

TABLE 5: WASTE

		APR 22-MAR 23	APL 21-MAR 22
Non-financial indicators (tonnes)	Total waste (not including ICT waste)	**257**	**183**
	ICT waste recycled	**2.56**	**2**
	ICT waste reused	**1.03**	**3**
	ICT Hazardous waste	**1.27**	**2**
	Waste recycled	**87**	**116**
	Waste composted	**-**	**-**
	Waste incinerated with energy recovery	**133**	**57**
	Waste incinerated without energy recovery	**-**	**-**
	Food waste	**4.3**	**3.39**
	Waste to landfill	**11**	**13**
Financial indicators (£)	Main contract	**57,550**	**42,973[1]**
	ICT waste	**-**	**-**
	Confidential waste service[2]	**2,228**	**2,546**

Table 4: The Defra GHG conversion factors (condensed set) for 2022 have been applied unless otherwise stated and rounded to the nearest metric tonne.
[1] Now includes white diesel used for training vehicles
[2] Car engine size and fuel type conversion factors have now been applied rather than the conversion factor for a medium car unknown fuel as used in 2021-22 giving greater accuracy on emissions
[3] Includes personal car mileage, air, rail and as of 2022-23 hotel stays. No mileage was available for buses, taxis, underground and hire cars to enable tCO2e to be calculated. The tCO2e applied for rail and air travel was calculated and supplied by CTM, the travel management company used by CITB
[4] The conversion factor applied relates to primary source. Some paper products are from recycled sources, although it is not possible to evidence that they are from a Closed Loop supply
[5] The data now includes printed material by CITB's third-party printing company that includes the Levy Return and guidance notes
[6] New data introduced for this reporting year calculated using Government conversion factor of 0.34075 kgCo2e (average for the UK) based on per FTE working contracted hours of 35 hours
[7] The number of staff directly and temporarily employed by CITB as an average over the year (expressed in full-time equivalents) was 714 with approximately 591 either contractually or flexibly working from home

Table 5: The performance data from our current waste contractors does not currently breakdown the financial cost per waste category. When contracts are re-tendered, this level of breakdown will be requested as part of the reporting requirement.
[1] Figure revised from net £35,811 to gross
[2] The contract cost for confidential paper waste also includes the collection for office plastic cups and metal cans

SUSTAINABILITY 3 / 7

WASTE

The volume of total waste has increased compared to 2020-21 and reflects a higher number of trainees attending courses onsite post-pandemic.

Efforts to switch products from consumer single-use plastics (CUSPs) continues. Sodexo (our catering provider) removed CUSPs from their buying lists in 2022 as part of their corporate responsibility strategy and existing stock is expected to be depleted by Summer 2023 and replaced with sustainable alternatives.

Innovative ways to donate reusable items (office furniture/bedding) within the local community is being investigated.

FUGITIVE EMISSIONS

All air con units at CITB have a carbon loading of less than 30 tonnes and are fully serviced and visually inspected once a year. Some units at the Bircham site are no longer in use and have been made safe and will be decommissioned. During the reporting period 10kg of R407C was used to 'top-up' two air con units at Bircham and none were required at Erith and Inchinnan. →

TABLE 6: FINITE RESOURCE CONSUMPTION

			APR 22-MAR 23	APL 21-MAR 22
Non-financial indicators	Energy	Total electricity (kWh)	**1,971,380**	**2,443,197**
		Electricity: standard (kWh)	**1,929,981**	**1,734,670**
		Electricity: green (kWh)[1]	**41,399**	**708,527**
		Natural gas (kWh)	**520,154**	**326,704**
		LPG (litres)	**14,037**	**7,392**
		Oil kerosene (litres)	**352,909**	**291,000**
		Biomass (tonnes)[2]	**743**	**567**
	Finite	Water (m3)	**23,736**	**20,504**
		Paper (reams)[3]	**83,655**	**1,277**
Financial indicators (£)	Energy	Electricity	**581,786**	**486,650**
		Gas (natural and LPG)	**40,892**	**21,594**
		Oil kerosene	**327,607**	**175,256**
		Biomass	**32,183**	**21,123**
	Finite	Water	**83,337**	**68,984**
		Paper[3]	**6,511**	**4,235**
		Accredited offset purchases	**0**	**0**

[1] Purchased electricity is on a 100% standard tariff with 2.1% renewable as reported by EDF Energy Fuel Mix previously reported as 29% in 2021-22, and now includes 49.6% zero emissions from nuclear supply

[2] The volume of paper used has seen a sharp increase due to the inclusion of printed material by CITB's third-party printing company that includes the Levy Return and guidance notes

[3] The costs reflect purchases through the stationary provider. Costs related to item 2 above, hope to be extracted and reported in future

SUSTAINABILITY 4 / 7

ENERGY

Energy suppliers are sourced through a Government Framework with Crown Commercial Services (CCS). At the earliest opportunity, CITB will switch to a 100% zero emissions supply for electricity and a low emissions source (biogas) for mains gas to help eliminate Scope 1 and 2 emissions.

The energy efficiency rating of CITB-owned buildings has been reviewed and opportunities to improve efficiency is being developed within our Greening Estates Strategy. The level of procured electricity has decreased, partly due to more accurate billing.

WATER

Nine sub-meters were installed at Bircham to enable consumption to be measured more accurately, allowing for the opportunity for further water-saving potential to be explored and form part of the Greener Estates Strategy.

BUSINESS TRAVEL

Emissions from business travel increased during 2022-23 due to face-to-face interactions resuming post-pandemic. Data now includes travel claimed by Trustees and Committee members. →

TABLE 7: SCOPE 1 – OWNED TRANSPORT[1] (INCLUDES LEASED VEHICLES)

ENGINE SIZE	MILES	CO2E	GROSS SPEND
Electric	22,990	1902	1,151
LPGs	1148	365	436
Diesel 1600cc or less	259,246	58,367	34,336
Diesel 1601cc to 2000cc	273,416	73,929	44,747
Diesel Over 2000cc	45,379	15,303	9,469
Petrol 1400cc or less	228,951	53,987	33,461
Petrol 1401cc to 2000cc	341,647	101,551	59,570
Petrol Over 2000cc	31,028	13,801	14,039

TABLE 8: SCOPE 3 – OFFICIAL BUSINESS TRAVEL – DOMESTIC ONLY

ENGINE SIZE	CO2E	GROSS SPEND
Domestic air travel	23	£19,748
Rail[2]	18	£131,602
Hotel stays	30	£344,237
Private vehicle – owned by staff	19	£33,839

TABLE 9: OTHER TARGET AREAS

TARGET AREAS	APR 22-MAR 23	APR 21-MAR 22
Non-financial indicators	-	-
Number of domestic flights	202	2

[1] Data uses payment transaction date not date of travel
[2] Underground, tram, bus, coach and taxi data is not included

SUSTAINABILITY 5 / 7

OWNED VEHICLES

As of the 9 March 2023, CITB had a fleet of 120 company cars, of which eight were electric and 31 hybrid; of those defined as Ultra Low Emission Vehicles (ULEVs), namely, those producing less than 75 grams of CO2 accounted for 15% of the fleet, increasing from 11% in 2021-22 but short of the Greening Government Commitment for 25% to be ULEVs by 31 December 2022. CITB will continue to switch its fleet to ULEVs and will now work towards the next target for its car fleet to be fully zero emissions at the tailpipe by 31 December 2027.

To support the increase in electric vehicles coming to CITB sites, CITB added a further four charging points at Bircham, two at Erith and two are planned at Inchinnan.

CITB has 32 commercial vehicles that are used at NCC including cranes, dump trucks and three electric vehicles for distributing goods around the sites.

CITB continues to be Europe's main market leader in plant training using simulator provision. The trainees become competent in using the machine controls prior to entering the practical training field, resulting in significant reduction in carbon emissions from time saved using the real machines. Many of the machines are leased and updated within six months ensuring the engines are of the latest design and efficiency.

In support with the Construction Leadership Council (CLC) ConstructZero Group's ambition to be almost diesel-free by 2035, CITB is looking at how it can replace diesel fuelled plant machinery with other low emission fuel alternatives such as electric, hydrogen and biofuel by 2030 to meet its own Scope 1 target.

Driver training was offered to CITB employees in mobile roles, with 22 colleagues completing the training that included a module on eco-driving. →



SUSTAINABILITY 6 / 7

PAPER

The amount of paper reported has increased due to inclusion of data from the third-party supplier producing CITB's Levy forms and guidance documents. Changes have been made for the 2023 Levy Return dispatch to include a move from a 20-page guidance notes booklet to an online resource and replacing it with an eight-page leaflet in mailer. The 40-page document to Welsh employers will now be two eight-page leaflets.

Through communications with employers on the Levy Return, they are encouraged to sign-up to the online service. It is anticipated that during 2023-24 there will be a 20% reduction in the number of mailings sent out.

Further opportunities are being explored to move more products and services from a print to a digital footprint.

PROCURING SUSTAINABLE PRODUCTS AND SERVICES

As an NDPB, CITB has a mandatory requirement to adhere to Government Public Procurement Notices (PPNs) on various sustainability topics, including: 'PPN 06/20 - taking account of Social Value in the award of Central Government contracts'; and if applicable: 'PPN 06/21 - taking account of Carbon Reduction Plan in the procurement of major government contracts'. Questions are included within tenders, however, no monitoring has started yet. The Procurement team will be completing a day's full training in October 2023 to upskill and ensure they properly embed meaningful questions and are able to report on outcomes.

NATURE RECOVERY

NCC at Bircham Newton is situated in rural Norfolk and has a variety of habitats and species. CITB has no formal biodiversity action plan but does maintain maintenance regimes recommended by key experts that monitor various species on the site, namely bats, owls and oystercatchers.

On World Environment Day in June 2022, we committed to plant an avenue of ten trees at our Bircham site and three trees at Inchinnan as part of the Queen's Green Canopy, an initiative to mark the Queen's Platinum Jubilee year. The planting was completed in October 2022 and in memoriam to honour Her Late Majesty Queen Elizabeth II.

CITB does not deem itself to hold significant natural capital or landholdings and has not carried out an Enabling Natural Capital Approach (ENCA) Assessment.

CITB's Bircham site in particular does have a number of pockets of woodland, grassland and freshwater that are maintained through existing management regimes that can be reviewed with potential to further enhance these local habitats and the connected species.

CLIMATE CHANGE ADAPTION

A risk identification process will be used to ensure all risks have been incorporated into the existing operational risk management process with mitigations put in place in relevant strategies and plans i.e. the Greener Estates Strategy and Business Continuity Plans (BCPs). With climate-related risks now identified, mitigations and opportunities are being reviewed, leading to the necessary governance, systems, and processes to be embedded. We shall be able to report in more detail in next year's report.

REDUCING ENVIRONMENTAL IMPACT BY ICT AND DIGITAL

CITB continues to pursue a programme focussed on the removal of older systems and applications that are no longer fit for purpose, and the migration of services to platforms that offer a lower running cost and environmental impact. This includes reviewing the remaining legacy on-premises servers in Bircham Newton, decommissioning where possible and migrating to a cloud platform.

CITB completed the migration of its on-premises virtual desktop infrastructure to Microsoft Azure, reducing to zero physical hosting requirements for this service. A review of legacy database servers and infrastructure resulted in over 80% of them being decommissioned and those retained are now cloud-hosted.

Desktop equipment is reprovisioned where possible, to get the most life from them and reduce the need to purchase new. Where new laptops or desktops are required, these are now sourced from a supplier providing repurposed hardware, thereby further reducing the environmental impact of manufacture.

Equipment that is no longer in service, is disposed of in line with the waste hierarchy.

CITB procures its cloud services through the Government framework 'G-Cloud' and CCS, ensuring that the suppliers are "approved" and "sanctioned" by Central Government.

SUSTAINABILITY 7/7

Case study

Remanufactured laptops – saving money and helping the environment

At CITB, we take our commitments to sustainability seriously. Alongside SSCL, our ICT service delivery partner, we conducted a thorough evaluation of how to make the procurement of laptops more environmentally friendly.

As a result of this evaluation, we obtained a demo unit of a remanufactured laptop from Circular Computing, which closely matched the specifications used within CITB.

Following a successful trial procuring six remanufactured laptops in November 2022, a total of 72 laptops were deployed during 2022-2023. The laptops were £16,560 cheaper and resulted in a carbon saving of 22,752 kg. They will now be provided as standard equipment to all new starters.

By opting for remanufactured laptops instead of purchasing new ones, CITB and SSCL also made significant savings in terms of water usage, raw materials, energy, and waste. Additionally, as part of Circular Computing's offsetting scheme, 360 trees have been planted, gaining Carbon Neutral Plus Products status and having a net zero impact on the environment. •

360 trees have been planted, gaining Carbon Neutral Plus Products status and having a net zero impact on the environment.



SECTION 5

Statement by Accounting Officer

Pages 52-59

STATEMENT BY ACCOUNTING OFFICER, TIM BALCON 1 / 2

OUR APPROACH TO DATA SECURITY

To achieve our aims, CITB processes personal information about individuals. Categories of data subjects include construction-related employers, employees and prospective employees within the construction industry, construction apprentices, suppliers, contractors and internal staff.

We are committed to protecting the rights and freedoms of individuals in respect of the processing of their personal data and undertake to comply with our legal obligations and responsibilities at all times.

We routinely review systems and processes for handling data securely against prevailing guidelines to ensure we continue to meet expected standards. We follow ISO 27001-compliant practices in relation to information security and are in the process of recertifying Cyber Essentials Plus.

We comply with our legal obligations in relation to personal data, and any serious data-related incidents are published and reported to the Information Commissioner's Office (ICO). This year, no incidents were reported to the ICO.

As CITB's outsourced IT Service Provider, SSCL is committed to protecting the security and access to the data of our customers. SSCL follows ISO 27001-compliant practices in relation to information security and is in the process of recertifying Cyber Essentials+ for Welsh Apprenticeships.

SSCL investigates all security incidents relating to its service to CITB to identify suitable improvements in process, staff education and technical security measures. There was one high severity incident recorded in 2022-23 which related to the impact on servers of a power outage at Bircham Newton in December 2022.

OUR APPROACH TO REPORTING CONCERNS

We are committed to achieving and maintaining high standards of behaviour at work, in service to the public and in all our working practices, and to maintaining a culture where people are encouraged to speak out, confident that they can do so without adverse consequences and that appropriate action will be taken. We have arrangements for reporting concerns relating to Modern Slavery, Safeguarding and Prevent Duty (also known as whistleblowing). We have arrangements for reporting concerns relating to Modern Slavery, Safeguarding and Prevent Duty.(also known as whistleblowing) Our arrangements for whistleblowing were reviewed and approved by the Audit and Risk Committee during the year. There were no whistleblowing incidents during the year.

REGISTER OF INTERESTS

As an NDPB, CITB must abide by principles of regularity and propriety, ensuring that its work is not adversely impacted by conflicts of interest. Trustees, Committee members and Executive Directors are required to complete a declaration of any interests annually. No significant company directorships or other interests were held by members that conflicted with their role and responsibilities. →

STATEMENT BY ACCOUNTING OFFICER, TIM BALCON 2 / 2

→ In addition, all staff are required to complete a declaration of interest return annually, including those who have no interests to declare, and to declare any gifts or hospitality offered.

MAINTAINING STAKEHOLDER SUPPORT

To continue to meet industry expectations, CITB must maintain support from a range of stakeholders. We liaise with industry at all levels and have connections with federations, trade unions and educational bodies. We work with Government (with the Department for Education at Westminster, and the Scottish and Welsh Governments) and we are involved in a range of stakeholder events, consultative groups and forums, and stakeholder surveys.

CITB is required to seek and demonstrate to the Secretary of State consensus from industry for its Levy Proposals in order to secure a Levy Order that will enable CITB to support and deliver skills and training in the industry. Following on from a successful Consensus process in the summer of 2021, a new three-year Levy Order was passed by Parliament in April 2022.



CONCLUSION

As Accounting Officer, I am satisfied that the governance arrangements that were in place during the year to 31 March 2023 are sufficient to continue managing risks effectively. This is informed by the work of Executive Directors and the Leadership team, who are responsible for developing and maintaining the governance structures and internal control framework. I acknowledge the comments made by the National Audit Office in its management letter and other reports (refer to external audit on page 33). The Governance Statement represents the end product of the review of the effectiveness of the governance framework, risk management and internal control. ●

Based on the review I have outlined above, I conclude that CITB has a satisfactory system of governance, risk management and internal control that supports the aims and objectives of the organisation."

TIM BALCON
Accounting Officer
24 January 2024

STATEMENT OF THE BOARD AND ACCOUNTING OFFICER'S RESPONSIBILITIES 1/1

Under section 8 (1) of the Industrial Training Act 1982, the Board is required to prepare for each financial year a statement of accounts in the form and on the basis determined by the Secretary of State with the consent of the Treasury.

The accounts are prepared on an accruals accounting basis and must show a true and fair view of CITB's state of affairs at the year-end and of its income and expenditure and cash flows for the financial year.

In preparing that statement of accounts, the Board and Accounting Officer are required to comply with the requirements of the Charities Statement of Recommended Practice (FRS 102) and have regard for the relevant requirements of the Government Financial Reporting Manual and in particular to:

- Observe the accounts direction issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- Make judgements and estimates on a reasonable basis
- State whether applicable accounting standards as set out in the Charities Statement of Recommended Practice and Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that CITB will continue in operation
- Confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable, and to take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Accounting Officer for the Department for Education has designated the Chief Executive of CITB as Accounting Officer for CITB. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding CITB assets, are set out in Managing Public Money published by the HM Treasury.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that CITB's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

Approved by the Board on 16 January 2024
and signed on its behalf by:



PETER LAUENER
Chairman
24 January 2024



TIM BALCON
Accounting Officer
24 January 2024

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL 1 / 4

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT AND THE SCOTTISH PARLIAMENT

OPINION ON FINANCIAL STATEMENTS

I certify that I have audited the financial statements of the Construction Industry Training Board for the year ended 31 March 2023 under the Industrial Training Act 1982.

The financial statements comprise: the Construction Industry Training Board's:

- Balance Sheet as at 31 March 2023
- Statement of Financial Activities and Cash Flow Statement for the year then ended
- The related notes including the significant accounting policies

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom accounting standards including Financial Reporting Standards (FRS) 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion, the financial statements:

- Give a true and fair view of the state of the Construction Industry Training Board's affairs as at 31 March 2023 and its net income for the year then ended
- Have been properly prepared in accordance with the Industrial Training Act 1982 and Secretary of State directions issued thereunder
- Have been properly prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 and the Charities Act 2011.

OPINION ON REGULARITY

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

BASIS FOR OPINIONS

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), applicable law and Practice Note 10 Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I am independent of the Construction Industry Training Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, I have concluded that the Construction Industry Training Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Construction Industry Training Board's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Board and Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

OTHER INFORMATION

The other information comprises the information included in the Annual Report but does not include the financial statements nor my auditor's certificate and report. The Board and Accounting Officer are responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard. →

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL 2 / 4

OPINION ON OTHER MATTERS

In my opinion the part of the Remuneration Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Industrial Training Act 1982.

In my opinion, based on the work undertaken in the course of the audit the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

MATTERS ON WHICH I REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Construction Industry Training Board and its environment obtained in the course of the audit, I have not identified material misstatements in the Annual Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- Adequate accounting records have not been kept by the Construction Industry Training Board or returns adequate for my audit have not been received from branches not visited by my staff
- I have not received all of the information and explanations I require for my audit
- The financial statements are not in agreement with the accounting records and returns
- Certain disclosures of remuneration specified by the Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005 and section 8 of the Charities Accounts (Scotland) Regulations 2006 have not been made or parts of the Remuneration Report to be audited is not in agreement with the accounting records and returns
- The Governance Statement does not reflect compliance with HM Treasury's guidance.

RESPONSIBILITIES OF THE BOARD AND ACCOUNTING OFFICER FOR THE FINANCIAL STATEMENTS

As explained more fully in the Statement of the Board and Accounting Officer's Responsibilities, the Board and the Accounting Officer is responsible for:

- Maintaining proper accounting records
- Providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters
- Providing the C&AG with additional information and explanations needed for his audit
- Providing the C&AG with unrestricted access to persons within the Construction Industry Training Board from whom the auditor determines it necessary to obtain audit evidence
- Ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error
- Ensuring that the financial statements give a true and fair view and are prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and regulations 8 of the Charities Accounts (Scotland) Regulations 2006] and the Charities Act 2011
- Ensuring that the Annual Report, which includes the Remuneration and Staff Report, is prepared in accordance with HM Treasury's Government Financial Reporting Manual
- Assessing the Construction Industry Training Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board and the Accounting Officer either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

My responsibility is to audit, certify and report on the financial statements in accordance with the Industrial Training Act 1982, section 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. →

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL 3 / 4

EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING NON-COMPLIANCE WITH LAWS AND REGULATIONS INCLUDING FRAUD

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

IDENTIFYING AND ASSESSING POTENTIAL RISKS RELATED TO NON-COMPLIANCE WITH LAWS AND REGULATIONS, INCLUDING FRAUD

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- Considered the nature of the sector, control environment and operational performance including the design of the Construction Industry Training Board's accounting policies and performance incentives
- Inquired of management, the Construction Industry Training Board's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Construction Industry Training Board's policies and procedures on:
    - Identifying, evaluating and complying with laws and regulations
    - Detecting and responding to the risks of fraud
    - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Construction Industry Training Board's controls relating to the Construction Industry Training Board's compliance with the Industrial Training Act 1982, the Industrial Training Levy (Construction Industry Training Board) Order 2022, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, section 8 of the Charities Accounts (Scotland) Regulations 2006, and Managing Public Money
- Inquired of management, the Construction Industry Training Board's head of internal audit and those charged with governance whether:
    - They were aware of any instances of non-compliance with laws and regulations
    - They had knowledge of any actual, suspected, or alleged fraud
- Discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Construction Industry Training Board for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, and bias in management estimates. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Construction Industry Training Board's framework of authority and other legal and regulatory frameworks in which the Construction Industry Training Board operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Construction Industry Training Board. The key laws and regulations I considered in this context included the Industrial Training Act 1982, the Industrial Training Levy (Construction Industry Training Board) Order 2022, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, section 8 of the Charities Accounts (Scotland) Regulations 2006, Managing Public Money and relevant employment, pension and tax legislation.

In addition, I considered the fraud and regularity risks associated with grant expenditure. →



REPORT OF THE COMPTROLLER AND AUDITOR GENERAL 4 / 4

AUDIT RESPONSE TO IDENTIFIED RISK

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements
- I enquired of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports
- In addressing the risk of fraud through management override of controls, I tested the appropriateness of journal entries and other adjustments; assessed whether the judgements on estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: **www.frc.org.uk/auditorsresponsibilities.** This description forms part of my certificate.

OTHER AUDITOR'S RESPONSIBILITIES

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

REPORT

I have no observations to make on these financial statements.

GARETH DAVIES
Comptroller and Auditor General
26 January 2024

National Audit Office
157-197 Buckingham Palace Road
Victoria, London
SW1W 9SP

SECTION 6

Financial Performance

Pages 60-83

FINANCIAL STATEMENTS 1 / 3

Statement of Financial Activities for the year ended 31 March 2023

INCOME	NOTES	2022-23 RESTRICTED £'000	2022-23 UNRESTRICTED £'000	2022-23 TOTAL £'000	2021-22 TOTAL £'000
Income from charitable activities	2	-	-	-	-
Levy income	-	-	170,608	170,608	108,266
Non-Levy income:					
Training and Development	-	10,208	33,324	43,532	45,884
Clawback of ESFA Funding	11	(10,915)	-	(10,915)	(5,900)
Careers	-	-	55	55	108
Standards and Qualifications	-	-	120	120	176
Engagement and Evidence Base	-	-	27	27	17
Other	-	-	27	27	(31)
Total Non-Levy income	**-**	**(707)**	**33,553**	**32,846**	**40,254**
Income from Government grants	-	-	-	-	(7)
Other income	-	-	883	883	29
Total income	**-**	**(707)**	**205,044**	**204,337**	**148,542**
EXPENDITURE					
Expenditure on raising funds	-	-	1,876	1,876	1,702
Expenditure on charitable activities:					
Training and Development	-	16,067	166,766	182,833	164,487
Careers	-	-	3,076	3,076	1,091
Standards and Qualifications	-	-	6,070	6,070	5,146
Engagement and Evidence Base	-	-	2,527	2,527	2,991
Total Expenditure on charitable activities	**4**	**16,067**	**178,439**	**194,506**	**173,715**
Expenditure on trading activities	-	-	-	-	3
Other expenditure	-	-	(242)	(242)	(398)
Total expenditure	**-**	**16,067**	**180,073**	**196,140**	**175,022**
Net income/(expenditure)	-	(16,774)	24,971	8,197	(26,480)
Transfer from unrestricted funds	-	16,774	(16,774)	-	-
	-	-	8,197	8,197	(26,480)
Other gains and losses:					
Gain on revaluation of freehold property	-	-	204	204	-
Net movement in funds	-	-	8,401	8,401	(26,480)
Reconciliation of funds:					
Total accumulated funds at period start	-	-	94,253	94,253	120,733
Total accumulated funds at period end	-	-	102,654	102,654	94,253

The above results include all recognised gains and losses and are derived from continuing activities. The notes 1 to 24 on pages 64 to 83 form an integral part of these accounts.

FINANCIAL STATEMENTS 2 / 3

Balance sheet as at 31 March 2023

INCOME	NOTES	2023 £'000	2022 £'000
Fixed assets:			
Tangible assets	7	12,023	11,569
Total	**-**	**12,023**	**11,569**
Current assets:			
Stock	-	480	316
Debtors	8	29,322	9,821
Cash at bank	9	114,945	117,259
Total	**-**	**144,747**	**127,396**
Liabilities:			
Creditors: Amounts falling due within one year	10	(18,399)	(15,878)
Net current assets	**-**	**126,348**	**111,519**
Total assets less current liabilities	-	138,371	123,087
Provisions for liabilities	11	(35,717)	(28,834)
Total net assets		**102,654**	**94,253**
Unrestricted funds	13	102,654	94,253
Total Charity Funds	**13**	**102,654**	**94,253**

Approved by the Board on 16 January 2024 and signed on its behalf by:

TIM BALCON
Accounting Officer
24 January 2024

PETER LAUENER
Chairman
24 January 2024

The notes 1 to 24 on pages 64 to 83 form an integral part of these accounts.

FINANCIAL STATEMENTS 3 / 3

Cash flow statement for the year ending 31 March 2023

INCOME	NOTES	2022-23 £'000	2021-22 £'000
Cash flows from operating activities			
Net income/(expenditure) for the year	-	8,197	(26,480)
Interest expense	-	-	49
Depreciation charges	7	588	605
Loss/(Profit) on sale of tangible fixed assets	-	(229)	6
Net effect of revaluation of freehold properties and other movements	7	(242)	(404)
Decrease/(increase) in debtors and stock	-	(19,665)	69,418
(Decrease)/increase in creditors and provisions	-	9,404	(6,350)
Net cash inflow/(outflow) from operating activities	**-**	**(1,947)**	**36,844**
Cash flows from investing activities			
Receipts from sales of tangible fixed assets	14	229	-
Payments to acquire tangible fixed assets	14	(596)	-
Net cash inflow/(outflow) from investing activities	**-**	**(367)**	**-**
Cash flows from financing activities			
Borrowing	-	-	(10,000)
Interest paid on borrowings	-	-	(49)
Net cash inflow/(outflow) from financing activities	**-**	**-**	**(10,049)**
Increase/(decrease) in cash and cash equivalents	-	(2,314)	26,795
Cash and cash equivalents at period start	**-**	**117,259**	**90,464**
Cash and cash equivalents at period end	**9**	**114,945**	**117,259**

The notes 1 to 24 on pages 64 to 83 form an integral part of these accounts.

NOTES TO THE ACCOUNTS 1 / 20

1. ACCOUNTING POLICIES

PUBLIC BENEFIT ENTITY

As a charity, CITB is a public benefit entity, therefore 'an entity whose primary objective is to provide goods or services for the general public, community or social benefit and where any equity is provided with a view to supporting the entity's primary objectives rather than with a view to providing a financial return to equity providers, shareholders or members.'

GOING CONCERN

The financial statements for the year ending 31 March 2023 have been prepared on a 'going concern' basis. The use of the going concern basis of accounting is appropriate as there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of CITB to continue as a going concern.

CITB has ended 2022-23 in a strong financial position with a healthy level of reserves and cash. Collection of Levy during the first year of the current three-year Levy Order has been in line with forecasts and we are confident of collecting sufficient cash in the remaining two years to enable us to fund all of our plans and meet all other commitments.

The Board has considered the ongoing impact of the current economic conditions and has kept income expectations for the foreseeable future at a lower level than originally anticipated pre-pandemic. With grant and funding applications also lower than forecast during the last few years, CITB has built up sufficient reserves to enable us to fund any increase in demand for industry training programmes. CITB aims to reduce reserves to target levels over the next three years.

Accordingly, the Board properly prepares and submits the 2022-23 Annual Report and Accounts on a 'going concern' basis.

ACCOUNTING CONVENTION

The financial statements are prepared in accordance with the Industrial Training Act 1982 and directions made thereunder by the Secretary of State for Education. The accounts comply with the requirements of Accounting and Reporting by Charities: Charities SORP (FRS 102). The accounts also follow the disclosure requirements of the 2022-23 Government Financial Reporting Manual and also provide additional disclosures where this goes beyond the requirements of the Charities SORP (FRS 102). These accounts are prepared under the historical cost convention, as modified to reflect the revaluation of fixed assets and investments.

As an executive NDPB accountable to the Secretary of State for Education, CITB's accounts are consolidated into the accounts of DfE (the Government department responsible for education and skills in the UK), a copy of which can be obtained from their office in Sanctuary Buildings, Great Smith Street, London, SW1P 3PT.

RESTRICTED FUNDS

Restricted funds relate to apprenticeship activity funded by ESFA and Skills Development Scotland (SDS) and their associated expenditure, in which contractual agreements state that funds should only be used for apprenticeship funds. In addition, apprenticeship employer grants received from SDS, along with associated expenditure, are also restricted in nature based on contractual agreements.

Expenditure for apprenticeship activities is apportioned between restricted and unrestricted based on the proportion of direct and grant expenditure relating to apprenticeships, as staff may be working on both. No surplus is made on restricted funds and therefore any loss is covered by unrestricted funds.

INCOME

Income is recognised when CITB can demonstrate entitlement to the income, receipt is probable and the amount can be quantified with reasonable accuracy. The following specific policies apply to the following material categories of income:

LEVY INCOME

Levy income is that receivable from assessments based on the employment details returned by employers, with an estimate for those from which employment details have not been received. Levy income is recognised in line with the requirements of the Levy Order. Estimated assessment income is reduced by a provision for reassessments, based on historical trends, to allow for their normal write-down in value following the receipt of a Levy Return declaring actual direct employment and labour-only subcontract payments. A provision for bad debts, based on identified doubtful debts, prior years' experience and the economic state of the industry, is also applied against Levy debts, and both the movement in the provision during the financial year and the actual bad debts written off in the year are set off against Levy income. Levy Assessments are recognised in the Statement of Financial Activities in the period in which they are raised.

NON-LEVY INCOME

Training and development: Registration fee income is recognised on the date the test is taken by the candidate. Publications income is recognised upon dispatch to customers of the items sold. Course fees and other product income is recognised on the start date of the course being delivered.

Apprenticeships: Income is recognised upon cash receipt from the funder in line with the funding rules of the contract.

DEFERRED INCOME

Deferred income is recognised where cash has been received during the accounting period, but for which associated activities will not be carried out until subsequent accounting periods. →

NOTES TO THE ACCOUNTS 2 / 20

Expenditure

GRANT EXPENDITURE

The charge in the Statement of Financial Activities consists of the training grants paid during the year together with an estimate of the liability for unpaid grants for the period and any adjustments to accruals and provisions made in earlier years. Grants are considered to be legally binding when the terms have been agreed by both parties.

CITB considers the recognition point for achievement grants to be when the official certification has been achieved. Grant provision is based on the evidence being submitted for certification but not authorised.

While in the case of attendance grants the recognition point is over the period that the trainee attends the course. In the cases of other grants, CITB considers the recognition point to be the point at which the employer has provided the training (or incurred the cost of providing the training), as at this point they can claim a grant.

CHARITABLE ACTIVITIES

The charges in the Statement of Financial Activities are recognised on an accruals basis.

LEASING

Rentals paid under operating leases are charged in the Statement of Financial Activities on a straight-line basis over the lease term.

ALLOCATION OF EXPENDITURE

Direct costs are allocated accordingly, with support costs apportioned to activities by appropriate drivers. For the majority of support costs, this is an average of the full-time equivalent for the financial year. However, funding support costs have been allocated based on funding expenditure split between the activities, while estate costs have been allocated on an office based full-time equivalent basis.

Assets

DEBTORS

Levy debtors represent the estimated recoverable amounts of unpaid Levy Assessments, having taken account of provisions for bad debts and for reassessing estimated assessments following the late receipt of Levy Returns. CITB only writes off Levy debts when it has evidence that an employer has become insolvent, ceased to trade, is dissolved or, CITB having made all reasonable efforts to locate the debtor, is untraceable. Non-Levy debtors are shown at their amortised value after any provision for impairment.

TANGIBLE FIXED ASSETS

Tangible fixed assets (excluding freehold land and buildings) are stated at cost less accumulated depreciation. Adjustments to modified historical cost, to recognise the assets at fair value, are only made if material. For non-revalued assets, the depreciated historic cost is considered to be a reasonable estimate of the fair value. Costs of acquisition, comprising only those costs that are directly attributable to bringing the asset into working condition for its intended use, are capitalised. The threshold for capitalisation is £2,500, either individually or for a group of similar assets.

Freehold land is not depreciated. All other tangible fixed assets are depreciated evenly to write off their value over their estimated useful economic lives. These lie within the following ranges:

Freehold buildings:

- 50 years (permanent buildings)
- 20 years (improvements and temporary buildings)
- Nil (buildings under construction).

Motor vehicles	Ten years
Plant and machinery	Five to ten years
Office equipment	Four to ten years
Computer equipment	Four years.

Freehold properties are fully revalued every five years and reviewed annually. All tangible fixed assets are subject to an annual impairment review.

CASH AND CASH EQUIVALENTS

Cash is represented by amounts held in banks. Cash equivalents are highly liquid investments that are readily convertible to known amounts of cash.

LIABILITIES

Grant creditors: Amounts payable in relation to grant funding authorised but not yet paid are recognised within creditors.

College fee creditors: Amounts payable in relation to college fee invoices are calculated on the basis of known learners' records. College fees relating to students whose details have not yet been received are accrued for on the basis of historical payment patterns adjusted for any known changes in circumstances. College fee creditors are recognised within non-grant accruals.

Trade and taxation creditors: Amounts payable in relation to supplier invoices are based on those due as at the year-end where goods or services have been received.

PROVISIONS

CITB funds training relevant to the construction industry. There is naturally a gap between the funding being earned and the claim being paid by CITB. Claims are submitted with evidence of completion, which have to be verified and processed. Therefore, at year-end we make an assessment for the amount of provision that is required to account for funding earned in line with the grant recognition policy but as yet not paid. →

NOTES TO THE ACCOUNTS 3 / 20

→ Grant claims not yet received are largely provided for on the basis of historical payment patterns adjusted for any known changes in circumstances, although some parts of the provision relating to apprentices are based on the number of new entrant trainees known to have enrolled on the scheme.

A provision of £5.9m was included in the 2021-22 accounts with respect to non-compliance with the Education and Skills Funding Agency's (ESFA) funding rules for apprenticeship delivery in England for the academic years 2018-19, 2019-20 and 2020-21. That provision reflected the likelihood that, following audits carried out on behalf of the ESFA, some level of ESFA funding would need to be clawed back due to issues with records management. At the time, this was our best assessment of the most likely outcome of amounts due, following detailed investigation by CITB into the ESFA audit results, but we also disclosed a £4.4m contingent liability to reflect the possibility that ESFA may not accept our findings.

Whilst we have successfully worked with the ESFA to provide additional assurance and resolve potential errors on most of the points raised through their initial audit work, we are still working through a small number of complex, outstanding points, in areas which we acknowledge record keeping was not at the level we expect. Although we are very confident, based on the work we have done and have in hand, that the final position will likely be much lower, we have provided for the upper limit of our liability of £15.2m in these accounts. Work is ongoing to agree a final position with the ESFA against which they will clawback funds related to these matters, which we expect will conclude by the end of March 2024.

We have since taken steps to transform this part of the organisation, improving processes and introducing new technology, and are confident that we will not experience similar issues for 2022-23 or future academic years. ESFA have commenced the collection of the £1.6m clawback for 2020-21 by off-setting against income due to CITB in 2022-23, collecting £600,000 during the year. We have, therefore, reclassified the remaining £1m from a provision to an accrual to reflect our updated assessment that repayment of this amount is now due.

Provision of £665,000 for the payment and compensation for late payments was made, following the Freedom of Information request.

Provisions are made for dilapidations on leasehold properties to represent a provision for estimated settlements with landlords on the expiry of leases. The estimations are based on previous financial experience.

SIGNIFICANT JUDGEMENTS

The financial statements include three significant judgements. The key estimate required is how much of the £150m debt outstanding at the year-end will be collected in the fullness of time. We have followed our normal methodology, which is based on age, but adjusted it to reflect the cash collection experience in 2022-23. We have used our experience of cash collection over the past year, against all prior Levy Assessments, to judge how much we can expect to collect in the fullness of time. The total provision is then split between bad debt (money that is owed but not expected to be paid) and reassessment (money that has been invoiced on an estimated assessment and is likely to be adjusted downwards when the Levy Return is received). The split is intended to help the reader understand the difference between the bulk assessment and the net income received, and although it is a judgement, the split itself does not have any net impact on our financial statements.

The second significant judgement is regarding the provision for training grants. At the year-end we make an assessment for the amount of provision that is required to account for apprenticeship, qualification and short duration training grants earned but as yet not claimed. Our methodology is largely based on historical cash payments, which we have judged to be the most appropriate, relevant and reliable predictor of future cash payment requirements. However, due to grant demand patterns fluctuating over the last few years due to the pandemic and its after-effects, this estimate contains a significant level of estimation uncertainty, and the actual outcome will not be known until some time after these accounts are certified.

The third significant judgement involves valuing the freehold properties, which requires judgements to be made regarding which valuation methodology, data and assumptions to be used and there are inherent risks in the valuation around estimation uncertainty. To mitigate those risks CITB uses an external third party with local knowledge and expertise to perform an annual desktop valuation. A full valuation is performed every five years.

VAT

Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input tax is recoverable, the amounts are stated net of VAT.

PENSIONS

CITB is a participating employer in the ITB Pension 2016 and operates a defined contribution section (see Note 15).

NOTES TO THE ACCOUNTS 4 / 20

2. INCOME FROM CHARITABLE ACTIVITIES

LEVY INCOME	2022-23 £'000	2021-22 £'000
Current year's Levy Assessment receivable	205,507	118,347
Less: provision for bad debts and debt write-offs	(36,445)	(17,968)
Net value current year's Levy Assessments	**169,062**	**100,379**
Reforecast of previous years' Levy receipts	1,546	7,887
Net Levy income for the year	**170,608**	**108,266**

Reassessment of previous years' Levy relates to prior year Levy Assessment that is reassessed this year. Therefore, it is an estimation of uncertainty refined in 2022-23.

The increase in Levy income in 2022-23 is because this year we charged a full-year Levy, having only charged a half-year in 2021-22 as part of our continued response to the pandemic. The 2021 Levy Bulk Assessment was issued in June 2022 with a base collection period up to April 2023.

The resulting income was not double the previous year because the assessments raised were based on the 2021 Levy Returns, which in turn were based on employers' activity in 2020 and 2021, which was still impacted by the pandemic. The £170.6m recognised was, however, £2.5m ahead of our expectations.

The provision for bad debts and debt write-offs has increased from 2021-22 because the underlying debt is based on a full-year Levy rather than a half-year Levy.



NOTES TO THE ACCOUNTS 5 / 20

3. MATERIAL CASH SUPPORT PAYMENTS IN RESPECT OF TRAINING

Accounting and Reporting by Charities: Statement of Recommended Practice FRS 102 requires material grants made to be disclosed. Disclosure must include the name of the recipient and the aggregate amount of grants made to that recipient. The material payments for 2022-23 are disclosed below. For comparative purposes, the material payments for 2021-22 are also disclosed below.

RECIPIENT	2022-23 £'000
O'Rourke Investments Plc	1,542
Royal BAM Group Nv	1,354
Kier Group Plc	1,242
Barratt Developments Plc	1,197
Taylor Wimpey Plc	1,115
Cyfle Building Skills Ltd	1,057
OHOB Group Ltd	1,043
Persimmon Plc	977
Procure Plus Holdings Ltd	801
Bell Group UK Ltd	636
Balfour Beatty Plc	642
M Group Services Ltd	539
The Supply Chain School	522
Morgan Sindall Group Plc	478
Advance Construction Personnel Ltd	477
Other recipients	91,899
Total paid or offset during the year	**105,521**

RECIPIENT	2021-22 £'000
Royal BAM Group Nv	1,777
O'Rourke Investments Plc	1,708
Taylor Wimpey Plc	1,609
Barratt Developments Plc	1,369
Kier Group Plc	1,319
Persimmon Plc	1,139
Procure Plus Holdings Ltd	1,120
O'Halloran & O'Brien Ltd	998
The Skills Centre London Ltd	938
Transport for London	865
West Midlands Combined Authority	826
Vinci	819
Balfour Beatty Plc	593
Cyfle Building Skills Ltd	561
Hampshire County Council	527
Other recipients	81,007
Total paid or offset during the year	**97,175**

In 2022-23 £5.2m in grants were paid directly to, or on behalf of, individuals (Travel to Train is paid on behalf of individual apprentices), £91.9m to employers and £8.4m to other institutions.

NOTES TO THE ACCOUNTS 6 / 20

4. EXPENDITURE ON CHARITABLE ACTIVITIES

ACTIVITY	ACTIVITIES DIRECTLY UNDERTAKEN £'000	GRANT FUNDING ACTIVITIES £'000	SUPPORT COSTS £'000	2022-23 TOTAL £'000	2021-22 TOTAL £'000
Training and development	46,996	105,521	30,316	**182,833**	164,487
Careers	2,335	-	741	**3,076**	1,091
Standards and qualifications	2,742	-	3,328	**6,070**	5,146
Engagement and evidence base	1,738	-	789	**2,527**	2,991
Total	**53,811**	**105,521**	**35,174**	**194,506**	**173,715**

Grant funding of £105.5m (2021-22: £97.2m) is split into two elements (also referenced on page 27); **main Grants Scheme – £85.3m (2021-22: £78.8m)** and **programme-based funding (incorporating structured and flexible funding) – £20.2m (2021-22: £18.4m).**

5. SUPPORT COSTS

SUPPORT COST	TRAINING AND DEVELOPMENT £'000	CAREERS £'000	STANDARDS AND QUALIFICATIONS £'000	ENGAGEMENT AND EVIDENCE BASE £'000	2022-23 TOTAL £'000	2021-22 TOTAL £'000
Change	2,013	42	221	43	**2,319**	2,041
Technology (IT)	7,463	154	819	161	**8,597**	8,316
Communications and marketing	2,750	57	302	59	**3,168**	2,028
Estates	4,900	277	867	307	**6,351**	5,616
Strategy and policy	1,343	28	147	29	**1,547**	1,921
Finance	2,772	57	304	59	**3,192**	2,397
Human resources	2,649	55	291	57	**3,052**	2,125
Commissioning	585	12	64	13	**674**	608
Grant support costs	2,985	-	-	-	**2,985**	1,554
Legal and governance	1,878	39	206	40	**2,163**	1,798
Other corporate costs	978	20	107	21	**1,126**	(1,047)
Total	**30,316**	**741**	**3,328**	**789**	**35,174**	**27,357**

6. EXPENDITURE

The net movement in funds for the year was arrived at after charging/(crediting):

EXPENDITURE	2022-23 £'000	2021-22 £'000
Loss/(Profit) on disposal of fixed assets	(229)	6
Rentals paid under operating leases		
Hire of plant and machinery	197	256
Other operating leases	1,119	1,027
Statutory external auditor fee	210	190
Other assurances (internal audit)	382	310
Depreciation on owned assets	588	605
Interest payable on borrowings	-	49
Indemnity insurance	101	101

NOTES TO THE ACCOUNTS 7 / 20

7. TANGIBLE FIXED ASSETS

(A) SUMMARY	FREEHOLD PROPERTY £'000	PLANT AND MACHINERY £'000	VEHICLES £'000	COMPUTER AND OFFICE EQUIPMENT £'000	TOTAL £'000
Cost or Valuation					
1 April 2022	10,650	7,887	253	3,962	22,752
Additions	-	590	6	-	596
Disposals	-	(811)	(58)	(630)	(1,499)
Transfers	-	-	-	-	-
Revaluation	230	-	-	-	230
31 March 2023	**10,880**	**7,666**	**201**	**3,332**	**22,079**
Depreciation					
1 April 2022	-	6,980	253	3,950	11,183
Charges during year	216	362	-	10	588
Disposals	-	(811)	(58)	(630)	(1,499)
Revaluation	(216)	-	-	-	(216)
31 March 2023	**-**	**6,531**	**195**	**3,330**	**10,056**
Net book value					
31 March 2023	**10,880**	**1,135**	**6**	**2**	**12,023**
31 March 2022	10,650	907	-	12	11,569

Freehold property includes both land and buildings. Included in the cost of plant and machinery is £5.2m of assets that have reached the end of their estimated useful life and are therefore fully depreciated. However, those assets are still being used and are providing some economic benefit.

NOTES TO THE ACCOUNTS 8 / 20

(B) HISTORICAL COST INFORMATION

If the valuations had not been included, then freehold property would have been included at the following amounts:

	2022-23 £'000	2021-22 £'000
Cost	19,302	19,302
Prior year adjustment to cost	(447)	-
Accumulated depreciation	(5,602)	(5,386)
Total	**13,253**	**13,916**

During the year to 31 March 2020, CITB disposed of agricultural land and buildings at Bircham Newton which had a cost of £1.022m. Only £575,000 was removed from the historical cost information note in that year. As a result, the additional £447,000 has been removed in the current year disclosure to show the amended historical cost net book value of freehold property as at 31 March 2023 of £13.253m.

(C) FREEHOLD PROPERTY

	2022-23 £'000	2021-22 £'000
Freehold land valuation	3,430	3,405
Freehold property valuation	7,450	7,245
Accumulated depreciation freehold property valuation only	-	-
Total	**10,880**	**10,650**

(D) REVALUATION

An independent valuation of all CITB freehold property was carried out by Montagu Evans LLP. The valuation as at 31 March 2023 was based on the principles of fair value and prepared upon existing use valuation.

The valuation assumes that each property is occupied and/or operated in accordance with a valid planning permission and that there are no matters that would affect value.

Freehold property includes both land and buildings. Included in the cost of plant and machinery is £5.2m of assets that have reached the end of their estimated useful life and are therefore fully depreciated. However, those assets are still being used and are providing some economic benefit.

The assumptions applied within the valuation of CITB's assets this financial year:

Rental Values	£0.50-£5.50 per sq ft
Yield	8.75%-20%
Land Values	£4,250 per acre–£1m per acre.

(E) CAPITAL COMMITMENTS

There were £Nil capital commitments as at 31 March 2023 (2021-22: £Nil).

NOTES TO THE ACCOUNTS 9 / 20

F) TANGIBLE FIXED ASSETS 2021-22 (COMPARATIVE TABLE)

	FREEHOLD PROPERTY £'000	PLANT AND MACHINERY £'000	VEHICLES £'000	COMPUTER AND OFFICE EQUIPMENT £'000	TOTAL £'000
Cost or Valuation					
1 April 2021	10,450	8,120	322	7,111	26,003
Additions	-	-	-	-	-
Disposals	-	(233)	(69)	(3,149)	(3,451)
Transfers	-	-	-	-	-
Revaluation	200	-	-	-	200
31 March 2022	**10,650**	**7,887**	**253**	**3,962**	**22,752**
Depreciation					
1 April 2021	-	6,834	322	7,071	14,227
Charges during year	204	379	-	22	605
Disposals	-	(233)	(69)	(3,143)	(3,445)
Revaluation	(204)	-	-	-	(204)
31 March 2022	**-**	**6,980**	**253**	**3,950**	**11,183**
Net book value					
31 March 2022	**10,650**	**907**	**-**	**12**	**11,569**
31 March 2021	10,450	1,286	-	40	11,776



NOTES TO THE ACCOUNTS 10 / 20

8. DEBTORS

	2023 £'000	2023 £'000	2022 £'000	2022 £'000
Levy debtors	150,498	-	103,040	-
Less: provision for bad debts	(126,024)	-	(97,505)	-
Total Levy debtors	**-**	**24,474**	**-**	**5,535**
Trade debtors	2,214	-	1,690	-
Other debtors	265	-	387	-
Less: provision for bad debts	(66)	-	(273)	-
Total trade and other debtors	**-**	**2,413**	**-**	**1,804**
Accrued income	-	1,105	-	1,590
Prepayments	-	1,330	-	892
Total debtors	**-**	**29,322**	**-**	**9,821**
Debtor due in more than one year	-	-	-	-
Debtor due within one year	-	29,322	-	9,821

As stated in the Accounting Policies (see Note 1, page 64), CITB writes off Levy debts only when it has evidence that an employer has become insolvent, has ceased to trade, has been dissolved or, having made all reasonable efforts to locate the debtor, is untraceable. We do provide for bad debts where we believe Levy will not be collected.

Generally, collection of the Levy has been slightly better than anticipated and grant and funding claims have been lower than expected, therefore we have had sufficient funds to enable us to operate as normal. The key estimate required is how much of the £150m debt outstanding at the year-end will be collected in the fullness of time. We have followed our normal methodology, which is based on age, but adjusted it to reflect the cash collection experience in 2022-23.

Levy debtors and income are stated net of a provision for reassessment of £34.2m (2021-22: £39.7m).

The increase in debt reflects the fact that the collection period for the 2021 Levy Assessment (raised in June 2022) runs until after the year-end, whereas in 2021-22 the Assessment collection period finished before the year-end. Also, last financial year we only raised a half-year Levy. Although collection has been better than anticipated, it is still below pre-pandemic levels.

NOTES TO THE ACCOUNTS 11 / 20

9. CASH AND CASH EQUIVALENTS

	2023 £'000	2022 £'000
Cash at bank and in hand	114,945	117,259
Cash equivalents	-	-
Total cash and cash equivalents	**114,945**	**117,259**

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £'000	2022 £'000
Trade creditors	1,602	2,071
Taxation and social security	798	609
Deferred income	1,949	1,674
Accruals		
Grant funding	4,722	2,997
Other	9,328	8,527
Total creditors	**18,399**	**15,878**

DEFERRED INCOME ANALYSIS

Income has been deferred where cash has been received for services in the financial year, but for which associated activities will not be carried out until subsequent accounting periods.

	2023 £'000	2022 £'000
Balance carried forward at start of year	1,674	5,030
Deferred income in current year	1,949	1,674
Prior year released	(1,674)	(5,030)
Closing balance	**1,949**	**1,674**

NOTES TO THE ACCOUNTS 12 / 20

11. PROVISIONS FOR LIABILITIES AND CHARGES

	GRANT PROVISION 2023 £'000	REDUNDANCY PROVISION 2023 £'000	OTHER PROVISIONS 2023 £'000	ESFA REPAYMENT PROVISION 2023 £'000	TOTAL PROVISIONS 2023 £'000	TOTAL PROVISIONS 2022 £'000
Balance as at period start	19,774	914	2,246	5,900	28,834	24,541
Utilised	(19,774)	(682)	(2,167)	(1,614)	(24,237)	(23,501)
Released provisions	-	(294)	(79)	-	(373)	(646)
Additional provisions	18,003	62	2,512	10,915	31,492	28,440
Balance as at period end	**18,003**	**-**	**2,512**	**15,202**	**35,717**	**28,834**

GRANT PROVISIONS

CITB pays out grants to employers to fund relevant training. There is naturally a gap between the grant being earned (the learner has had their training) and the claim being received by CITB. Therefore, at the year-end we make an assessment for the amount of provision that is required to account for grants earned but as yet not claimed.

- Apprenticeship grant provisions are based on expected claims for known named apprentices with confirmed start dates and this is used as a basis to provide for those not yet known about (received) at year-end.

- Short duration training grant and qualification grant provisions are based on recent historical experience payment values. Covid created a delay in short duration training and qualification initially, however these areas remain volatile year-on-year. This has meant provision for short duration training has increased compared to last year and qualification grant provision decreased.

REDUNDANCY PROVISION

In 2021-22, a restructuring provision was made to account for the expected redundancy costs associated with the proposed restructure of NCC and the apprenticeship areas. Redundancy costs associated with this restructure were concluded in 2022-23.

OTHER PROVISIONS

CITB funds training relevant to the construction industry. There is naturally a gap between the funding being earned and the claim being paid by CITB. Claims are submitted with evidence of completeness, which have to be verified and processed. Therefore, at year-end we make an assessment for the amount of provision that is required to account for funding earned but as yet not paid.

The fund provisions relate to the Skills and Training Fund for Small and Micro-Sized Businesses and the Skills and Training Fund for Medium-Sized Businesses.

Included within the provisions is a value of £665,000 for the payment of interest and compensation for late payments, in accordance with the obligations under the Late Payment of Commercial Debt Regulations 2013.

Other provisions also include small dilapidation provisions.

ESFA REPAYMENT PROVISION

A provision of £15.2m has been included in these accounts with respect to the risk of non-compliance with the Education and Skills Funding Agency's (ESFA) funding rules for apprenticeship delivery in England for the academic years 2018-19 and 2019-20. A provision of £5.9m and a contingent liability of £4.4m was included in the 2021-22 accounts representing management's best estimate at that time of the level of funding which may need to be clawed back by the ESFA as a result of audits undertaken on their behalf with respect to 2018-19, 2019-20 and 2020-21. Substantial further work has been done since the point at which the 2021-22 accounts were finalised, such that we have a much clearer view of the position and range of possible outcomes. Following productive work with the ESFA, that includes a reduction in the expected clawback with respect to 2020-21 to £1.6m, of which £600,000 has been clawed back in-year and we have accrued £1m.

Whilst we have successfully worked with the ESFA to provide additional assurance and to resolve potential errors on most of the points raised through their initial audit work, we are still working through a small number of complex, outstanding points, in areas which we acknowledge record keeping was not at the level we expect. Whilst we are very confident, based on the work we have done and have in hand, that the final position will likely be much lower, we have provided for the upper limit of our liability of £15.2m in this year's accounts: £7.9m in relation to 2018-19 and £7.3m for 2019-20. This provision currently represents the worst possible outcome for CITB, based on the ESFA's latest assessment of the maximum liability and, therefore, represents management's best estimate of the current, but not final, position. We expect to conclude the final position by the end of March 2024.

NOTES TO THE ACCOUNTS 13 / 20

12. 2021-22 RESTRICTED AND UNRESTRICTED FUNDS

The restricted expenditure has been reclassified with no impact on the net movement in funds.

INCOME	2021-22 RESTRICTED £'000	2021-22 UNRESTRICTED £'000	2021-22 TOTAL £'000
Income from charitable activities			
Levy income	-	108,266	108,266
Non-Levy income			
Training and Development	10,233	29,751	39,984
Careers	-	108	108
Standards and Qualifications	-	176	176
Engagement and Evidence Base	-	17	17
Other	-	(31)	(31)
Total non-Levy income	10,233	30,021	40,254
Income from trading activities	-	-	-
Income from investments	-	-	-
Income from Government grants	(7)	-	(7)
Other income	-	29	29
Total income	**10,226**	**138,316**	**148,542**

EXPENDITURE			
Expenditure on raising funds	-	1,702	1,702
Expenditure on charitable activities			
Training and Development	19,870	144,617	164,487
Careers	-	1,091	1,091
Standards and Qualifications	-	5,146	5,146
Engagement and Evidence Base	-	2,991	2,991
Total expenditure on charitable activities	19,870	153,845	173,715
Expenditure from trading activities	-	3	3
Other expenditure	-	(398)	(398)
Total expenditure	**19,870**	**155,152**	**175,022**
Net loss/(gain) on revaluation of investments	-	-	-
Net income/(expenditure)	(9,644)	(16,836)	(26,480)
Transfer from unrestricted fund	9,644	(9,644)	-
Net movement in funds	**-**	**(26,480)**	**(26,480)**

NOTES TO THE ACCOUNTS 14 / 20

13. ACCUMULATED FUNDS

2022-23	2022-23 GENERAL RESERVE £'000	2022-23 FIXED ASSET REVALUATION RESERVE £'000	2022-23 TOTAL UNRESTRICTED FUNDS £'000	2021-22 TOTAL UNRESTRICTED FUNDS £'000
Opening balance	94,253	-	94,253	120,733
Net movement in funds	8,197	204	8,401	(26,480)
Closing balance	**102,450**	**204**	**102,654**	**94,253**

2021-22 (COMPARATIVE TABLE)

Opening balance	120,733	-	120,733	54,243
Net movement in funds	(26,480)	-	(26,480)	66,490
Closing balance	**94,253**	**-**	**94,253**	**120,733**

The accumulated unrestricted fund is available for use at the discretion of the Board in furtherance of the general objectives of the charity.

14a. GROSS CASH FLOWS BY CATEGORY

CAPITAL EXPENDITURE	2022-23 £'000	2021-22 £'000
Receipts from sales of tangible fixed assets	229	-
Payments to acquire tangible fixed assets	(596)	-
	(367)	**-**

NOTES TO THE ACCOUNTS 15 / 20

15. ITB PENSION FUND

CITB is a participating employer in the ITB Pension Fund Scheme, which has two sections. The two sections are:

1. The '2007 Section', a defined benefit scheme for staff who joined before 1 January 2013. As at 31 December 2016, all current members of the defined benefit scheme became deferred members of the scheme and were transferred across to the 'Defined Contribution Section' and the scheme closed to future accrual.

2. The 'Defined Contribution Section' is a defined contribution scheme for staff who joined on or after 1 January 2013.

As the '2007 Section' is a multi-employer scheme for which CITB's proportion of assets and funding/ liabilities cannot be separately identified, the Charity SORP (FRS 102) requires it to be accounted for as a defined contribution plan.

The most recent triennial valuation of the scheme was performed as at 31 March 2022.

The principal future assumptions used are:

- **Discount rate for determining the technical provisions (or, equivalently, the expected return on the assets)**
  The overall discount rate assumed for the valuation is based on consideration of the expected rates of return on the Fund's assets and the yields available, at the valuation date, on Government bonds (gilts). The expected nominal return on the assets is assumed to be the redemption yields on gilts plus a prudent margin of 0.15% a year to allow for expected returns on the Fund's assets exceeding those from gilts. An inflation risk premium of 0.25% is also deducted.

- **Future Retail Price Inflation (RPI)**
  An implied RPI curve for future RPI is determined by comparing the annually compounded redemption yield from nominal gilt yield curves minus 0.25% for an inflation risk premium, and index-linked gilt yield curves.

- **Future Consumer Price Inflation (CPI)**
  CPI increases are assumed to be 0.9% a year less than RPI increases up to 2030 and in line with RPI from 2030.

- **Pension increases**
  These are assumed to be in line with the provisions under the Fund's rules, with the assumption for future CPI or RPI as appropriate, allowing for any caps and floors.

- **Mortality (post-retirement)**
  Assumed to be in line with 85% of the S3NMA, S3NFA_H and S3DFA tables published by the UK actuarial profession. Ill health pensioners are assumed to experience the same rates of mortality as under the unadjusted S3IM/FA tables.

- **Mortality improvements**
  Longevity improvements are assumed to be in line with the 2021 Continuous Mortality Investigation (CMI) projection model using a smoothing factor of 7.5 and a 1.5% long-term improvement per year.

The 2022 triennial valuation indicated that the actuarial value of the assets helped by the scheme in total showed a surplus of £24.8m against the scheme liabilities on a statutory funding basis. There were no deficit funding contributions paid to the scheme in the 12-month period (2021-22: £Nil).

The range for employee contributions is 4%-7% (2021-22: 4%-7%), and the employer contributions will match the employee contribution plus 2% but are capped at 9% (2021-22: 9%). Expenses related to the CITB defined contribution scheme are attached to individual employees and allocated across activities on the same basis as total employee costs. These expenses are funded from unrestricted reserves.

As shown in Note 18, employer's pension contributions totalled £2m for 2022-23 (2021-22: £1.9m).

The operating cost of defined contribution pension scheme for 2022-23 was £16,683.

NOTES TO THE ACCOUNTS 16 / 20

16. LEASE COMMITMENTS

CITB is committed to the following annual payments under non-cancellable operating lease agreements:

2022-23	2022-23 LAND AND BUILDINGS £'000	OTHER £'000	2021-22 LAND AND BUILDINGS £'000	OTHER £'000
Operating leases				
Leases expiring within 1 year	44	286	128	239
Leases expiring within 2-5 years	1	343	-	179
Leases expiring after 5 years	-	-	-	-
As at 31 March	**45**	**629**	**128**	**418**

17. BOARD MEMBERS' REMUNERATION

Remuneration of Board members was as follows:

	2022-23 (£)	2021-22 (£)
Chairman – Peter Lauener	23,102	22,725

The authority under which payments were made to the Chairman is contained within the Industrial Training Act 1982.

Expenses paid to Board members during 2022-23 amounted to £1,626 (2021-22: £270) in respect of travel and subsistence. The total number of recipients was five (2021-22: two). No material expenses were waived by Board members during this period.

NOTES TO THE ACCOUNTS 17 / 20

18. PARTICULARS OF STAFF

During the period, the average number (across the year) of staff directly and temporarily employed by CITB (expressed in full-time equivalents) was as follows:

	DIRECTLY EMPLOYED	TEMPORARY STAFF	2022-23 TOTAL	2021-22 TOTAL
Total	**660**	**6**	**666**	**644**

During the period, the following costs were incurred in respect of the above:

	2022-23 £'000	2021-22 £'000
Salaries of directly employed staff	29,951	26,638
Temporary and agency staff costs	1,915	1,517
Redundancy cost	(145)	(32)
Social security costs	3,315	2,959
Pension costs	1,989	1,879
Total	**37,025**	**32,961**

The remuneration, pension entitlements and pension transfer values of CITB's senior directors can be found in the Remuneration Report on pages 84 to 89.

A £900,000 redundancy provision was made at the end of 2021-22, therefore the above redundancy cost in 2022-23 represents the net release of this provision following reassessment of estimated redundancy costs in 2022-23.

The number of employees whose emoluments exceeded £60,000, including benefits in kind but excluding pension contributions, are outlined within the ranges shown below.

	2022-23	2021-22
£60,001-£70,000	45	35
£70,001-£80,000	12	10
£80,001-£90,000	14	8
£90,001-£100,000	2	3
£100,001-£110,000	1	2
£110,001-£120,000	2	2
£120,001-£130,000	1	2
£130,001-£140,000	1	0
£170,001-£180,000	1	0

The total employer contributions paid in 2022-23 to the defined contribution section of the ITB Pension Fund in respect of those employees earning over £60,000 was £392,963 (2021-22: £302,912).

NOTES TO THE ACCOUNTS 18 / 20

18. PARTICULARS OF STAFF (CONTINUED)

Details of staff headcount by grade and gender as at period end are:

GRADE	2022-23 MALE	FEMALE	TOTAL	2021-22 MALE	FEMALE	TOTAL
Chief Executive	1	-	1	1	-	1
Director	2	3	5	2	2	4
Grade A	15	13	28	11	9	20
Grade B	24	19	43	24	16	40
Grade C	48	55	103	40	50	90
Grade D	54	73	127	57	58	115
Grade E	147	124	271	106	77	183
Grade F	24	56	80	55	86	141
Grade G	12	35	47	14	31	45
Grade H	2	4	6	3	3	6
Total	**329**	**382**	**711**	**313**	**332**	**645**

Details of staff sickness absence and off-payroll engagements are shown in the Remuneration Report (page 89).

Details of staff leaving the organisation during 2022-23 for whom contractual redundancy exit packages were payable are:

EXIT PACKAGE COST BAND	NUMBER OF COMPULSORY REDUNDANCIES 2022-23	2021-22	NUMBER OF OTHER AGREED DEPARTURES 2022-23	2021-22	TOTAL NUMBER OF EXIT PACKAGES BY COST BAND 2022-23	2021-22
<£10,000	4	6	-	-	4	6
£10,001-£25,000	6	8	1	-	7	8
£25,001-£50,000	6	8	-	-	6	8
£50,001-£100,000	3	4	-	-	3	4
Total number of exit packages	**19**	**26**	**1**	**-**	**20**	**26**
Total cost £	**558,233**	**667,934**	**15,875**	**-**	**574,108**	**667,934**

19. TAXATION

As a registered charity, CITB is exempt from corporation tax on its charitable activities under section 505 of the Income and Corporation Taxes Act 1988. However, incoming resources include income that is deemed to be of a non-charitable nature, resulting in a loss of £Nil (2021-22: loss of £2,856). This has given rise to a corporation tax liability of £Nil (2021-22: £Nil).

NOTES TO THE ACCOUNTS 19 / 20

20. RELATED PARTY TRANSACTIONS

The sponsoring department for CITB is DfE. On 1 April 2022, the contract held with ESFA regarding apprenticeships funding has now novated to DfE.

	INCOME RECOGNISED BY CITB		OWING TO CITB	
	2022-23 £'000	2021-22 £'000	2022-23 £'000	2021-22 £'000
ESFA	(10,915)	1,523	-	1,053
DfE	2,523	2,506	518	-

	EXPENDITURE RECOGNISED BY CITB		OWING TO CITB	
	2022-23 £'000	2021-22 £'000	2022-23 £'000	2021-22 £'000
ESFA	49	-	16,199	5,900
DfE	-	49	-	-

In addition, some members of the Board hold positions of influence and decision-making with organisations with which CITB has transacted during the year. Details of such positions and employments are declared in the following appendices to this report:

- Appendix A (pages 91 to 92) shows the register of interests of Board members
- Appendix B (page 93) shows Board and Committee attendance
- Appendix C (pages 94 to 95) lists the members of the Board and its Committees, also giving the names of their employers.

The transactions in the following tables comprise the receipt of Levy and income from the sale of training-related products and services, and the payment of grants and payments for the purchase of materials and services to the organisations classified as related parties.

	INCOME RECOGNISED BY CITB		AMOUNTS OWING TO CITB AT PERIOD END	
	2022-23 £'000	2021-22 £'000	2022-23 £'000	2021-22 £'000
Levy	1,079	417	326	-
Sale of training-related products and services	48	-	2	-
Total	1,127	417	328	-

	EXPENDITURE RECOGNISED BY CITB		AMOUNTS OWING TO CITB AT PERIOD END	
	2022-23 £'000	2021-22 £'000	2022-23 £'000	2021-22 £'000
Payment of grants	2,215	7	11	10
Purchase of materials and services	262	-	-	-
Total	2,477	7	11	10

It is the Board which sets out CITB's vision, mission and values and therefore transactions with parties related to the Board members only are considered related party transactions and included in the table above.

During the year, no key manager, employee or other related party has undertaken any material transactions with CITB other than remuneration, as disclosed in the Remuneration Report and staff costs notes. All of the transactions were under normal terms and carried out at arm's length. No funds were held as an agent.

NOTES TO THE ACCOUNTS 20 / 20

21. FINANCIAL INSTRUMENTS

CITB only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

A significant amount of CITB's reserves are held as cash. As well as instant access accounts CITB utilises a short-term deposit account to benefit from a higher interest rate. These are low risk and sufficient to meet CITB's liquidity requirements.

22. LOSSES AND SPECIAL PAYMENTS

Following their audits and settlement negotiations with the ESFA, we have agreed the clawback of £1.6m (£600,000 in 2022-23 and £1m in 2023-24) for non-compliances against funding rules for apprenticeship delivery in England for the academic year 2020-21 and provided for the possible clawback of up to £15.2m for 2018-19 and 2019-20 in future years. There were no special payments made during the year, and the total bad debts written off amounted to £8.5m, from 1,405 individual items (2021-22: £6m, from 1,261 items).

23. REMOTE CONTINGENT LIABILITIES

As part of our ten-year contract with SSCL, CITB has agreed to compensate SSCL should we exit early. As at 31 March 2023, in the unlikely event that CITB were to cancel the contract, there would be a maximum liability of £1.9m to compensate SSCL for investment in systems and people due to be used over the life of the contract to 2029. SSCL has a duty to mitigate any losses and, in the normal course of events, CITB will be paying SSCL this money as part of the contract delivery. As at the following year-end, 31 March 2024, the maximum liability increases to £2m.

24. EVENTS AFTER THE BALANCE SHEET DATE

There have been no events after the balance sheet date requiring an adjustment to the financial statements. The financial statements were authorised for issue on the date the Comptroller and Auditor General signed. Events after this date have not been considered and the charity's Trustees do not have the power to amend the financial statements after issue.

SECTION 7

Remuneration Report

Pages 84-89

MEMBERSHIP

The Nomination, Appointments and Remuneration Committee is a Committee of the Board. Its terms of reference provide, among other matters, that the Committee will advise and provide assurance to the Board on senior appointments, the remuneration policy, succession planning of the Executive and Leadership teams, and the monitoring of people-based KPIs against the 2021-25 Strategic Plan.

The Committee normally has three Board Trustees, one of whom is appointed as Chair. The CEO and People Director provide information to the Committee to inform its decisions.

POLICY ON THE REMUNERATION OF DIRECTORS

Individual remuneration for Executive Directors is reviewed annually with regard to external market changes and an assessment of individual performance, evidenced by the performance management process. Individual performance payments, which are not consolidated into annual salaries, are set within a range from 0%-10% of basic pay for the directors, excluding the CEO, for whom the range is normally 0%-15%. All employees, including directors, are eligible for membership of the ITB Pension Fund Scheme.

Performance bonuses may be paid annually to all staff. Any bonuses are paid after the financial year-end but relate to performance in the preceding financial year, therefore are recognised on an accruals basis within the financial statements.

POLICY ON CONTRACTS, NOTICE PERIODS AND TERMINATION PAYMENTS

All the directors are permanent employees of the organisation and have a notice period of six months.

Termination payments, if applicable, are paid in accordance with CITB contractual terms and conditions. No additional or discretionary payments are made outside of contractual terms.

NON-CASH REMUNERATION

With the exception of company cars, health insurance, dental insurance and critical illness cover (the last two are not provided as a right of office), no non-cash remuneration is provided. The provision of company cars and health screening are part of the standard terms and conditions of employment for senior grades of staff. As alternatives, a cash option for cars and a business mileage allowance are paid.

SALARY AND PENSION ENTITLEMENTS

The sections on the following pages provide details of the remuneration for the year and the pension benefits of the most senior members of CITB staff.

BOARD MEMBERS' REMUNERATION

The Nomination, Appointments and Remuneration Committee is not responsible for considering Board members' remuneration. Of the Board members, only the Chairman receives remuneration, which is determined by DfE in line with the Industrial Training Act 1982.



Tim Balcon
Chief Executive

Tim joined CITB as CEO in September 2021, bringing with him a strong track record in developing skills, training and organisations. Tim hails from a construction background and has extensive experience in leading professional and membership bodies, as well as widespread knowledge of the education sector. Tim is driven to create a skills system that better recognises individual's capabilities and personal strengths, whilst giving employers the competencies and capabilities when and where they need them.



Adrian Beckingham
Strategy and Policy Director

Adrian became CITB's Strategy and Policy Director in June 2022. Adrian has enjoyed a variety of senior roles during his 22 years at CITB. Posts include: Head of IT, Head of Business Improvement, Change Director and, most recently, Corporate Performance Director. Adrian now leads the strategy, industry analysis and forecasting, policy and Government relations, and product development functions. His key aim is to ensure we have visibility of the current and future skills needs, guaranteeing the skills solutions and infrastructure capable of meeting that demand.



Emma Black
Legal, Governance and Compliance Director

Emma joined CITB in 2017 as General Counsel and Board Secretary and was appointed to the Executive team in January 2021 as Legal, Governance and Compliance Director. Emma's role includes oversight of all legal matters, governance of Board and Committee activity, contracts and commissioning, and delivery of an effective audit and risk function. As well as her executive responsibilities, Emma is also key liaison with DfE. Emma is committed to continuous improvement and prioritises investment in people both inside and outside CITB.



Nick Payne
Chief Financial Officer

Nick worked in a variety of finance, commercial and operational roles across Government, policing and the private sector, before joining CITB in November 2022. As Chief Financial Officer, his role includes estates management, business planning and performance, finance, and change and technology, as well as responsibility for sustainability, business continuity, and health and safety management. Nick's priorities are creating an environment for CITB to succeed in, and to demonstrate our value and impact for the industry.



Jackie Ducker
Customer and Product Director

Jackie left CITB on 21 April 2023.

Payments to the Chair are authorised under Schedule 1(4) of the Industrial Training Act 1982. No other Board members are remunerated. Note 17 – Board members' remuneration (page 79) provides the Chairman's Remuneration as well as Board members' expenses. **The aggregate total of employee benefits received by the Trustees and key management personnel for their services to CITB during the year was £670,804.**

2022-23 Remuneration (audited)

	SALARY AND ALLOWANCES £'000	BENEFITS IN KIND TO NEAREST £100	BONUS £'000	PENSION BENEFITS £'000	2022-23 TOTAL £'000
Tim Balcon Chief Executive	165-170	1,100	0-5	9.5	180-185
Adrian Beckingham Strategy and Policy Director	110-115	100	-	10.0	120-125
Emma Black Legal, Governance and Compliance Director	115-120	900	5-10	9.6	130-135
Jackie Ducker Customer and Product Director	125-130	1,200	5-10	10.6	145-150
Nick Payne Chief Financial Officer	55-60	300	-	3.4	60-65

The full-year equivalent annual salary bandings (£'000) of those who joined during 2022-23 were: Nick Payne: 140-145.

2021-22 Remuneration (audited)

	SALARY AND ALLOWANCES £'000	BENEFITS IN KIND TO NEAREST £100	BONUS £'000	PENSION BENEFITS £'000	2022-23 TOTAL £'000
Tim Balcon Chief Executive	90-95	400	-	5.4	100-105
Sarah Beale Chief Executive	90-95	2,100	25-30	7.6	130-135
Stephen Radley Strategy and Policy Director	115-120	2,400	-	6.7	125-130
Braden Connolly Products and Customer Services Director	95-100	800	-	3.4	100-105
Adrian Beckingham Corporate Performance Director	105-110	200	-	9.8	115-120
Emma Black Legal, Governance and Compliance Director	105-110	1,800	-	9.1	115-120
Jackie Ducker Customer and Product Director	90-95	100	-	7.1	95-100

The full-year equivalent annual salary bandings (£'000) of those who left during 2021-22 were: Sarah Beale: 155-160, Braden Connolly: 115-120. The full-year equivalent annual salary bandings (£'000) of those who joined during 2021-22 were: Tim Balcon: 160-165, Jackie Ducker: 120-125.

In 2021-22, an outplacement support package was provided to Stephen Radley to help him transition to the next stage of his career. This package cost CITB £2,940.

Fair pay disclosures (audited)

HIGHEST-PAID DIRECTOR RATIOS COMPARED TO THE ORGANISATION'S WORKFORCE

CITB is required to disclose the relationship between the remuneration of its highest-paid director and the lower quartile, median and upper quartile remuneration of the organisation's workforce (based on full-time equivalents).

	2022-23	2021-22
Highest-earning executive director's total remuneration (£'000)	170-175	160-165
Median total remuneration (£)	41,500	39,463
Ratio of remuneration of highest-earning executive to remuneration of employee on lower quartile	4.7: 1	4.7 : 1
Ratio of remuneration of highest-earning executive to median remuneration	4.2: 1	4.1 : 1
Ratio of remuneration of highest-earning executive to remuneration of employee on upper quartile	3.5: 1	3.4 : 1
£120,001-£130,000	3	2

The percentage increase from the previous financial year for salary and allowances of the highest paid director was 3.08%.

The percentage increase from the previous financial year for performance pay and bonus of the highest paid director was 100% due to no performance pay or bonuses being paid in 2021-22.

The percentage increase from the previous financial year for average salary and allowances for all FTE employees was 3.48%. The increase was due to annual wage rise.

The average performance pay and bonus increase for FTE employees in 2022-23 was 9.55%.

In 2022-23, no employees received remuneration in excess of the highest-paid director (2021-22: Nil).

Note: In line with fair pay guidance, the remuneration stated above excludes pension benefits.

EMPLOYEES REPRESENTING EACH QUARTILE OF PAY

QUARTILE	2022-23 TOTAL PAY AND BENEFITS £'000	2022-23 SALARY £'000	2021-22 TOTAL PAY AND BENEFITS £'000	2021-22 SALARY £'000
Lower quartile	37	34	35	30
Median	42	36	39	34
Upper quartile	50	44	48	42

Total pay and benefits year on year remained relatively unchanged. The slight increase in the upper quartile is a result of more senior appointments in the year. Full-time equivalent remuneration ranged from £19k to £172k (2021-22: £19k to £163k).

DETAILS OF STAFF SICKNESS ABSENCE

The absence rate is calculated as a percentage of those staff available to work.

2022-23 DAYS LOST	2022-23 ABSENCE RATE	2021-22 DAYS LOST	2021-22 ABSENCE RATE
6,074	3.67%	6,653	4.11%

Off-payroll engagements as at 31 March 2023, for more than £245 per day:

2022-23	
Number of existing engagements as at 31 March 2023	2
of which:	
less than one year at time of reporting	2
between one and two years at time of reporting	-

Off-payroll workers engaged at any point during the year ended 31 March 2023 and earning at least £245 per day:

2022-23	
Number of off-payroll workers engaged during the year ended 31 March 2023	2
of which:	
number determined as in-scope of IR35	2
number determined as out-of-scope of IR35	-

All off payroll engagements as at 31 March 2023 for more than £245 per day were subject to off-payroll legislation and determined as in-scope of IR35.



PETER LAUENER
Chairman
24 January 2024



TIM BALCON
Accounting Officer
24 January 2024

SECTION 8

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Peterborough
PE2 8TY

PRINCIPAL OFFICE
See Appendix E (page 96) for details of principal and registered offices.

Appendix A: Register of Board members' interests

RELATED PARTY TRANSACTIONS

Employer Board Trustees must be concerned in the management of the activities of an employer engaging in the construction industry in order for their appointment by the Secretary of State to be valid. Therefore, with the exception of the two independent members, all Trustees would have had business interests, as Levy payers or potential grant recipients, at the date of their appointment, which may be perceived to conflict with their responsibilities as Board members. The following Board members who served for the period ended 31 March 2023 have, in addition, declared other personal or business interests.

PETER LAUENER

CITB Chairman

Peter Lauener was appointed as CITB Chairman in May 2018. Peter came to CITB with a wealth of experience in the education and skills sector, having previously held the roles of Chief Executive of ESFA and interim Chief Executive of the Institute for Apprenticeships and Technical Education.

Along with his work on the CITB Board, Peter currently holds a number of non-executive roles in the education, skills and health sectors. Since March 2020, Peter has been Chair of the Student Loans Company, a Government-owned non-profit-making company, which is also an executive NDPB. This organisation administers loans and grants to students in universities and colleges in the UK.

Peter is also the Chair of Orchard Hill College, which is an independent special needs college based in Sutton in South London, with sites across London and the South East. This college is a sponsor of a special needs academy trust with a number of academies in the same area.

In addition to his interests in the education and skills sector, Peter also has an interest in the health sector as a Non-Executive Director of Sheffield Children's NHS Foundation Trust, one of a small number of specialist children's trusts in the NHS, providing clinical and community services.

TONY ELLIOTT

Executive Director of People, Robertson Group

Tony Elliott has over 30 years of experience in the fields of talent, people and learning, and is part of the executive team at Robertson, one of the UK's largest privately owned construction and infrastructure services companies. Tony feels strongly about the development of people and the growing of internal talent, the attraction of new talent, and ensuring skillsets are enhanced and future-proofed within construction.

STEVE FOX (TENURE ENDED MAY 2022)

Steve was appointed as a Non-Executive Director of Barhale Ltd on 29 July 2020, and he also provides advisory services to other parties. Steve was Chief Executive of BAM Nuttall from 2010 until June 2020. He had worked for the company since 1989. Steve is a Chartered Engineer and a Fellow of the Institution of Civil Engineers. He was awarded a CBE in 2015 for services to the construction industry. Steve is a strong supporter of both trade and technician apprenticeships as routes into the industry and is a member of the is a member of the Women into Science and Engineering board. This follows Steve's commitment to championing women to work in science, technology, engineering and mathematics (STEM).

DIANA GARNHAM

Diana is Chair of Skills East Sussex, a member of The South East Local Enterprise Partnership Skills Advisory Panel, a Council Member of Christ's Hospital School, President of King's College London Alumni Association, Chair of King's College London Alumni Advisory Group, and Director of Tavern Quay RTM Company. Previously, she was Chief Executive of the Science Council and a Governor of the East Sussex College Group. She has a continuing interest in the social consequences of science, in good governance and strategy, and in enabling young people to achieve their potential, particularly within the STEM environment.

YVONNE KELLY (TENURE ENDED FEBRUARY 2023)

Principal and CEO, Barking & Dagenham College

Yvonne Kelly is the Principal and CEO of Barking & Dagenham College, an award-winning college that provides vocational, technical and professional training to over 7,000 students annually. Barking & Dagenham College provides intermediate, advanced and higher-level qualifications in construction including apprenticeships and T Levels. The College trains a number of CITB apprentices. The College is the lead partner of the East London Institute of Technology, one of the first 12 in the country, and joined the WorldSkills UK Centre of Excellence Programme in 2020. Yvonne takes an active role on various Boards, and is a member on the Royal Society Education Committee, the Four Nations College Alliance and as an adviser on the Pearson FE Reference Group.

KEVIN MCLOUGHLIN

Managing Director, McLoughlin Group Holdings Ltd

Kevin McLoughlin MBE is the founder and Managing Director of London-based SME McLoughlin Group Holdings Ltd. The company is an avid supporter of apprenticeships. The company employs several tutors who help train apprentices in painting and decorating, and since 2012 has offered a four-week pre-employment programme for all ages. Kevin was awarded an MBE in 2014 for his services to skills and apprenticeships and is a Fellow of the Chartered Institute of Building (CIOB). Kevin also is a Member of GMB, Liveryman of Painters and Stainers, Freeman of the City of London, member of the Federation of Master Builders Training Group, the London Regional Construction Training Group, FIR Steering Group, Islington Skills & Strategy Delivery Group, Islington Living Wage Place Action Group and a member of the Alumnus Community for the Institute for Apprenticeships and Technical Education. Kevin is also a Director of McLoughlin Decorating Schools Community Interest Company, and a Partner of Maxine and Kevin Property Business Partnership.

Appendix A: Register of Board members' interests

HOLLY PRICE

Group Sustainability Director, Keltbray Group

Holly Price was the Training and Development Director at Keltbray Group from 2007 until 2022, playing a crucial role in engineering sustainable and considerable growth through getting the right people in the right place at the right time. Holly started her career in the demolition industry aged just 17, training to be an engineer, and went on to become Europe's only female explosives engineer in the sector. Throughout her time at Keltbray, Holly also took the lead on Social Value delivery and played an active role in industry partnerships with trade associations and other educational establishments promoting skills in the construction sector.

In early 2022 Holly was appointed as Group Sustainability Director and her collaborative leadership approach has best placed her to take responsibility for the implementation of Keltbray's published targets for environmental, social and economic sustainability.

Holly actively promotes the need to widen the talent pool by embracing diversity and attracting newcomers from all backgrounds to the industry, and she tirelessly campaigns for continuous improvement of industry standards.

Holly is also an Honorary Life Vice President of the National Federation of Demolition Contractors, which has financial management of the National Demolition Training Group, and benefits from CITB funding. She is also a Trustee of Construction Youth Trust, which receives CITB funds to support disadvantaged youth into construction jobs through training and mentoring.

SOPHIE SEDDON

People and Culture Director, Novus Property Solutions

Sophie Seddon has worked in construction for over 10 years, having joined her family business after graduating in Business Management. Starting her career at Seddon Property Services, Sophie was instrumental in the company's rebrand to Novus. Since then she was appointed as the Head of Client Engagement and Communication in 2018, before moving into her most recent role in 2020. Sophie understands the importance of nurturing young talent, as Novus offers numerous routes into construction for young people. She is also passionate about the use of new technology, improving sustainability issues, and encouraging inclusivity within the industry.

Sophie is also a shareholder of JSSH Ltd, the group holdings of Novus Property Solutions Ltd and a Director and a shareholder of Hall Estates Ltd, a property development company.

LOUISA FINLAY (APPOINTED JULY 2022)

Chief People Officer, Kier Construction Ltd

Louisa was appointed Chief People Officer at Kier Group in March 2023, following more than 30 years of continual service with the business. In this role, Louisa has responsibility for HR, environmental and social sustainability, health, safety and wellbeing as well as asset management and business assurance.

Before becoming Chief People Officer, Louisa worked in various national, regional and sector roles across its construction business, including as Managing Director of the southern business and most recently as Managing Director of the clients and markets function.

Louisa started her career as a trainee engineer on a sandwich degree. She is passionate about delivering the next generation of infrastructure across the UK and is committed to having a culture at Kier where everyone feels they belong, are supported and able to thrive.

Louisa is a member of both the CIOB and the Construction and Property Industry Mentoring Circle.

OWAIN JONES (APPOINTED JULY 2022)

Director, Richard Jones (Betws) Ltd

Owain Jones has over 30 years of experience in the construction industry having joined the family SME business after graduating initially in Business and Finance and latterly in Construction Management. Based in Southwest Wales, TRJ was recognized in 2015 as CITB Apprentice Employer of the Year for both Wales and Great Britain.

Owain is a founding trustee and Chairperson of Cyfle Building Skills, a charity which operates the largest Construction Shared Apprenticeship Scheme in the UK. Cyfle's achievements were recognised with two Queen's Awards, for innovation and for promoting opportunity in respect to social mobility. Owain has been an Executive Director of Carmarthenshire Construction Training Association Ltd since its inception and is passionate about upskilling the local workforce.

Owain is a Trustee of the Jac Lewis Foundation, a mental health and wellbeing charity. A fluent Welsh speaker, Owain is a passionate supporter of the Welsh language and culture.

MICHAEL GREEN (APPOINTED JULY 2022)

Managing Director RED Systems Ltd

Michael Green has risen through the ranks, from his initial CITB Technicians Youth Training Scheme placement with Alfred McAlpine at Bircham Newton, to now, running his own, rapidly expanding glazing and curtain walling company, RED Systems.

Founded in 2003, the company has grown to become a £14m+ turnover business and is now one of the industry's most respected specialist glazing contractors.

A passionate advocate for training, development and professional advancement, with over 60% of his own team studying for some kind of qualification, he is committed to nurturing skills and attracting new talent to the industry.

Now, with over 33 years' experience in the industry, and having recently completed the most challenging step on his own educational journey, an MBA, Michael is now a member of the Chartered Management Institute.

Appendix B: Board and Committee attendance

2022-23	MEMBER	ATTENDANCE	MEMBER	ATTENDANCE	TOTAL
Board	Peter Lauener (Chairman)	5/6	Holly Price	4/6	**45/54**
	Tony Elliott	6/6	Sophie Seddon	5/6	
	Steve Fox (tenure ended 31 May 2022)	0/1	Owain Jones (joined 25 July 2022)	4/4	
	Diana Garnham	6/6	Michael Green (joined 25 July 2022)	4/4	
	Yvonne Kelly (tenure ended 18 February 2023)	4/5	Louisa Finlay (joined 25 July 2022)	2/4	
	Kevin McLoughlin	5/6	-	-	
Audit and Risk Committee	Diana Garnham (Chair)	5/5	Sophie Seddon	3/5	**17/21**
	Lee Jones	4/5	Louisa Finlay (appointed December 2022)	1/1	
	Richard Plumb	4/5	-	-	
Nomination, Appointments and Remuneration Committee	Tony Elliott (Chair)	5/5	Sophie Seddon	5/5	**13/15**
	Diana Garnham	3/5	-	-	
Industry Funding Committee	Steve Fox (Chair) (tenure ended 31 May 2022)	0/0	Kacey O'Driscoll	3/4	**22/27**
	Holly Price (Chair from 1 June 2022)	4/4	Hannah O'Sullivan	3/4	
	Steve Drury	4/4	Rupert Perkins	3/4	
	Julia Evans (tenure ended 31 December 2022)	2/3	Claire Smithson	3/4	
Levy Strategy Committee	Diana Garnham (Chair)	4/4	Vikki Skene	3/4	**26/32**
	Gareth Davies	3/4	Rob Tansey	2/4	
	Andrew Harvey	4/4	Annette Jones (joined 15 March 2023)	1/1	
	Yvonne Kelly (tenure ended 18 February 2023)	2/3	Ken Miller (joined 15 March 2023)	1/1	
	Alison Duckles (resigned 21 July 2022)	1/1	James Butcher (joined 15 March 2023)	1/1	
	Neil Rogers	3/4	Steve Anderson	1/1	
Cymru Wales Nation Council	Leigh Hughes (Chair)	4/4	Owain Jones (Deputy Chair)	3/4	**25/32**
	Gareth Davies	4/4	Paul Tedder	4/4	
	Terry Edwards	3/4	Monique Jones	2/4	
	Andrea Green	3/4	Andrew Dobbs	2/4	
England Nation Council	Sharon Llewellyn (Chair)	4/4	James Flannery	1/4	**27/36**
	Kevin McLoughlin (Deputy Chair)	4/4	Alison Duckles (tenure ended 31 December 2022)	1/1	
	Bola Abisogun	3/4	Jeremy Musselwhite (resigned 26 September 2022)	0/2	
	Karen Brookes	3/4	Dave Sargent	2/4	
	Chris Carr	3/4	Maria Seabright	3/4	
	Ian Dickerson	3/4	Annette Jones (joined 1 January 2023)	1/1	
Scotland Nation Council	Angela Forbes (Chair)	4/4	Karen McGahan	2/4	**27/32**
	Tony Elliott (Deputy Chair)	4/4	Jennifer Phin (resigned 24 March 2023)	3/4	
	Craig Bruce	4/4	Kevin Urquhart	4/4	
	Marion Forbes	3/3	Ken Millar (joined 1 January 2023)	1/1	
	Susan Jackson (resigned 16 March 2023)	2/4	-	-	
National Construction College and Apprenticeships	Peter Lauener (Chair)	1/1	Tony Elliott	1/1	**3/3**
	Michael Green (Vice Chair)	1/1	-	-	

Appendix C: Membership of the Board and its Committees

First name	Surname	Employer	CITB Board	Audit and Risk Committee	Nomination, Appointments and Remuneration Committee	Industry Funding Committee	Levy Strategy Committee	NCC and Apprenticeships Committee	Cymru Wales Nation Council	England Nation Council	Scotland Nation Council
Bola	Abisogun	DiverseCity Surveyors								●	
Steve	Anderson	Construction Skills People					Appointed March 2023				
Karen	Brookes	Sir Robert McAlpine								●	
Craig	Bruce	Pert Bruce Construction									●
James	Butcher	National Federation of Builders					Appointed March 2023				
Chris	Carr	Carr and Carr (Builders) Ltd								●	
Gareth	Davies	Knox and Wells Ltd					●		●		
Ian	Dickerson	Kier Group Plc								●	
Andrew	Dobbs	Willmott Dizon Construction Ltd							●		
Steve	Drury	Rooff Limited and Rooff Residential Ltd				●					
Terry	Edwards	John Weaver Construction							●		
Tony	Elliott	Robertson Group	●		Chair			Appointed March 2023			Deputy Chair
Julia	Evans	BSRIA				Tenure ended December 2022					
Louisa	Finlay	Kier Group Plc	Appointed July 2022	Appointed December 2022							
Angela	Forbes	BuildForce									Chair
Marion	Forbes	Mactaggart and Mickel Homes Ltd									●
Steve	Fox	BAM Nuttall	Tenure ended May 31 2022			Tenure ended May 31 2022					
Diana	Garnham	Consultant	●	Chair	●		Chair				
Andrea	Green	Alstom							●		
Michael	Green	RED Systems Ltd	Appointed July 2022					Appointed March 2023			
Andrew	Harvey	Harvey Shopfitters Ltd					●				
Leigh	Hughes	Bouygues UK							Chair		
Susan	Jackson	Campion Homes Ltd									Resigned March 2023
Annette	Jones	Foundation Developments Ltd					Appointed March 2023			Appointed January 2023	
Lee	Jones	Keir Group Plc		●							
Monique	Jone	J Randall Roofing Contructors							●		

Appendix C: Membership of the Board and its Committees

First name	Surname	Employer	CITB Board	Audit and Risk Committee	Nomination, Appointments and Remuneration Committee	Industry Funding Committee	Levy Strategy Committee	NCC and Apprenticeships Committee	Cymru Wales Nation Council	England Nation Council	Scotland Nation Council
Owain	Jones	T Richard Jones (Betws) Ltd	Appointed July 2022						Deputy Chair		
Yvonne	Kelly	Barking & Dagenham College	Tenure ended February 2023				Tenure ended February 2023				
Alison	Lamplough	Laing O'Rourke					Resigned July 2022			Tenure ended December 2022	
Peter	Lauener	CITB Chairman	Chair					Chair Appointed March 2023			
Sharon	Llewellyn	JPR Roofing and Flooring Ltd								Chair	
Karen	McGahan	William Waugh & Sons (Builders) Ltd									●
Kevin	McLoughlin	McLoughlin Group	●							Deputy Chair	
Ken	Millar	Springfield Group					Appointed March 2023				Appointed January 2023
Jeremy	Musselwhite	Jem Musselwhite Ltd								Resigned September 2022	
Kacey	O'Driscoll	Danny Sullivan Group				●					
Hannah	O'Sullivan	VolkerWessels				●					
Rupert	Perkins	John Perkins Construction Ltd				●					
Jennifer	Phin	A.C Whyte & Co Ltd									Resigned March 2023
Richard	Plumb	Ordnance Survey Ltd		●							
Holly	Price	Keltbray Group	●			Chair					
Neil	Rogers	Scottish Decorators' Federation					●				
Dave	Sargent	RBF Construction Training Academy Ltd								●	
Maria	Seabright	Greenade Construction Ltd								●	
Sophie	Seddon	Novus Property Solutions	●	●	●						
Vikki	Skene	Galliford Try					●				
Clare	Smithson	Western Homes Plc				●					
Rob	Tansey	Barratt Developments Plc					●				
Paul	Tedder	Atlantic Dwellings Ltd							●		
Kevin	Urquhart	Barrat & David Wilson Homes									●

This table shows all membership during the 12-month period between 1 April 2022 and 31 March 2023.

Appendix D: Prescribed Organisations

During 2022-23, CITB maintained close contact with the following Prescribed Organisations:

- British Woodworking Federation
- Build UK
- Civil Engineering Contractors Association
- Construction Plant-hire Association
- Federation of Master Builders
- Finishes and Interiors Sector
- Hire Association Europe
- Home Builders Federation
- National Association of Shopfitters
- National Federation of Builders
- National Federation of Demolition Contractors
- Scottish Building Federation
- Scottish Decorators' Federation
- Scottish Plant Owners Association.

Appendix E: Location of principal CITB offices

HEAD OFFICE AND REGISTERED OFFICE

Sand Martin House
Bittern Way
Peterborough
PE2 8TY
Tel: 0300 456 7577

SCOTLAND

Scottish Office
4 Fountain Avenue
Inchinnan Business Park
Inchinnan
Renfrewshire
PA4 9RQ
Tel: 0344 994 8800

WALES

Welsh Office
Companies House
Crown Way
Maindy
Cardiff
CF14 3UZ
Tel: 0303 123 4500

Appendix F: Glossary

ABREVIATION	ORGANISATION
CCS	Crown Commercial Service
CIS	Construction Industry Scheme
CIOB	Chartered Institute of Building
CJRS	Coronavirus Job Retention Scheme
CPCS	Construction Plant Competence Scheme
CPI	Consumer Prices Index
CSCS	Construction Skills Certification Scheme
CSF	Construction Skills Fund
DfE	Department for Education
ESFA	Education and Skills Funding Agency
ICO	Information Commissioner's Office
IfATE	Institute for Apprenticeships and Technical Education
ISAs	International Standards on Auditing
ITB	Industrial Training Board
KPI	Key performance indicator

ABREVIATION	ORGANISATION
LSC	Levy Strategy Committee
NAO	National Audit Office
NCC	National Construction College
NDPB	Non-departmental public body
NEST	New Entrant Support Team
NSAC	National Specialist Accredited Centre
OCPA	Office for the Commissioner of Public Appointments
ONS	Office for National Statistics
RPI	Retail Prices Index
SDS	Skills Development Scotland
SEISS	Self-Employment Income Support Scheme
SME	Small and medium-sized enterprise
SORP	Statement of Recommended Practice
STEM	Science, technology, engineering and mathematics
WG	Welsh Government

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CITB

England & Wales - Charity number 264289

Accounts

CONSTRUCTION INDUSTRY TRAINING BOARD (CITB)

ANNUAL REPORT AND ACCOUNTS



For the year ending
31 March 2022

HC 758

Construction Industry Training Board (CITB)
Annual Report and Accounts 2021-2022

For the period 1 April 2021 to 31 March 2022
Presented to Parliament pursuant to section 8 (4) of the Industrial Training Act 1982
Ordered by the House of Commons to be printed on 7 November 2022

HC 758
SG/2022/145



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CHAIR'S FOREWORD



As the country emerged from one of the most extraordinary periods in recent history, construction represented the beating heart of its recovery.

We all faced great challenges this year – but employers adapted tremendously to this new environment. It is testament to the hard work of all those within construction that output was already above pre-Covid-19 levels in spring 2022. Despite the economic uncertainty caused by rising energy prices, we expect growth to continue over the next three years in view of the importance of housing and infrastructure investment.

Our research shows we need over 53,000 new recruits a year to meet the growing demand. More than ever, we must step up to ensure the UK talent pool is alive to the exciting and well-paid possibilities in construction.



That's why I'm delighted industry supported our Levy Order for the next three years. Two thirds of likely Levy payers and 11 out of 14 Prescribed Organisations agreed our proposals are the right way forward. We are determined to repay the faith placed in us.

CITB exists to help construction develop world-class skills. The Levy is the mechanism which allows us to achieve this: £97m was invested in grant funding this year to make it as easy as possible for employers to recruit and retain a skilled workforce.

Despite another tumultuous year, our core services such as supporting apprenticeships and providing grants for training, enjoyed strong take-up.

We also worked with industry to restart Levy-funded projects postponed due to Covid, such as Onsite Experience hubs. We empowered new methods of attracting and recruiting new entrants by successfully delivering the UK's first Occupational Traineeship in bricklaying and championing the integral role taster experiences will play.

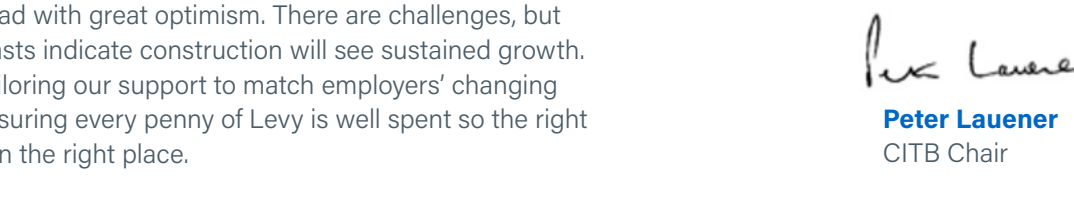
This year saw the departure of Sarah Beale, a CITB colleague for 16 years, four as Chief Executive. She was an outstanding leader who was widely respected throughout the industry. She worked tirelessly to ensure the Levy represents the best value possible for employers, and I wish her all the best in her new role.

I warmly welcome Tim Balcon, our new CEO, who took the helm in September 2021. Having started his career as an apprentice, later leading a number of professional and membership bodies, he is well attuned to the skills needs of construction. I share his vision of placing training at the heart of the agenda, while embracing digitisation and modern methods of construction to meet net zero.

We also welcome Sharon Llewellyn and Angela Forbes as the Chairs of our England and Scotland Nation Councils respectively, while Leigh Hughes has been reappointed in Wales. They each bring a wealth of experience and passion for ensuring the industry has the skills it needs. We have also welcomed Louisa Finlay, Owain Jones and Michael Green as new trustees.

I look ahead with great optimism. There are challenges, but our forecasts indicate construction will see sustained growth. We are tailoring our support to match employers' changing needs, ensuring every penny of Levy is well spent so the right skills are in the right place.

"We will rise to the challenges of today, while preparing for the needs of tomorrow"



Peter Lauener
CITB Chair



CHIEF EXECUTIVE'S INTRODUCTION





I'm delighted to share with you my first Annual Report and Accounts as CEO. Since I joined CITB, I've experienced the exemplary resilience of our industry in navigating a post-pandemic and post-Brexit world.

Firstly, I'd like to thank my predecessor, Sarah Beale, for all her fantastic work. From instigating our Vision 2020 programme to protecting apprenticeships through Covid – I have big boots to fill, and I am determined to build on her many accomplishments.

My team responded to this year's challenges brilliantly and in such unprecedented circumstances. We put employers first and we have been carefully listening to their feedback and training and development needs to ensure we use the resources available to us to maximum effect.

I'm proud of our impact in developing the next generation of construction professionals. This year we invested almost £50m of Levy to support over 22,000 apprentices, directly trained over 2,900 new recruits through the second phase of the Construction Skills Fund and supported over 16,000 learners with grants to complete their qualifications. We provided direct funding to over 1,600 businesses to invest in their workforce, while our Grants Scheme helped fund over 269,000 training courses.

The context surrounding construction skills is unprecedented and employers told us there is a severe lack of work-readiness among new entrants.

In response, we launched our Onsite Experience hubs to bridge the gap between training and working. We also took the decision to keep NCC and preserve the important role it plays training the new generation of construction workers and upskilling the current workforce.

Seeing the result of training in the SkillBuild competition, (dubbed the skills Olympics), was both inspiring and a recognition of the tremendous training provision we have across all construction trades. I watched on with pride as the industry's talented trainees and apprentices showcased their incredible skills. The competition received national attention from ITV and Channel 4, bringing construction to a new audience.

CITB takes its role in developing workplace culture seriously. A notable example in this broad agenda was the leading role we played in helping to address mental health needs in construction. Our Mental Health and Construction research acted as a rallying call, initiating training over 8,500 Mental Health First Aiders, providing vital, potentially lifesaving support, both off and on site. Our work continues with our industry partners to help 150,000 employers and individuals.



We championed new forms of training, too. Our immersive learning and digital leadership programmes used cutting-edge technology to place construction at the forefront of digitisation. We worked with the Welsh Government to develop improved pathways from education to work, taking advantage of the new apprenticeship qualifications and creating a Welsh alternative to traineeships.

We went beyond just supporting qualifications and training, though. Our STEM ambassadors represented the face of construction to young people, Go Construct provided careers information they'll need, and Talentview is supporting new entrants into the construction industry via the promotion of opportunities such as work experience, apprenticeships, college courses and other entry routes.

The support we have received from our partners and stakeholders has been critical in addressing the varied and demanding training needs of the sector. I offer my thanks to all our stakeholders and partners for their challenge and support in ensuring industry training requirements are met.

Finally, a special thanks to my terrific colleagues past and present for their immense contribution to CITB. I have seen first-hand their tireless work and dedication to our purpose.

I'm very proud of the work we have done and equally proud to be a part of a construction industry which has overcome enormous obstacles. I look forward to taking CITB forward into what is an unpredictable time but a time where I have never seen such priority and importance on skills and training.



Tim Balcon
Chief Executive

SECTION 1

OVERVIEW OF CITB

WHO WE ARE

CITB was founded in 1964 with the aim of making sure the construction industry in Great Britain has the skills to succeed. A key part of this, then and now, is to help keep workers safe on site. CITB's work since the 1960s has contributed to an 85% reduction in onsite deaths.

We help employers attract people to join the sector who have relevant qualifications and experience, and access high-quality, accredited training when and where it is needed. This includes directly delivering specialised training at our National Construction College.

We provide practical support to employers through a range of products and services. We play a strategic role for the construction sector, identifying immediate and future skills needs and working out how they can be met. Where an upcoming training need is not supported, we commission innovative pilot projects, delivered by employers, that can be ramped up if they are successful. We use our unique position to listen to employers and influence Government policy so they have the right support.

Our work helps workplaces to become safer and more productive. This, in turn, helps create and maintain a world-class, sustainable built environment that is of benefit to us all.



VISION

For British construction to have a recognised world-class, innovative approach to developing its workforce to deliver quality in the built environment.

MISSION

Attract and support the development of people to construct a better Britain.

OUR STATUTORY BASIS

CITB's charitable activities are partly funded by the statutory Levy raised pursuant to the Industrial Training Act 1982 and confirmed through Levy Orders passed by both Houses of Parliament. The most recent Levy Order came into force on 22 April 2021. Full details of CITB's powers and responsibilities, as well as the restrictions placed on it, can be found in the Industrial Training Act 1982 and subsequent amendments. CITB is registered as a charity in England and Wales (264289) and in Scotland (SC044875).

OUR CHARITABLE STATUS

CITB is a non-departmental public body (NDPB) and has been a registered charity since 1972. The Board has regard to the Charity Commission's general guidance on public benefit and the Charities Act 2011 when planning activities to achieve its aims.

SECTION 2

OPERATING ENVIRONMENT

The construction industry demonstrated a remarkable level of resilience during the Covid-19 pandemic and returned to pre-pandemic levels of output by late 2021, and as of February 2022 was 1.1% above its pre-pandemic level (February 2020). However, the sector saw mixed fortunes over the course of the 2021-22 financial year.

The early part of 2021 was shaped by the introduction of a third national lockdown in January, which lasted until July when the remaining restrictions were lifted. As with previous lockdowns, economic activity was stifled, but the lifting of lockdown measures unleashed pent-up demand that drove growth and recovery in construction output. It also exposed supply chain issues affecting the availability of materials and the supply of skilled labour. And even though the access to materials has eased, the cost of materials and construction products have continued to soar as inflationary pressures rise.

The impact of the Omicron variant that emerged in late 2021 proved to be less severe than feared. However, the pandemic has pushed the already increasing global demand for commodities higher, especially energy, fuel, food, and raw materials for industrial production, and also exposed severe weaknesses in logistics that have been complicated by Brexit and further exacerbated by geopolitical tensions, including the conflict between Russia and Ukraine.

This combination of high demand and disruption to global supply chains has caused UK inflation to **jump to a 30-year high of 7.0%, its highest level since 1992**





48,000

vacancies in construction as of March 2022

Despite concerns over the sourcing and cost of construction products, and worries about how high inflation could rise, demand continues to be strong. New orders in the construction industry grew 9.2% in quarter 4 (October to December) 2021 compared with quarter 3 (July to September) 2021, and all sectors recovered to above their pre-coronavirus level.

Materials availability and cost inflation have been particularly tough on some, mainly smaller firms, and are expected to remain so, bringing with them the spectre of insolvency. Thankfully insolvency rates, despite being on the rise since the record lows of 2020, are still well below historic levels. However, increasing costs that can't be passed on to clients present an existential threat for businesses that have been knocked by the pandemic. The expectation is that insolvencies will continue to increase over 2022.

Cashflow and liquidity are also shaping investment decisions for expansion and training plans. Having high costs and an unreliable pipeline of future work are the most reported barriers to training investment, while staff shortages and staff being too busy have prevented investment in training.

The biggest change since the beginning of the pandemic, and one which is only really starting to become apparent in its scale and potential impact, is the change in the structure and composition of the workforce.

The Coronavirus Job Retention Scheme (CJRS) prevented a widespread loss of directly employed construction workers, and the Self-Employment Income Support Scheme (SEISS) was widely used by self-employed workers in the sector.

However, total employment in construction fell by about 3% in 2021 compared with 2020.

The fall was largely driven by self-employed workers down 11%. The number of employees rose slightly, but the construction workforce remains smaller by more than 100,000 people compared to its pre-pandemic level.

This loss of workers comes at a time of high demand across the economy and adds to skills shortages that were a growing cause of concern several years before the pandemic. Vacancies have risen significantly over the past 12 months and now stand at record levels, while redundancies and unemployment from the sector are at record lows. As of March 2022, there were 48,000 reported vacancies in the sector – the highest recorded level for construction.

The picture of high demand and low supply isn't restricted to construction, it is symptomatic of the tightest labour market in at least 50 years. There simply aren't enough people in the active labour market to meet the needs of industry. It means that sectors are having to work much harder to attract new entrants. It also emphasises the need to move away from processes that are highly labour intensive. This will take time in the construction industry due to relatively low levels of investment in innovation and the slow uptake of new technologies.

An easing of demand resulting from the current domestic and global headwinds might temporarily mitigate labour supply issues, but evidence suggests that the labour and skills supply will be a long-term issue. It will require close collaboration between Government, employers, education providers and skills development organisations. It will certainly require new approaches to recruitment and more flexible routes of training to appeal to a more varied range of potential entrants, and a concerted effort to address not only the image of the industry, but its culture too. Everyone will have a part to play if the industry is to capitalise on the growth opportunities ahead.

SECTION 3

STRATEGIC REPORT

REVIEW OF 2021-22: ACHIEVEMENTS



Employers and their workforce had to contend with a rapidly changing operating environment, and we adapted our offer to match.

We significantly cut the Levy, with thousands of SMEs no longer paying a penny, while maintaining our services to attract, build and retain an innovative, highly skilled workforce.

We continued our focus on our core areas, such as supporting apprenticeships, providing direct funding to employers, and delivering training – all of which saw a fantastic response from businesses. We also prepared for the future, prioritising the occupational areas with the largest skills gaps, while readying the industry to be at the forefront of meeting net zero through embracing digitisation and modern methods of construction.

The demand for training gradually increased through the year, as the speed of the industry's recovery increased swiftly, creating a greater urgency for skilled labour to deliver the work that came forward. We listened to employers to guarantee they received the best value possible from the Levy; most importantly, ensuring the right skills were in the right place.

Our research provided the vital evidence base for our work. Our reports – on Skills and Training; Migration and UK Construction; Mental Health and Construction; Building Skills for net zero; and Construction Skills Network – gave industry the impetus to invest in the right areas, while underpinning our skills strategy.

A highly skilled workforce can only be maintained through training, so that's what we did. We trained learners directly at our National Construction College and Onsite Experience hubs. £97m of Levy was invested in direct employer funding – providing the resources to support employers upskilling their workforce.

We supported new entrants just starting their exciting careers in construction. Our network of advisers helped tens of thousands of apprentices and their employers, alongside assisting thousands of other learners to complete their qualifications and achieve vital certifications. We ensured high-quality information, advice and guidance were freely available to new entrants, career changers and prospective employees.

Our standards system underpinned the high levels of excellence within the industry. Standardised training reduces the risk of repeated learning, while improvements to our Training Directory allowed for a centralised location for employers and learners to access training and courses, automate grant payments and view achievements.

This year was characterised by the immense strength and determination of all those within construction, and we were by the side of employers and their workforce throughout. Pages 15 to 20 provide an overview of what was achieved this year.





CAREERS

NEW ENTRANTS

OVER
1,100,000
Visits to the Go Construct website

378
Go Construct STEM Ambassadors recruited

Go Construct
18,000,000
Young people reached by our apprenticeship campaign

ATTRACTING CAREER CHANGERS

3,000
Career changers are now site ready through the second phase of our Construction Skills Fund

6,400
People received hands-on site experience

RETAINING CONSTRUCTION TALENT

8,100
Mental Health First Aiders trained

2,600
People have accessed our Fairness, Inclusion and Respect materials

CASE STUDY: CONSTRUCTION SKILLS FUND

Mum-of-three Natalie Visser revitalised her career thanks to the Construction Skills Fund (CSF). She went from being a dissatisfied care worker, who struggled to get out of bed in the morning, to becoming a machine operator thriving in the great outdoors.



"Don't be scared to go and do what you want to do; you'll be surprised how much construction has changed"

—

Natalie Visser,
Machine Operator

She enjoyed her work as a care worker initially but wanted a new challenge. She took a CSF course at the Future Skills Centre in Bordon. The training included a three-day plant/heavy machinery taster session – and that's when Natalie's transformation took off.

"The course inspired me," she said. "I got on a forward tipping dumper and thought this is so me! It felt very natural."

From there, CSF coordinator Carolyn Jay arranged work experience for Natalie, with Mildren Construction, and this opportunity led to her current employment. Within five days, her employer took her on as a full-time machine operator/dumper driver.

Reflecting on her experience, Natalie said: "The CSF course changed everything. I used to lie in bed not wanting to get up. That's all gone now. I come in to work happy and go home happy. It has been life changing. I've found my feet in my new career and I'm so grateful to the CSF for this.

I want women to know this – construction might suit them perfectly. I do get a lot of people looking at me driving a dumper around – but mostly they just want to know why I chose to do this.

Don't be scared to go and do what you want to do; you'll be surprised how much construction has changed."

CASE STUDY

TRAINING & DEVELOPMENT

BUSINESS SUPPORT

OVER
1,600
Businesses supported by our direct funding

£1.1M
and 22,000 training days saved by employers using our 58 local Training Groups

269,000
Short duration training courses received grant support

APPRENTICES

£48.9M
Issued in apprenticeship grants, supporting

23,000
Apprentices through their training

STAYING SAFE

348,000
People passed the Health, Safety and Environment test

5,000
Learners trained using our virtual and augmented reality training methods

CASE STUDY: SKILLS AND TRAINING FUND

Bournemouth-based Daniel James Carpentry are well-known for taking on elaborate, quirky builds – from indoor play areas at casinos to custom-built snow lodges. Consequently, sourcing and funding specialist training is a must – and that's where our Skills and Training Fund stepped in.



"I was also able to get the rest of the team on training courses through CITB support"

—

Darren Lawrence,
CITB Engagement Adviser

Darren Lawrence, a CITB Engagement Adviser, worked with the company to put together a training plan and an application to the Fund.

"I can see this specialist construction work is very skilled," said Darren. "Daniel's successful application to access the Skills and Training Fund supported the upskilling of the company's existing employees and their next apprentice's intensive training, giving another person the opportunity to join this very different construction company."

The Fund allowed the firm to access specialist training and upskilling opportunities they may not otherwise have received, providing a vital lifeline in expanding the business.

"Working with CITB has been a real help," said Daniel. "I was also able to get the rest of the team on training courses through CITB support."

Darren has even been speaking to our local college with me, as the general nature of this work creates some issues with training and assessment. Our work has to meet strict safety requirements; it does not automatically fit into the run-of-the-mill assessment at college. But I really believe in training young people up."

CASE STUDY

STANDARDS & QUALIFICATIONS

OUR PROGRESS



492

Standards developed and added to the Training Directory



5

National Occupational Standards reviews completed



NEW

Fire safety awareness standard

CASE STUDY: LEADERSHIP AND MANAGEMENT DEVELOPMENT FUND

Good leadership is an essential component to running any business, which is why CITB supports training through our Leadership and Management Development Fund for companies looking to invest in the future.



"Although we have run training for our line managers previously, we have never specifically targeted the training to really understand the drivers, motivations and skills needed to manage our young talent"

—

Paula Oliver,
Head of Talent Management

CASE STUDY

Taylor Wimpey sought to address skills gaps in line managers when developing future talent, with a desire to get the best out of their younger workers.

Paula Oliver, Head of Talent Management, explains: "Although we have run training for our line managers previously, we have never specifically targeted the training to really understand the drivers, motivations and skills needed to manage our young talent.

The feedback from the CITB-funded programme has been incredible, with line managers of our early talent really understanding how to manage, coach and get the best out of their graduates, apprentices or management trainees."

We have made the resources developed from the programme freely available. This means that other companies can benefit from the programmes that have been created through the Fund which, in turn, will help industry to fill leadership and management skills gaps.

KEY PERFORMANCE INDICATORS

We report on our performance to support employers and the industry through a series of key performance indicators (KPIs). The Board agreed five KPIs for 2021-22, which are measured through nationally representative audience surveying, and set a benchmark target for each KPI to pursue continual improvement in our support of the construction sector.





THE RESULTS

The KPIs and their targets are shown in Table 1 (page 22).

The majority of employers support the Levy system (KPI 01). They believe it offers good value for their business and the wider industry, and apprenticeships and other training would be negatively impacted by the Levy's absence. The KPI is tracking slightly below its target of 73%. We are experiencing a decreased demand for training due to Covid-19, with fewer employers than usual using our funding. This pattern is similar to recessionary periods we have experienced in the past and we expect to see an increase in demand as the economy returns to normal.

Employers reporting they can access the right training at the right time (KPI 03) increased through the year, from 77% inthe mid-year survey to 80% by the end of the year. Enhancements to the Training Directory and further investments in priority occupations at the National Construction College have driven this improvement. We are developing a localised approach – where employers can access more training local to their area – so we are amending this KPI's target to 82% during 2022-23.



Employers say the quality of training is of a high standard (KPI 04). The performance of this KPI has remained stable, increasing by one percentage point between the surveys. We are gradually increasing the target over the next three years, reflecting our commitment to consistently improve the quality of training. We will further develop our existing standards, such as leadership and management training, while championing the need for digitalisation through our digital competency frameworks.

The KPI of a competent workforce which meets the needs of employers' businesses (KPI 05) remains high and increased by two percentage points between the surveys. Following the testing of multiple variations of this question, we do not believe this KPI provides a fully accurate view of industry's perception of competence. Instead, from 2022-23, we will measure against the progress of working groups which review standards.

The Careers KPI (KPI 02), which sought to measure how easy it is to access information, work experience and job opportunities, is under review. We have a number of interventions in place in this area, such as Go Construct, Talentview and Go Construct STEM Ambassadors, but the range of target audiences and limited sampling means one KPI could not highlight the true impact. Alternatively, we will look to measure the number of Ambassador engagements delivered and how many users progress from Go Construct to Talentview.

Table 1: Summary of Board KPIs – results and status

KPI	2021-22 **Target**	2021-22 **Actual Oct/Dec 21 (Wave 1)**	2021-22 **Actual Apr 22 (Wave 2)**
01 % of support for the Levy	73%	68%	66%
02 The average % of recent entrants who report easy access to careers materials, work experience and job opportunities in construction prior to joining the industry	-	50%	62%
03 Employers say they can access the right construction training when needed	85%	77%	80%
04 Employers say the quality of training is of a high standard	83%	77%	78%
05 Employers say the workforce is competent and meets the needs of the business	89%	81%	83%

FINANCIAL REVIEW

FINANCIAL REVIEW FOR THE YEAR ENDING 31 MARCH 2022

OVERVIEW

After the pandemic-induced turbulence of the previous year, 2021-22 has been relatively stable for CITB and its finances. The decision in the previous year to suspend the 2019 Levy for five months and then to issue the 2020 assessment as a half-year Levy in August 2021, meant that our Levy income dropped to £108.3m for 2021-22. But, rather than reduce the amount of grants and funding available to industry, we were able to continue with our plans, and fund them out of reserves. We finished the year with a deficit lower than our plans, because grant and funding claims were dampened by the ongoing impact of the pandemic, particularly in the first half of the year, as the provision of training was still difficult in a socially distanced environment.



RESULT FOR THE PERIOD

In 2021-22, CITB has net outgoing funds of £26.5m (2020-21: incoming funds of £66.5m) which was £43.4m lower than the published business plan, which anticipated a deficit of £69.9m. Of the £43.4m variance, £20.6m was a shortfall in grant and funding expenditure, £8m was from higher than anticipated income, and £15m was from lower than expected operating expenditure.

LEVY INCOME

Levy income for the period was £108.3m (2020-21: £191.9m), comprising £100.4m in respect of the current year assessment (net of current Levy year's bad debt), which was a 50% Levy, and an increase in respect of prior years' assessments of £7.9m (2020-21: decrease of £3.7m) as collection proved to be better than anticipated as the impact of the pandemic on the financial wellbeing of the construction industry was less than expected.

To support employers financially with the ongoing pandemic in 2021-22, the CITB Board took the decision to opt for a one-year Levy Order and temporarily reduce the Levy rates by 50%. So, the rates applied were 0.175% on direct labour payments (PAYE) and 0.625% on net Construction Industry Scheme (CIS) payments.

The small business exemption level of £79,999 was increased to £119,999 to support more of the smallest employers; and the threshold for the small business Levy reduction of 50% remained at £399,999.

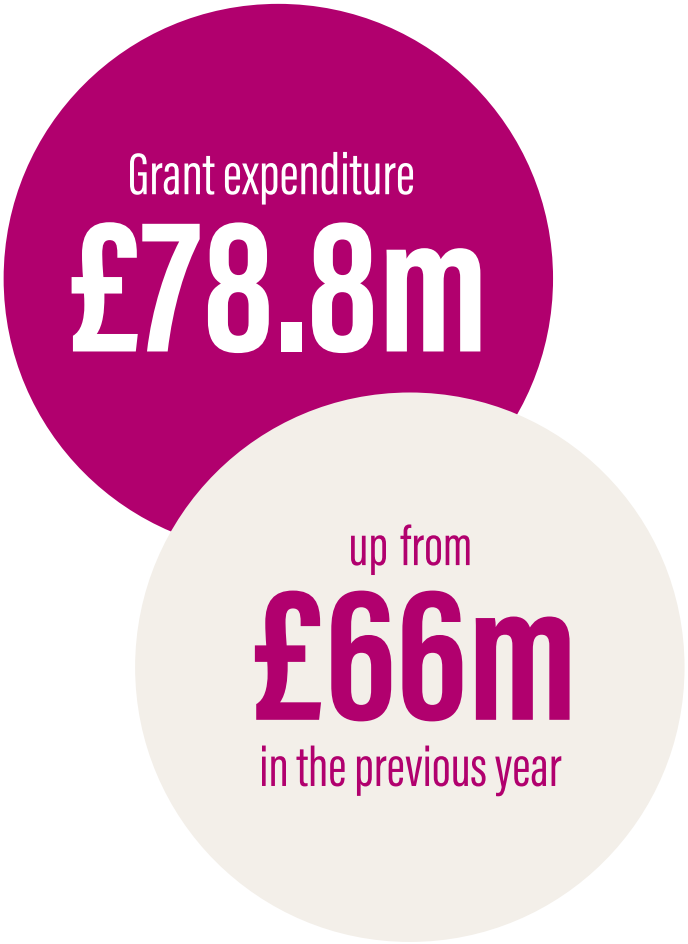
On 31 March 2022, the number of employers in the Levy and Grant register was 77,649 (79,784 on 31 March 2021). The decrease is due to the number of businesses, especially in the small enterprise sector, that went out of business during the pandemic.

NON-LEVY INCOME

Non-Levy income was £40.3m (2020-21 £57.5m). The 2021-22 amount includes £2.1m (2020-21: £11.4m) of income relating to the Construction Skills Fund, so the underlying income (£38.2m) from products and services was slightly down on the previous year (£46.1m), which is to be expected as the pandemic continued to impact on the delivery of training. The total also includes a provision of £4.5m for a repayment to ESFA following an audit of our apprenticeship programme.

GRANT SCHEME

Grant expenditure in the year was £78.8m, up from £66m in the previous year but still well below the pre-pandemic level (£94.8m in 2019-20). Grants paid helped support 19,823 (2020-21: 20,752) apprentices, 15,752 (2020-21: 12,332) vocational qualification (VQ) achievements and 12,169 (2020-21: 10,177) plant tests. The total number of employers in receipt of grant was 13,950 (2020-21: 13,729).



[1] This amount is derived from management information rather than the Financial Statements due to the allocation of costs required by the Charities' SORP.

PROGRAMME-BASED FUNDING

In total, we spent £18.4m on programme-based funding (2020-21: £28.5m). The drop was caused by the continuing difficulty in providing training in a socially distanced environment. We also wrote back £1.5m of costs provided for in 2020-21 against programmes that were in progress at that time. As those programmes closed, it became apparent that the training providers had spent less money than was envisaged at the outset, again because the pandemic had restricted their activity.

OPERATING EXPENDITURE

Our operating expenditure, including staff costs, was £59m[1] in the year (2020-21: £70.2m) and was £15.4m less than our published business plan. Of this amount, we had a receipt of £2m which we had previously been provided for as a doubtful debt. We also had £5m planned expenditure which was not required, £3m of which has been delayed to 2022-23, and £2m of negotiated savings against supplier contracts. We also saved £2m from the continued lack of travel and expense for our staff, as the majority remained working from home.

RESERVES AND RESERVES POLICY

Reserves are required to cover delays in income receipts, accelerated grant claims and costs that are outside of our control, and to ensure continued construction industry funding, in line with our charitable objectives.

General reserves at 31 March 2021 were £120.7m, as we had taken to income the full 2019 Levy Assessment in 2020-21, despite the instalment collection period running to August 2021. During 2021-22 reserves have fallen by £26.5m as we continued to fund all grant claims and programme-based funding schemes to demand, but only issued the half-year 2020 Levy assessment. The reserves at 31 March 2022 are therefore £94.3m but the reserves policy has a floor of £40m, which represents approximately two months' worth of expenditure and so current reserves are well in excess of that figure. The business plan for 2022-23 through to 2024-25 demonstrates how we will reduce the reserves back to the policy floor as the construction industry comes out of the pandemic-induced recession and grant and funding claims return to pre-pandemic levels. We do expect Levy income to be reduced for the next two years as the labour activity in 2020 and 2021 is reflected in the Levy Returns and therefore the Levy Assessments.

PENSIONS

CITB is part of the ITB Pension Scheme and we welcome their move to address the potential impact of climate change on members' investments by changing the equity component of the investment strategies to equity funds which seek to reduce their exposure to carbon emissions over time.

The following chart gives a breakdown of how resources have been allocated to support industry.



Resource allocation 2021-22

Levy income	£108.3m

Grants Scheme	£78.8m
Apprenticeship grants	£51.3m
Qualification grants	£12.9m
Short duration grants	£14.6m

Funding	£18.4m
Skills and Training Fund	£8.4m
Employer and industry support funding	£9.9m
Other funding	£0.1m

SECTION 4

STRUCTURE, MANAGEMENT AND GOVERNANCE

The Construction Industry Training Board is an executive non-departmental public body (NDPB) accountable to the Secretary of State for Education. Post year end there have been changes to the Minister holding this position. CITB is required to comply with its statutory obligations and functions as set out in the Industrial Training Act 1982.



CITB is also a registered charity in England, Wales and Scotland

STRUCTURE

CITB is also a registered charity in England, Wales and Scotland. The CITB Board comprises of independent non-executive directors, known as Trustees to reflect CITB's charitable status.

For the period 2021-22, in accordance with statutory requirements, the Board comprised a majority membership of employer Trustees supported by independent Trustees. The Board is supported by an Executive team and the following four Committees: Audit and Risk; Industry Funding; Nomination, Appointments and Remuneration; and Levy Strategy. Additionally, the Board receives strategic insights and feedback from three Nation Councils – Scotland, Cymru Wales and England.



Trustees are required to have relevant senior experience and the majority work within the construction industry, having been recruited for their broad range of industry skills, background and experience

TRUSTEES

For the period 2021-22, the CITB Board consisted of:

Peter Lauener (CITB Chairman)
Tony Elliott
Steve Fox, CBE
Diana Garnham, MA, DSc, LLD
Yvonne Kelly
Kevin McLoughlin, MBE, FCIOB
Holly Price
Robert Williams, MBE (resigned July 2021)
Sophie Seddon

(in agreement with CITB and DfE, Sophie took an extended leave of absence on personal grounds. This leave of absence was from April 2021 until January 2022)

As specified in Schedule 1 of the Industrial Training Act 1982, Board members are appointed by and answerable to the Secretary of State (normally for four years). This follows a public appointment process governed by the Office for the Commissioner of Public Appointments (OCPA), including the advertising of vacancies on the Government's Public Appointments website:

The Board is headed-up by Chair Peter Lauener, who took up this post on 1 May 2018, and all Trustees, with the exception of the Chair, are unremunerated. Trustees are required to have relevant senior experience and the majority work within the construction industry, having been recruited for their broad range of industry skills, background and experience.

The other Trustees have been appointed as independents and bring additional and appropriate experience to ensure that there is a good balance of skills, knowledge and viewpoints across the Board as a whole.

With the addition in recent years of a fourth standing Board Committee – the Levy Strategy Committee – it has been agreed with the Department for Education that Board membership will increase from nine Trustees to 11 in 2022-23 to support the additional work that has come with this increase in the size of the governance structure, and to further enhance the Board's succession-management processes.

All incoming Trustees receive a comprehensive induction process, supported by CITB's Corporate Governance team. Further support and training (both formal and informal) are provided to Trustees on an ongoing basis to support specific duties, such as participation in the Audit and Risk Committee. Trustees liaise regularly with relevant Executive team members in relation to specific Board, Committee and Nation Council matters, and they also receive a brief policy update each week.

Further information relating to the Board of Trustees is available on our website: www.citb.co.uk/trustees

BOARD PERFORMANCE

The duty of the Board is to set and maintain the vision, mission and values of CITB to develop and shape CITB's future direction and strategy, adhere to the principles of the Framework document (currently in draft) and ensure good corporate governance. It acts in accordance with the Board's standing orders and delegations, and provides leadership, advice and challenge to the Executive on the management and performance of the organisation.

Annually, the governance cycle incorporates internal reviews of the effectiveness of Board Committees and Nation Councils, an appraisal of the Board Chair undertaken by the Department for Education, and individual appraisals of Trustees and Nation Council Chairs conducted by the Board Chair. Every three years, we also commission an external review of the effectiveness of the Board, the most recent of which commenced in January 2021 and concluded in May 2021. This review concluded that the CITB Board is effective, with some aspects of very effective practice.

The findings from the 2021 internal and external effectiveness reviews have been combined to develop an action plan to support the continuous review and improvement cycle of our governance processes. This action plan was approved by the Board in August 2021 and progress made against it has been monitored by the Board via quarterly reports throughout the remainder of 2021-22.

The Board met four times in 2021-22, and considered key issues such as the performance and impact of Employer and Grants funds; Competency in industry and CITB's role in this arena; the retention of the National Construction College's sites and training provision in Erith, Inchinnan and Bircham Newton, and Counter-Fraud approaches to reducing test/assessment fraud linked to CITB's products.

Along side these discussions, Trustees oversaw and contributed to the successful Consensus process, recruited the organisation's new CEO, and worked with the Department for Education to launch a public appointment process to recruit up to four new Board Trustees. These Trustee appointments were made early in the 2022-23 financial year.

The findings from the 2021 internal and external effectiveness reviews have been combined to develop an action plan to support the continuous review and improvement cycle of our governance processes



GOVERNANCE



AUDIT AND RISK COMMITTEE (ARC)

The Audit and Risk Committee is a committee of the Board that supports the Board's strategic leadership with corporate oversight of strategy and performance. The Committee is charged with ensuring that the Board and the Accounting Officer gain the assurance they need on the adequacy and effectiveness of CITB's arrangements for risk management, governance and control. Within this, the Committee engages with the internal audit, the work of the external auditor, financial reporting issues, and annually reviews key corporate policies for recommendation to the Board for approval. There were five meetings of the Audit and Risk Committee during 2021-22, and the Committee fulfilled its Terms of Reference.

The Committee has two Trustee members, one of whom is Chair. The Committee benefits from the contribution of two external members, who are able to bring additional depth of experience and expertise from internal audit and finance. The Board Chair was elected by the Board to join the Committee as a temporary member for one meeting only, for that meeting to be quorate. In addition, other observers and attendees from our Sponsor Department and the external audit team from the National Audit Office (NAO) contribute to the breadth and robustness of scrutiny and discussion.

RISK

A significantly revised CITB-wide strategic and operational risk management process was rolled out during the year, which introduced more consistency to the review and reporting of operational risks across CITB and provided the Committee with assurance that risks were being identified, assessed, and managed appropriately against the risk appetite set by the Board. Strategic risks continued to be reviewed during the year and particular focus was given to monitoring key risks, including: the operation of services delivered through CITB's enabling partner contract; cyber security; safeguarding; and counter-fraud; which the Committee recommended that the Board receive a deep dive on. The Committee was also consulted in preparation of the refreshed list of strategic risks. Embedding the process will continue in the coming year, building on experience.

The Committee treated the issue that arose from the ESFA's audit of our apprenticeship delivery very seriously and oversaw the investment and work on continuous improvement of the associated processes. We worked, and continue to work, closely with ESFA to not only evidence the requirements for previous years but to ensure that the issues are historic and not expected to recur in the future. We have restructured part of the organisation and made some senior appointments from outside of the organisation to give the area greater focus.

INTERNAL AUDIT

The Committee approved the internal audit work programme and kept the plan under review, monitoring targets and agreeing changes to the plan in response to circumstances and changing risk profiles. The full 2021-22 plan was completed, providing the Committee with assurance across a wide range of governance, financial and operational processes including for example cyber security, information governance, payroll, and the Onsite Experience hubs commission. The effectiveness of internal audit activities was monitored through receiving and discussing progress reports from the Head of Audit and Risk.

The internal audit work was supported by the external partner RSM. This enabled us to access specialist skills as and when required, with expertise in areas including IT strategy, cyber security, information governance and contract management, enhancing the skill set available in the audit function. It also ensured independence where there might be conflicts of interest for the internal team. The results of audit work evidenced that the framework of controls had been strengthened during the year, including as a result of actions having been implemented in response to audit recommendations. The Committee will continue to monitor the completion of agreed actions, including in relation to open items concerning business continuity policies and plans.

The Committee received and endorsed the Head of Audit and Risk's annual opinion that CITB's system of governance, risk management and control is satisfactory with some improvements required.

EXTERNAL AUDIT

The statutory external audit of the Annual Report and Accounts was performed by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General, in accordance with the Industrial Training Act 1982. The NAO attended all five meetings of the Committee in 2021-22.

An update report was provided for each Committee meeting and an interim audit enabled the Committee to understand progress and pinch points, and identify issues for further review. The Committee reviewed the Audit Plan in advance of the audit commencement and reviewed the Audit Report and findings. The Committee also reviewed the Letter of Representation and Management Responses to the audit findings, including the 2019-20 and 2020-21 Management Letters and Interim Audit Reports.

We acknowledge the recommendations resulting from the NAO 2020-21 Audit Completion Report and interim update report on the 2021-22 Financial Statement Audit. The recommendations have either been actioned or form part of an ongoing action plan for completion. The Committee supports the delivery of this action plan, which has been closely monitored.



NOMINATION, APPOINTMENTS AND REMUNERATION COMMITTEE (NARCO)

During 2021-22, NARCO continued to provide advice to the Board on matters relating to Executive accountabilities and appropriate pay packages, performance management, HR practice, and parameters regarding the negotiation of the annual pay review.

NARCO supported the recruitment of two new Chairs to the Scotland and England Nation Councils, and the re-appointment of the Chair to the Wales Nation Council, after the first three-year tenure of the Councils came to an end.

Development of the People Strategy has been ongoing, including considering the priority areas arising from the results of the 2021 colleague engagement survey, monitoring the impact of colleague home-based and blended working since the Covid-19 pandemic, and proposing changes in relation to CITB's total reward framework. Committee advice and input was also given in relation to furlough payments to colleagues.

The appointments of Jackie Ducker as Customer and Product Executive Director, and Tim Balcon as Chief Executive Officer were completed. The Committee also reviewed succession planning for the Executive and Leadership teams more widely, and approved structural changes to the Executive team, namely the departure of Steve Radley from his role as Strategy and Policy Director, and agreed recruitment would begin for a Chief Financial Officer.

There were four NARCO meetings during 2021-22.



INDUSTRY FUNDING COMMITTEE (IFC)

The Industry Funding Committee is tasked with assisting the Board to adopt a funding strategy that supports CITB's strategic aims, and monitoring the delivery and impact of this funding strategy – making resultant recommendations to the Board as necessary. The Committee is a decision-making body with delegated authority from the Board to authorise industry funding of up to £5m for any one commission or funding project.

Throughout the year, Committee Members worked closely with CITB to use quantitative and qualitative sources of information, including performance dashboards and deep dives, to monitor the performance and impact of CITB's Grants Scheme, employer funds, commissions and pilots. In response to Covid-19 restrictions and moving towards modernisation, Committee Members suggested that more e-learning courses should be made available for industry, and approved funding of £500,000 to develop e-learning pilots.

As the year progressed, the Committee continued to monitor the performance of commissions and funds, and considered the impact of moving certain provision to virtual rather than onsite delivery while lockdown and social distancing measures were in place. Work on the review of the Grants Scheme continued throughout the year and significant progress has been made. To this end, Committee Members participated in additional workshops and meetings, considering all aspects of the current Grants Scheme and approved the revised Grants Scheme Objectives Statement and Principles.

The first stage of the Grants Scheme review agreed the approach to supporting priority skill areas and the first set of areas – how to support leadership and management training, and to introduce greater use of e-learning for some of the most common areas of training.

The next stage, which will conclude by the end of the year, will look at the core principles of employer funding, the criteria for what is funded, and the balance of funding between different types of training needs.

The Committee has been active throughout the year to respond to specific requests and provide input as a CITB Board Committee, and Members commit significant time to meetings, to pre-meetings and to discussions in between.

The Committee is chaired by Trustee Member Steve Fox, who is joined by fellow Trustee Member Holly Price and Independent Members Julia Evans, Rupert Perkins and Steve Drury. Ian Dickerson stepped down from the Committee in September 2021 to take up membership of the England Nation Council, while Kacey O'Driscoll and Hannah O'Sullivan joined the Committee in August and September 2021 as Independent Members. Clare Smithson has recently been appointed to the Committee and her first meeting will be in June 2022. Collectively, these Committee Members bring extensive experience and knowledge from construction, along with a good spread of industry representation from major contractors, small and medium-sized employers, and not-for-profit organisations.



LEVY STRATEGY COMMITTEE (LSC)

The Levy Strategy Committee is a sub-committee of the CITB Board that makes recommendations to the Board on matters relating to the strategic direction of the Levy system. The initial priority of the Committee for the year was to deliver the three Levy Proposals for the 2022 Levy Order, aligned to the anticipated cost of the Strategic Plan.



The following proposals were made to the Board in 2021:

- Returning the Levy rates for PAYE and taxable sub-contractors to the pre-pandemic rates of 0.35% and 1.25% respectively
- Retaining the Levy Exemption threshold of £120,000 included in the 2021 Levy Order
- Retaining the Levy Reduction of 50% for employers below the threshold of £400,000 included in the 2021 Levy Order.

The Board approved these proposals, and they were subsequently supported by Levy payers in the triannual Consensus process in the summer of 2021. The resulting Levy Order was signed on 29 April 2022.

Following the submission of the Levy Proposals, the LSC turned its attention to a fundamental review of Levy that it had recommended to the Board in 2021. The purpose of the review was to ensure the system for generating Levy remains fit for purpose now and into the future, by embracing modernisation and digitalisation where appropriate.

There are many layers to this review, which we anticipate will take a couple of years. Any modernisation recommendations are likely to take time to come to fruition, as many will require changes to legislation, and thus be dependent on the input of Government and Parliament.

The initial phase of the review was to consider if there was a need or desire to move away from the emoluments-based Levy that has been in place for decades and is embedded in the primary industrial training legislation. After an extensive review of other global levy systems, the LSC concluded that there was no viable alternative to an emoluments-based Levy for the UK construction sector. The Committee recommended that this should remain the basis for the 2025 and subsequent Levy Orders.

This position provided a clear view of the next phase of the review, which has two priorities:

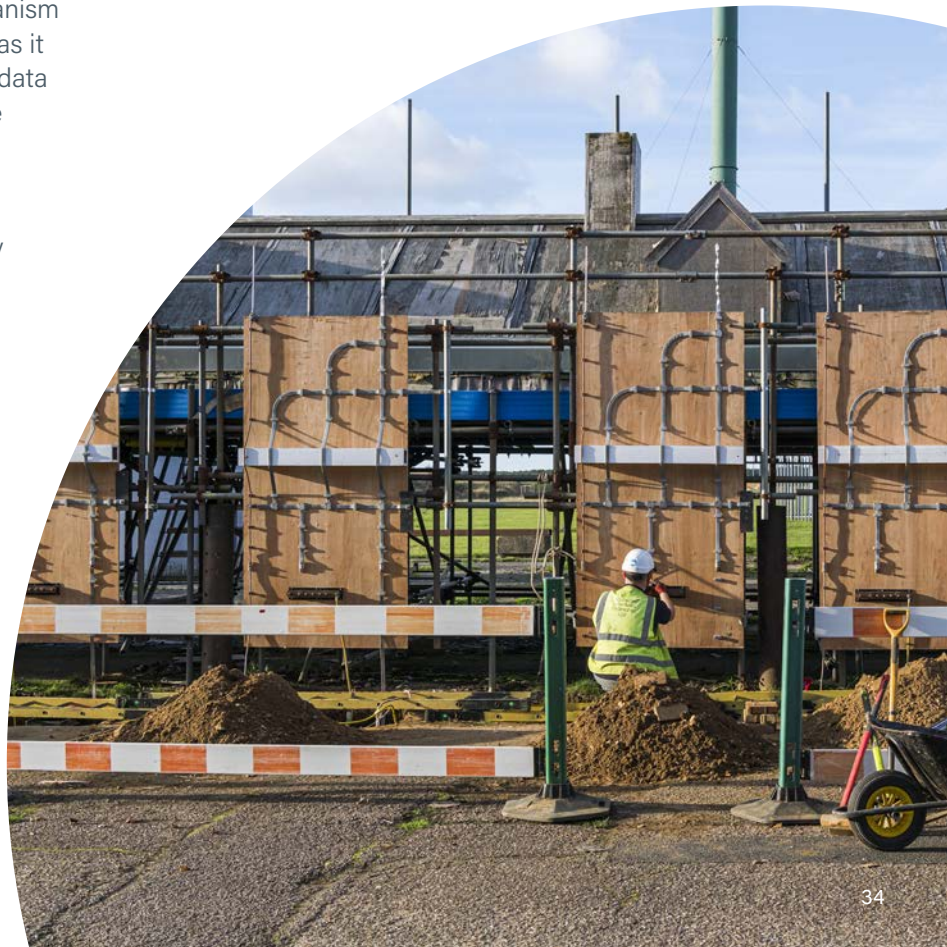
1. Ensuring the emoluments-based Levy mechanism included in the 2025 Levy Order is as robust as it can be, ensuring the sources of emoluments data used are appropriate and the rationale for the different Levy rates, exemption threshold and reduction threshold remain fit for purpose.

2. Assessing the feasibility of moving CITB Levy closer to a real time-based model to reduce or remove the current time lag between a worker being paid and the Levy on that payment being paid.

Both these sub-reviews have been progressed in 2021-22 and will be completed during 2022-23. Any changes to the emoluments mechanism will not be enacted until the 2025 Levy Order and any plans to move to a real time basis will take several years to introduce.

On top of these two priorities, during the 2022-23 fiscal year, the Committee will also be considering ways to ensure Levy is a level playing field for employers and identify ways to reduce Levy avoidance. The Committee will also consider whether in this context there may be a need to conduct a review of the Scope Order.

The Committee has a broad and extensive mix of skills and industry intelligence, which have helped test, challenge and shape the Committee's recommendations to the Board. Over the course of the fiscal year, three Committee members - Ryan David Miles, Craig Bruce and Liz Bridge - stepped down from the Committee and applications to fill these vacancies are currently being sought.



NATION COUNCILS

The Nation Councils continue to play an integral role to help shape the future of construction across Great Britain and provide strategic advice to the Board to better meet industry's skill needs.

The purpose of the three Nation Councils is to:

- Capture and articulate to the Board key issues affecting or likely to affect industry over a forecast period of three years
- Assist the Board to accurately prioritise support for key issues affecting industry across Great Britain and to advise on key performance indicators and other targets to measure progress, including on the CITB's efficiency and effectiveness
- Review and advise the Board on CITB's Strategic Plan to ensure that it appropriately addresses industry opportunities, pressures and priorities as identified through CITB's evidence base, which the Nation Councils will help to enhance
- Inform and assist CITB to distil from the Strategic Plan clear Nation Plans that reflect the differing needs and ways of meeting them in each nation, and with achievable and measurable targets
- Make timely recommendations to the Board about extraordinary matters arising that may impact on the ability of the Board to deliver either the Strategic Plan or the Nation Plan.

During the 2021-22 financial year, there was a refresh of the Nation Councils' membership as most Council members' three-year tenures came to an end in August 2021. The refresh exercise saw two new Nation Council Chairs appointed for England and Scotland Nation Councils and a total of ten new Council members appointed across the three Councils

CYMRU WALES NATION COUNCIL

The Cymru Wales Nation Council continued to work with the CITB Board to help support industry during this difficult year, with all meetings taking place online. The Council provided input on the revisions and progress of the Strategic, Business and Nation Plans as well as on the Levy Review and Grants Review proposals.

The Council asked questions and sought further information from the Board on the following areas: careers work, including See Your Site, Green Skills and net zero, and changes to the apprenticeship system in Wales. The Council also monitored progress of the Onsite Experience hubs in Wales, and provided feedback as to how their operation could be improved to meet industry needs.

During the year two members of the Council – Neal Stephens and Robert Williams – resigned, and Simon Jehu and Richard Owen stepped down at the end of their term in office in August 2021. The remaining six Council members were re-appointed to serve a further term in office, and were joined by Monique Jones and Andrew Dobbs in April 2022.



ENGLAND NATION COUNCIL

The England Nation Council worked with the CITB Board to inform the Business Plan KPIs and support delivery of the England Nation Plan and KPIs. The Council continued to bring constructive challenge and support to initially shape the priorities in England, and offered ongoing insight into the challenges around the delivery of the plan throughout the year.

The Council has supported the continued roll-out of both the Construction Talent Retention Scheme and Talentview Construction, and offered specific insight on a variety of subjects, including the introduction of local networks, with the Council Chair supporting the facilitation of a wider workshop for Training Groups. The Council also provided key input into the Strategic review of Levy, the Grants Scheme review, Onsite Experience hubs, Construction Skills Certification Scheme (CSCS) cards, the fundamental review of Levy, and plans for increasing the number of apprentices both entering the industry and completing their training.

Seamus Keogh's term in office ended in June 2021 and Sharon Llewellyn took over the reins as Chair of the Council. Andrew Harvey, Ged Simmons, Julie White and Diane Bourne also stepped down, as their terms in office came to an end in July 2021. The skill mix of the Council was refreshed by the appointment of new members Bola Abisogun, Ian Dickerson, Jeremy Musselwhite, Maria Seabright and David Sargent.

SCOTLAND NATION COUNCIL



The Scotland Nation Council has input into policy and operational matters that are relevant to CITB's activities in Scotland. This work included the production of the 2021-22 Business Plan, which outlined CITB support in Scotland, and the development of KPIs that reflect GB and nation priorities, and allow for operational performance reporting at a Scotland-specific level.

As CITB moved into recovery mode from the Covid-19 pandemic, the Council acted as a facilitator and conduit for other Scottish stakeholders involved in supporting Covid-19-related matters, such as the Scottish Government, to ensure support was available to employers and learners where most required. For example, working with Skills Development Scotland, we used our networks to coordinate the employment of some 400 apprentices via the Government's Apprenticeship Employment Grant.

Throughout the year, the Council reiterated the importance of apprenticeship provision in Scotland and worked with the Board and senior staff members to ensure that this was reflected in terms of CITB's operational priorities in Scotland.

Maureen Douglas' term in office came to an end in July 2021 and Angela Forbes stepped into the Chair position. Nicola Barclay, Mark Bramley, Richard Steedman and Jim Young stepped down from the Council as their terms in office came to an end in August 2021. 2021-22 saw the appointment of new members Karen McGahan, Kevin Urquhart and Jennifer Phin. There are currently 3 member vacancies in the Scotland Nation Council.

RISK MANAGEMENT

Our system of risk management and internal control is designed to manage risks, including the risk of not making the most of opportunities to a reasonable level; to evaluate and mitigate the likelihood of those risks occurring and the impact should they be realised; and to manage risks efficiently, effectively and economically.



The system has been in place for the financial period ending 31 March 2022 and up to the date of approval of the Annual Report and Accounts, with a number of enhancements made during the year to ensure consistency in the assessment of operational risks across the organisation and improving the visibility of risks between teams. In March 2022 a self-assessment was undertaken to identify further actions that can be taken in 2022-23, with plans including to develop a fuller statement of the Board's risk appetite.

We manage risk through regular scrutiny at management and team levels. Oversight of the effectiveness of risk management and the assurances from management is provided by the Audit and Risk Committee, which reports to the Board. The Board also receives updates on key strategic risks at each meeting.

A number of specific sources contribute to the review of risks and risk management, including:

- Reports and recommendations from the Audit and Risk Committee
- The Head of Internal Audit's annual opinion to the Accounting Officer
- Recommendations from the National Audit Office
- Annual accountability statements from members of the Executive and senior managers, outlining the governance, risk and control arrangements in their business areas
- External reports on CITB produced by independent organisations, e.g. Ofsted
- Legislative and regulatory guidelines, including those relating to charitable status, state aid and tax arrangements.

We manage risk through regular scrutiny at management and team levels

RISK MANAGEMENT PROCESS

As a registered charity, we have a prudent and balanced attitude to risk, placing emphasis on our risk management and control framework to manage risk within the Board's risk appetite.

The ways in which we managed risks and specifically for the year ending 31 March 2022 include:

- A review of our strategic risks is performed periodically with these risks being formally reassessed during the period through discussion with the Executive and management, and oversight by the Audit and Risk Committee. Assessments of these risks and the effectiveness of mitigating actions are monitored on an ongoing basis
- Risks are also assessed at an operational level and escalated where appropriate. A corporate wide process was implemented during the period to ensure consistent assessment and monitoring of risks by all teams. In addition to reporting through line management, significant operational risks are reported to the Executive and the Audit and Risk Committee by the Audit and Risk team
- The Executive hold collective oversight of risks at the strategic level and undertook thorough reviews into the management of the more significant risks throughout the year
- Each meeting of the Audit and Risk Committee received a risk update, including details of the strategic risks, thorough reviews undertaken by the Executive, and the operation of the system of risk management. From January 2022, reports to the Committee have also included the more significant operational level risks.

RISK OVERVIEW

Risk management in the year to 31 March 2021 was dominated by risks driven by the Covid-19 pandemic. These included ensuring that sufficient funds were in place to maintain ongoing funding and support to industry following suspension of the Levy and being able to continue to operate throughout the periods of lockdown. While Covid-19 continued to impact on activities for much of this year ending 31 March 2022, these risks were less significant as a result of experience and actions taken during 2021. We therefore reassessed the strategic risks that CITB faces in achieving its strategic objectives and maintaining ongoing activities. The key risks are set out below. The Risk team were also involved in the internal process improvement work carried out in response to the ESFA audit.

Each strategic risk is owned by a member of the Executive team, with the key mitigating actions and controls for each risk being owned either directly or by a member of the Leadership team. The extent to which these are operating to mitigate the risk sufficiently is assessed and where actions are required to bring risk to within tolerance an action plan is agreed. Performance in managing risks is reviewed regularly.

The strategic risks as of March 2022 and their main mitigations are summarised below:

Risk description	Key mitigations
Restrictions on our ability to deliver industry needs Our ability to deliver what industry needs may be restricted if we fail to effectively communicate our purpose and functions and the corresponding benefits.	▪ Active programme of engagement with Governments across the three nations, in alignment with the Construction Leadership Council's Industry Skills Plan and industry approaches in Scotland and Wales ▪ Full review of the key industry priorities tested with employers and Prescribed Organisations ▪ An outline of the eight industry problems, our role in supporting those and the specific actions that we will take developed and discussed with Nation Councils, feeding in to the published Business Plan ▪ Working together with Government, employers and industry to address emerging issues.
Reliance on others to be able to deliver our strategy Commitments in the strategy to support industry do not achieve the expected impact because delivery is dependent on the support and action of others.	▪ In developing the Strategic Plan, a full review of the key industry priorities is tested with employers and Prescribed Organisations ▪ Strategy team sets KPIs that CITB has the ability to deliver and/or influence, and identifies the inputs required of others ▪ Active programme of engagement on policy development with Governments across the three nations of Great Britain ▪ Engagement and relationship strategy with key bodies to influence their role.

Risk description	Key mitigations
Meeting the needs of industry Activity does not meet the needs of industry because we are not able to: identify and deliver against a defined set of priority needs or fail to maintain appropriate inclusivity.	▪ Process of developing an evidence base of industry needs and priorities, informed by the Industry Analysis and Forecasting team and discussed with employers, Prescribed Organisations and Nation Councils, feeding into the published Business Plan ▪ Outline of the eight industry problems, our role in it and the specific actions that we will take discussed with Nation Councils ▪ Discussion at Board and Nation Councils meetings, and engagement activity with industry to communicate the strategy and priorities ▪ Strategy subject to ongoing review through assessment of impact, industry feedback and stakeholder support.
Training quality We are unable to develop and implement quality standards into the industry to improve safety and performance levels.	▪ Engagement and relationships strategy for working with and influencing key organisations including standards setters ▪ Working as part of Working Group 2 and the Interim Industry Competence Committee and with industry working groups to shape the development of competency frameworks in areas such as building safety and net zero ▪ Grant funding supports and encourages access to approved training, qualifications and competency frameworks.
Sustainability CITB fails to identify and communicate its role in shaping / supporting the net zero and wider sustainability agenda in the construction industry.	▪ Engagement with relevant industry and Government groups where combined influence and action can support positive change ▪ Encouraging employers to upskill their existing and future workforce to deliver net zero ▪ Cross-CITB team to identify the approach and relevant actions on net zero ▪ Diversity action plan monitored through performance hub.
Third party providers CITB may be unable to operate efficiently and effectively because third-party providers fail to meet CITB's requirements.	▪ Regular due diligence and financial assessment of suppliers ▪ Monthly performance reviews with key suppliers and providers ▪ Rights of audit in place with key operational suppliers.
Health and safety There is a risk of significant harm to individuals and of reputational and financial consequences if there was to be any failure of health and safety arrangements.	▪ BSI standards and auditing for health and safety (H&S) management. ▪ Comprehensive system of risk identification, assessment and mitigation with clear procedures ▪ H&S specialists employed within the college environment ▪ Employee forums in place to flag and escalate any concerns, and mandatory training for all staff ▪ Standing agenda item for Executive and Board.

Risk description	Key mitigations
Funds CITB does not have sufficient funds to deliver on its commitments to customers.	▪ Robust forecasting process and monthly review process, with the option to delay or stop operational expenditure ▪ Monthly economic forecasting to inform scenario and contingency planning.
People We are unable to recruit and retain the right people to develop and deliver our strategy and services.	▪ People Strategy and implementation plan ▪ Implementing the updated performance management process.
Counter-fraud There is a risk that CITB does not protect itself adequately against high levels of fraudulent activity that is damaging due to profile, value, or volume.	▪ Counter-fraud policy and mandatory fraud risk training, with a dedicated Counter-fraud team ▪ Fraud risk assessment with mitigating controls identified for areas at risk ▪ Rules for funding and Grants Scheme and validation of eligibility and evidence ▪ Vetting of organisations that apply to become Approved Training Organisations (ATOs) ▪ Test centres subject to monitoring and quality assurance visits.

Consensus was completed during the period and the Levy Order was signed on 29 April 2022. The Levy Order underpins activity and funding for the coming three years, but our strategic risks recognise the importance of having impact through delivery of our Strategy over that period. The Strategy is supported by annual business plans that cover each of the nations, ongoing engagement activities with Government, industry groups and employers, and by performance management processes that measure progress towards each planned outcome on a monthly basis.

In a number of areas, the Strategy relies on CITB working collaboratively with others to achieve the outcomes for industry. The Strategy makes clear the key problems that it seeks to address, the role that CITB will play in this, and the role that we need others to take. In addition to consultations that informed development of the Strategy, a programme of engagement and relationship activities is undertaken with key parties and progress against milestones is regularly reviewed.

Sustainability is a key area of focus, supporting and encouraging employers to upskill the existing and future workforce required to deliver on net zero and addressing the wider diversity, climate change and sustainability agenda. A team has been formed to identify the approach and relevant actions on net zero, including how it can be considered in all new training, standards and activities. A Diversity action plan is in place and work is ongoing to consider elements of a wider sustainability strategy.

Teams have worked collaboratively with third parties to ensure customer-facing services are maintained and improved, and additional measures and performance indicators have been introduced, focusing in particular on quality. There has been an ongoing programme of action to enhance the efficiency and customer experience of the grants process. Of course, there remain areas where there are opportunities to improve, and this will continue to be monitored closely.

Mitigating actions in relation to other strategic risks have been subject to ongoing review during the year. Actions have included launching a new People Strategy to support recruitment and retention and a fraud risk assessment to provide additional assurance over measures in place to respond to the fraud risks facing CITB and its services.

HEAD OF INTERNAL AUDIT'S OPINION

The Internal Audit team, working to the Public Sector Internal Audit Standards, delivered the 2021-22 programme of reviews approved by the Audit and Risk Committee. The 2021-22 programme covered a wide range of areas within governance, risk management and control, focused on those where there was the greatest need for assurance or potential benefit from internal audit review. The Head of Internal Audit was satisfied that sufficient work had been completed during the year to enable an annual opinion on governance, risk management and control to be provided.

An annual report, summarising the work undertaken and containing the Head of Internal Audit's opinion, was presented to the Audit and Risk Committee and stated that the quality of governance, risk management and internal control during the year to 31 March 2022 was 'satisfactory, with some improvements required'. This opinion is based on delivery of the 2021-22 Audit Plan across activities, and inputs from risk management activity and governance arrangements.

The report identified areas where controls had been strengthened in 2021-22 including risk management, payroll processing and performance of DBS checks. Management responded positively to the findings of each review, and agreed to implement action plans to address the identified risks and drive enhancement of the control environment in the coming year.

Actions to be completed in 2022-23 to further strengthen controls focus on the areas of business continuity planning, information governance, aspects of delivering apprenticeships and the ongoing assessment of the operation of the enabling partner contract.



SUSTAINABILITY

CITB is committed to meeting the Greening Government Commitments[1] (GGCs), which set out the actions that UK Government departments and their agencies will take to reduce their impacts on the environment. We are committed to improving our performance and are currently developing a Sustainability Strategy for publication in 2023 and working on several short-term actions.



HM Treasury produces annual guidance[2] on mandatory reporting and encourages further voluntary/best practice reporting to provide transparency in public sector performance on sustainability year on year. We have integrated the reporting within our Annual Report and Accounts as recommended, rather than as a standalone report.

The information contained in this section has not been subject to audit and does not form part of the auditors' opinion on the accounts.

The data for 2021-22 is collated from CITB's three owned sites – Erith, Bircham and Inchinnan – and does not include data from leased premises such as CITB's Head Office in Peterborough.

Now that CITB has come to the end of its Vision 2020 programme that involved several divestments, the only anticipated future change will be the downsizing of the Peterborough Head Office in 2022 as a result of the shift to more hybrid working patterns.

Due to the impact of the Covid-19 pandemic and the Vision 2020 divestment programme, little comparison can be made between the years and therefore data for the previous two reporting years (2019-20 and 2020-21) has not been included.

CITB is continuing to work with suppliers to improve the accuracy and timeliness of invoices and usage data.

[1] Greening Government Commitments 2021 to 2025 - GOV.UK (www.gov.uk)
[2] 2021-22 Sustainability Reporting Guidance - Final.docx (publishing.service.gov.uk)

Table 1: Greenhouse gas emissions

			Apr 21 – Mar 22
Non-financial indicators (tCO_2e)	Scope 1	Fuel combustion	783
		Owned transport[1]	126
		Fugitive emissions	-
	Scope 2	Purchased electricity	519
	Scope 3	Business travel[2]	31
		Use of purchased materials (paper)[4]	3
		Waste disposal	4
		Biomass	32
Financial indicators (£)	Business travel[3]		166,841
tCO_2e	Per full-time employee (FTE)[5]		2.3

TABLE 1 NOTES:

The Defra GHG conversion factors (condensed set) for 2021 have been applied unless otherwise stated and rounded to the nearest metric tonne.

[1] The Defra conversion factor (2021) of 0.28263 kgCO2e per mile for a medium car unknown fuel has been applied for fleet vehicles.

[2] Includes personal car mileage, rail and hotel stays. No mileage was available for air travel, buses, taxis, underground and hire cars to enable tCO2e to be calculated. The tCO2e applied for rail travel was calculated and supplied by Redfern, the travel management company used by CITB.

[3] Business travel spend includes air, rail, use of personal vehicles and hotels.

[4] The conversion factor applied relates to primary source. Some paper products are from recycled sources, although it is not possible to evidence that they are from a Closed Loop supply.

[5] The number of staff directly and temporarily employed by CITB as an average over the year (expressed in full-time equivalents) was 644.

Table 2: Waste

Waste		Apr 21 – Mar 22
Non-financial indicators (tonnes)	Total waste (not including ICT waste)	183
	ICT waste recycled	2
	ICT waste reused	3
	ICT Hazardous waste	2
	Waste recycled	116
	Waste composted	-
	Waste incinerated with energy recovery	57
	Waste incinerated without energy recovery	-
	Waste to landfill	13
Financial indicators (£)	Main contract	35,811
	ICT waste	-
	Confidential waste service[1]	2,546

[1] The contract cost for confidential waste also includes the collection of office plastic cups and metal cans.

WASTE

Following the decision to retain the National Construction College (NCC), the main waste contract was re-tendered, and a new contract commenced in April 2021. A separate service continues for the collection of confidential paper waste, which includes the collection of office plastic cups and metal cans.

FUGITIVE EMISSIONS

All air conditioning units at CITB have a carbon loading of less than 30 tonnes and are fully serviced and visually inspected once a year. Some units at the Bircham site are no longer in use and have been made safe and will be decommissioned. During the reporting period no 'top-ups' were required.

Table 3: Finite resource consumption

			Apr 21 – Mar 22
Non-financial indicators	Energy	Total electricity (kWh)	2,443,197
		Electricity: standard (kWh)	1,734,670
		Electricity: green (kWh)[1]	708,527
		Natural gas (kWh)	326,704
		LPG (litres)	7,392
		Oil kerosene (litres)[2]	291,000
		Biomass (tonnes)	567
	Finite	Water (m^3)[3]	20,504
		Paper (reams)[4]	1,277
Financial indicators (£)	Energy	Electricity	486,650
		Gas (natural and LPG)	21,594
		Oil kerosene	175,256
		Biomass	21,123
	Finite	Water	68,984
		Paper	4,235

TABLE 3 NOTES:

[1] Purchased electricity is on a 100% standard tariff with 29% renewable.

[2] Estimates have been made for Jan – Mar 2022 for deliveries of kerosene.

[3] The water bills for Bircham cover a 12-month period running from the 01 Jan 2021 to 31 Dec 2021.

[4] Number of reams is that purchased direct by CITB and not that used by third parties printing on its behalf, such as Levy documents.

ENERGY

Work has taken place to consolidate contracts for ease of management purposes and to improve efficiencies. The majority of electricity contracts are now with one supplier on a 100% standard tariff, which is currently 29% from a renewable source and sourced together with gas through a Government Framework with Crown Commercial Service (CCS).

To help identify areas of inefficiency, sub-meters will be introduced to Bircham Newton for oil, water and electricity. In addition, seven buildings will be re-roofed to improve energy-efficiency. The improved data set will also be used to educate staff and create behavioural changes to benefit the environment and help save money.

WATER

Sub-metering at Bircham is to be introduced to enable consumption to be measured more accurately allowing for the opportunity for further water-saving potential to be explored.

BUSINESS TRAVEL

As of 18 November 2021, CITB had a fleet of 142 company cars, of which five were electric and 28 hybrid. Those defined as ultra low emission vehicles (ULEVs), namely those producing less than 75 grams of CO_2, accounted for 11% of the fleet.

In support of the Government's commitment to having 25% of its car fleet as ULEVS by 31 December 2022, we hope to increase the availability of electric cars when our fleet contract renews during 2022-23 and to encourage uptake by employees during a regular review of our Car Policy, with the last review undertaken in May 2021. To support the increase in electric vehicles coming to CITB sites, we are increasing charging points at Bircham and introducing them to Erith and Inchinnan.

The expense system currently used by CITB has the functionality to report only on mileage for company and private car use, and not on other modes of business travel. Mileage for forms of public transport is retrieved through the travel booking system (Redfern). The opportunities to retrieve all reportable data from one system will be considered when the expense system is next up for re-tender.

Other target areas	Apr 21 – Mar 22
Non-financial indicators	2
Number of domestic flights	326,704

The majority of electricity contracts are now with one supplier on a 100% standard tariff, which is currently 29% from a renewable source

PAPER

Since the beginning of the Covid-19 pandemic, there has been a significant decline in the volume of paper purchased. Typically, office-based employees working from home due to the introduction of hybrid working are not provided with printers. If paper copies are required, these are requested for printing from the Office Manager. Over the past two years, paper that has been held in stock at Bircham Newton has been utilised. Employees are encouraged to print only when necessary and further opportunities are being explored to move more products and services from a print to a digital footprint, particularly in relation to Levy where we are aware the paper-based system is not environmentally friendly and are mindful of the need to improve this.

PROCURING SUSTAINABLE PRODUCTS AND SERVICES

As an NDPB, CITB has a mandatory requirement to adhere to Government Public Procurement Notices (PPNs) on various sustainability topics, including PPN 06/20, taking account of social value in the award of central Government contracts that includes working towards Net Zero and environmental protection.

NATURE RECOVERY

The National Construction College at Bircham Newton, is situated in rural Norfolk and hosts a variety of habitats and species. CITB has no formal biodiversity action plan but does maintain maintenance regimes recommended by key experts that monitor various species on the site namely bats, owls and oystercatchers.

CLIMATE CHANGE ADAPTION

CITB is reviewing the good practice guidance on Climate Change Risk produced by the National Audit Office and shall be identifying and discussing ways to mitigate the risks identified.

REDUCING ENVIRONMENTAL IMPACT BY ICT AND DIGITAL

We continue to pursue a programme focused on the removal of older systems and applications that are no longer fit for purpose, and the migration of services to platforms that offer a lower running cost and environmental impact. This includes reviewing the remaining on-premise servers in Bircham Newton, decommissioning where possible and migrating to a cloud platform.

Desktop equipment (laptops/computers etc.) is reprovisioned where possible, to get the most life from them and reduce the need to purchase new. Equipment that is no longer in service is disposed of in line with the waste hierarchy.

CITB procures its cloud services through the Government Framework 'G-Cloud' and CCS, ensuring that suppliers are approved by central Government.



SECTION 5

STATEMENT BY ACCOUNTING OFFICER

STATEMENT BY ACCOUNTING OFFICER

TIM BALCON

OUR APPROACH TO DATA SECURITY

To achieve our aims, CITB processes personal information about individuals. Categories of data subjects include construction-related employers, employees and prospective employees within the construction industry, construction apprentices, suppliers, contractors and internal staff.

We are committed to protecting the rights and freedoms of individuals in respect of the processing of their personal data and undertake to comply with our legal obligations and responsibilities at all times.

We routinely review systems and processes for handling data securely against prevailing guidelines to ensure we continue to meet expected standards. We follow ISO 27001-compliant practices in relation to information security and are in the process of recertifying Cyber Essentials Plus.

We comply with our legal obligations in relation to personal data, and any serious data-related incidents are published and reported to the Information Commissioner's Office (ICO). This year, no incidents were reported to the ICO.

As CITB's outsourced IT Service Provider, SSCL is committed to protecting the security and access to the data of our customers. SSCL follows ISO 27001-compliant practices in relation to information security that enable CITB to recertify Cyber Essentials Plus.

SSCL investigates all security incidents relating to its service to CITB to identify suitable improvements in process, staff education and technical security measures. There were no new high-severity security incidents raised in 2021-22.

OUR APPROACH TO REPORTING CONCERNS

We are committed to achieving and maintaining high standards of behaviour at work, in service to the public and in all our working practices, and to maintaining a culture where people are encouraged to speak out, confident that they can do so without adverse consequences and that appropriate action will be taken. Our arrangements for reporting concerns (also known as whistleblowing) were reviewed and approved by the Audit and Risk Committee during the year. There were no whistleblowing incidents during the year.



REGISTER OF INTERESTS

As a non-departmental public body (NDPB), CITB must abide by principles of regularity and propriety, ensuring that its work is not adversely impacted by conflicts of interest. Trustees, Committee members, and Executive Directors are required to complete a declaration of any interests annually. No significant company directorships or other interests were held by members that conflicted with their role and responsibilities.

In addition, all staff are required to complete a declaration of interest return annually, including those who have no interests to declare, and to declare any gifts or hospitality offered.

MAINTAINING STAKEHOLDER SUPPORT

To continue to meet industry expectations, CITB must maintain support from a range of stakeholders. We liaise with industry at all levels and have connections with federations, trade unions and educational bodies. We work with Government (with the Department for Education at Westminster, and the Scottish and Welsh Governments) and we are involved in a range of stakeholder events, consultative groups and forums, and stakeholder surveys.

CITB is required to seek and demonstrate to the Secretary of State consensus from industry for its Levy Proposals in order to secure a Levy Order that will enable CITB to support and deliver skills and training in the industry. Following on from a successful Consensus process in the summer of 2021, a new three-year Levy Order was passed by Parliament in April 2022.

CONCLUSION

I took over as Accounting Officer (AO) on 1 October 2021, as part of the handover from the previous CEO and AO, Sarah Beale. Sarah was able to assure me that suitable governance arrangements had been in place for the first half of the financial year and I am satisfied that references in this Statement to activity that happened prior to my appointment are accurate, thanks to the quality and depth of that handover and the assurance that Sarah was able to give.

As Accounting Officer, I am satisfied that the governance arrangements that were in place during the year to 31 March 2022 are sufficient to continue managing risks effectively. This is informed by the work of Executive Directors and the Leadership team, who are responsible for developing and maintaining the governance structures and internal control framework. I acknowledge the comments made by the National Audit Office in its management letter and other reports (refer to External audit on page 30). The Governance Statement represents the end product of the review of the effectiveness of the governance framework, risk management and internal control.

Based on the review I have outlined above, I conclude that CITB has a satisfactory system of governance, risk management and internal control that supports the aims and objectives of the organisation.



Tim Balcon
Accounting Officer
28 October 2022

Diana Garnham
Chair of Audit and Risk Committee
28 October 2022

STATEMENT OF THE BOARD

AND ACCOUNTING OFFICER'S RESPONSIBILITIES

Under section 8 (1) of the Industrial Training Act 1982, the Board is required to prepare for each financial year a statement of accounts in the form and on the basis determined by the Secretary of State with the consent of the Treasury.

The accounts are prepared on an accruals accounting basis and must show a true and fair view of CITB's state of affairs at the year-end and of its income and expenditure and cash flows for the financial year.

In preparing that statement of accounts, the Board and Accounting Officer are required to comply with the requirements of the Charities Statement of Recommended Practice (FRS 102) and have regard for the relevant requirements of the Government Financial Reporting Manual and in particular to:

a) Observe the accounts direction issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis

b) Make judgements and estimates on a reasonable basis

c) State whether applicable accounting standards as set out in the Charities Statement of Recommended Practice and Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements

d) Prepare the financial statements on a going concern basis unless it is inappropriate to presume that CITB will continue in operation

e) Confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable, and to take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.



The Accounting Officer for the Department for Education has designated the Chief Executive of CITB as Accounting Officer for CITB. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding CITB assets, are set out in Managing Public Money published by the HM Treasury.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that CITB's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

Approved by the Board on 28 October 2022 and signed on its behalf by:

Peter Lauener
Chairman
28 October 2022

Tim Balcon
Accounting Officer
28 October 2022

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT AND THE SCOTTISH PARLIAMENT

OPINION ON FINANCIAL STATEMENTS

I certify that I have audited the financial statements of the Construction Industry Training Board for the year ended 31 March 2022.

The financial statements comprise: the Construction Industry Training Board's:

- The balance sheet as at 31 March 2022;
- Statement of Financial Activities, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom accounting standards including Financial Reporting Standards (FRS) 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion, the financial statements:

- give a true and fair view of the state of the Construction Industry Training Board's affairs as at 31 March 2022 and its net expenditure for the year then ended;
- have been properly prepared in accordance with the Industrial Training Act 1982 and Secretary of State directions issued thereunder;
- have been prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and section 8 of the Charities Accounts (Scotland) Regulations 2006.

OPINION ON REGULARITY

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

BASIS FOR OPINIONS

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements of Public Sector Entities in the United Kingdom*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I have also elected to apply the ethical standards relevant to listed entities. I am independent of the Construction Industry Training Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, I have concluded that the Construction Industry Training Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Construction Industry Training Board's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Board and Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

OTHER INFORMATION

The other information comprises information included in the Annual Report, but does not include the financial statements nor my auditor's certificate and report. The Board and Accounting Officer are responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

OPINION ON OTHER MATTERS

In my opinion:

- The part of the Remuneration Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Industrial Training Act 1982

- Based on the work undertaken in the course of the audit the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

MATTERS ON WHICH I REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Construction Industry Training Board and its environment obtained in the course of the audit, I have not identified material misstatements in the Annual Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- I have not received all of the information and explanations I require for my audit; or

- adequate accounting records have not been kept by the Construction Industry Training Board or returns adequate for my audit have not been received from branches not visited by my staff; or

- the financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of remuneration specified by the Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005 and section 8 of the Charities Accounts (Scotland) Regulations 2006 have not been made or parts of the Remuneration Report to be audited is not in agreement with the accounting records and returns; or

- the Governance Statement does not reflect compliance with HM Treasury's guidance.

RESPONSIBILITIES OF THE BOARD AND ACCOUNTING OFFICER FOR THE FINANCIAL STATEMENTS

As explained more fully in the Statement of the Board and Accounting Officer's Responsibilities, the Board and the Accounting Officer is responsible for:

- The preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;

- Internal controls as the Board and the Accounting Officer determines is necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error; and

- Assessing the Construction Industry Training Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board and the Accounting Officer either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

My responsibility is to audit, certify and report on the financial statements in accordance with the Industrial Training Act 1982.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, we considered the following:

- The nature of the sector, control environment and operational performance including the design of the Construction Industry Training Board's accounting policies, and performance incentives.
- Inquiring of management, the Construction Industry Training Board's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Construction Industry Training Board's policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Construction Industry Training Board's controls relating to the Construction Industry Training Board's compliance with the Industrial Training Act 1982, the Industrial Training Levy (Construction Industry Training Board) Order 2018, Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005, section 8 of the Charities Accounts (Scotland) Regulations 2006, and Managing Public Money;
- Discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Construction Industry Training Board for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, and bias in management estimates. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override of controls.

I also obtained an understanding of the Construction Industry Training Board's framework of authority as well as other legal and regulatory frameworks in which the Construction Industry Training Board operates, focusing on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Construction Industry Training Board. The key laws and regulations I considered in this context included, the Industrial Training Act 1982, the Industrial Training Levy (Construction Industry Training Board) Order 2018, Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005, section 8 of the Charities Accounts (Scotland) Regulations 2006, Managing Public Money and relevant employment, pension and tax legislation.

In addition, I considered the fraud and regularity risks associated with grant expenditure.

AUDIT RESPONSE TO IDENTIFIED RISK

As a result of performing the above, the procedures I implemented to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- enquiring of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- reading and reviewing minutes of meetings of those charged with governance and the Board and internal audit reports
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- in addressing the risk of fraud through revenue recognition, evaluating the design and implementation of relevant controls; testing income to corroborative evidence; assessing the completeness of revenue streams; and testing the appropriateness of significant estimates at year-end.

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

OTHER AUDITOR'S RESPONSIBILITIES

I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

REPORT

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General
1 November 2022

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP



SECTION 6

FINANCIAL PERFORMANCE

Financial statements

Statement of Financial Activities for the year ended 31 March 2022

INCOME	Notes	2021-22 Restricted	2021-22 Unrestricted	2021-22 Total	2020-21 Total
		£'000	£'000	£'000	£'000
Income from charitable activities	2				
Levy income		-	108,266	108,266	191,942
Non-Levy income					
Training and Development		10,233	29,751	39,984	57,484
Careers		-	108	108	(15)
Standards and Qualifications		-	176	176	214
Engagement and Evidence Base		-	17	17	1
Other		-	(31)	(31)	(137)
TOTAL NON-LEVY INCOME		**10,233**	**30,021**	**40,254**	**57,547**
Income from investments		-	-	-	175
Income from Government grants	18	(7)	-	(7)	4,393
Other income		-	29	29	191
TOTAL INCOME		**10,226**	**138,316**	**148,542**	**254,248**

Statement of Financial Activities for the year ended 31 March 2022

EXPENDITURE	Notes	2021-22 Restricted	2021-22 Unrestricted	2021-22 Total	2020-21 Total
		£'000	£'000	£'000	£'000
Expenditure on raising funds		-	1,702	1,702	2,093
Expenditure on charitable activities					
Training and Development		84,689	79,798	164,487	167,771
Careers		-	1,091	1,091	885
Standards and Qualifications		-	5,146	5,146	5,517
Engagement and Evidence Base		-	2,991	2,991	12,585
TOTAL EXPENDITURE ON CHARITABLE ACTIVITIES	**4**	**84,689**	**89,026**	**173,715**	**186,758**
Expenditure on trading activities		-	3	3	39
Other expenditure		-	(398)	(398)	(440)
TOTAL EXPENDITURE		**84,689**	**90,333**	**175,022**	**188,450**
Net gain on revaluation of investments		-	-	-	692
Net income/(expenditure)		(74,463)	47,983	(26,480)	66,490
Transfer from unrestricted fund		74,463	(74,463)	-	-
Net movement in funds		-	(26,480)	(26,480)	66,490
TOTAL ACCUMULATED FUNDS AT PERIOD START	**13**	**-**	**120,733**	**120,733**	**54,243**
TOTAL ACCUMULATED FUNDS AT PERIOD END	**13**	**-**	**94,253**	**94,253**	**120,733**

The above results include all recognised gains and losses and are derived from continuing activities.
The notes 1 to 24 on pages 64 to 93 form an integral part of these accounts.

Balance sheet as at 31 March 2022

	Notes	2021-22	2020-21
		£'000	£'000	£'000
Fixed assets			
Tangible assets	7	11,569	11,776
Investments	9a	-	-
TOTAL FIXED ASSETS		11,569	11,776
Current assets			
Stock		316	952
Debtors	8	9,821	78,603
Investments	9a	-	-
Cash at bank	9b	117,259	90,464
TOTAL CURRENT ASSETS		127,396	170,019
Liabilities			
Creditors: Amounts falling due within one year	10	(15,878)	(36,521)
Net current assets		111,518	133,498
TOTAL ASSETS LESS CURRENT LIABILITIES		123,087	145,274
Provisions for liabilities	11	(28,834)	(24,541)
TOTAL NET ASSETS		94,253	120,733
Unrestricted funds	13	94,253	120,733
TOTAL CHARITY FUNDS	13	94,253	120,733

Notes 1 to 24 on pages 64 to 93 form an integral part of these accounts.
Approved by the Board on 28 October 2022 and signed on its behalf by:



Peter Lauener
Chairman
28 October 2022

Tim Balcon
Accounting Officer
28 October 2022

Cash flow statement as at 31 March 2022	Notes	2021-22	2020-21
	£'000	£'000	£'000
Cash flows from operating activities			
Net income/(expenditure) for the year		(26,480)	66,490
Income from investments	14	-	(175)
Interest expense		49	103
Depreciation charges	7	605	656
Loss/(Profit) on sale of tangible fixed assets		6	(167)
Realised (gain)/loss on investments	9a	-	(692)
Net effect of revaluation of freehold properties	7	(404)	(440)
Decrease/(increase) in debtors and stock		69,418	(58,953)
(Decrease)/increase in creditors and provisions		(6,350)	(20,511)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES		36,844	(13,689)
Cash flows from investing activities			
Interest received on investments	14	-	175
Receipts from sales of tangible fixed assets	14	-	1,102
Proceeds from sale of investments	14	-	31,847
Purchase of investments	9a	-	(1,258)
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES		-	31,866
Cash flows from financing activities			
Borrowing	10	(10,000)	10,000
Interest paid on borrowings		(49)	(103)
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES		(10,049)	9,897
Increase/(decrease) in cash and cash equivalents		26,795	28,074
Cash and cash equivalents at period start		90,464	62,390
Cash and cash equivalents at period end	9b	117,259	90,464

Notes 1 to 24 on pages 64 to 93 form an integral part of these accounts

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

PUBLIC BENEFIT ENTITY

As a charity, CITB is a public benefit entity, therefore 'an entity whose primary objective is to provide goods or services for the general public, community or social benefit and where any equity is provided with a view to supporting the entity's primary objectives rather than with a view to providing a financial return to equity providers, shareholders or members'.

GOING CONCERN

The financial statements for the year ending 31 March 2022 have been prepared on a going concern basis.

CITB has ended 2021-22 in a strong financial position with both a healthy level of reserves and cash. Through the Consensus process in summer 2021, industry confirmed its continuing support for the Levy system with a three-year Levy Order due (and subsequently received) in May 2022. The Construction industry has weathered the Covid-19 pandemic better than most sectors and Levy income has been stable with CITB holding sufficient funds to meet spending plans for 2022-23 and beyond.

The Board has considered the ongoing impact of the pandemic and has adjusted income forecasts downwards for the next three years, in comparison to our pre-pandemic projections for the same period. With grant and funding applications lower than forecast during the last two years, CITB has sufficient reserves to enable a level of investment in the industry training programmes greater than the Levy we expect to receive during the same period, which will reduce reserves to our target levels by the end of the 2022 Levy Order in 2024-25.

Accordingly, the Board properly prepares and submits the 2021-22 Annual Report and Accounts on a going concern basis.

ACCOUNTING CONVENTION

The financial statements are prepared in accordance with the Industrial Training Act 1982 and directions made thereunder by the Secretary of State for Education. The accounts comply with the requirements of Accounting and Reporting by Charities: Charities SORP (FRS 102). The accounts also follow the disclosure requirements of the 2021-22 Government Financial Reporting Manual and also provide additional disclosures where this goes beyond the requirements of the Charities SORP (FRS 102). These accounts are prepared under the historical cost convention, as modified to reflect the revaluation of fixed assets and investments.

RESTRICTED FUNDS

Restricted funds relate to apprenticeship activity funded by the Education and Skills Funding Agency (ESFA), Skills Development Scotland (SDS) and Welsh Assembly Government (WAG) and their associated expenditure, in which contractual agreements state that funds should only be used for apprenticeship funds. In addition, the Construction Skills Fund (CSF) monies received from the DfE and Apprenticeship Employer Grant received from SDS, along with associated expenditure, are also restricted in nature based on contractual agreements. Note: income received from colleges under new arrangements are termed as unrestricted, as contractual agreements are not restricted in the same way.

Expenditure for apprenticeship activities is apportioned between restricted and unrestricted based on income apportions, as staff may be working on both.

Income received from the Coronavirus Job Retention Scheme (CJRS) is included within the restricted fund, along with the corresponding payroll costs it supported. This is due to the restriction on the use of the income to fund payroll and qualifying salary payments only.

No surplus is made on restricted funds and therefore any loss is covered by unrestricted funds.

LEVY INCOME

Levy income is that receivable from assessments based on the employment details returned by employers, with an estimate for those from which employment details have not been received. Estimated assessment income is reduced by a provision for reassessments, based on historical trends, to allow for their normal write-down in value following the receipt of a Levy Return declaring actual direct employment and labour-only subcontract payments. A provision for bad debts, based on identified doubtful debts, prior years' experience and the economic state of the industry, is also applied against Levy debts, and both the movement in the provision during the financial year and the actual bad debts written off in the year are set off against Levy income. Levy Assessments are recognised in the Statement of Financial Activities in the period in which they are raised.

CHARITABLE ACTIVITIES – NON-LEVY INCOME

Non-Levy income is recorded by charitable activity and is accounted for on an accruals basis.

Apprenticeship income is recognised as restricted funds based on contractual terms.

DEFERRED INCOME

Deferred income is recognised where cash has been received during the accounting period, but for which associated activities will not be carried out until subsequent accounting periods.

INVESTMENT INCOME

Income from investments is included in the Statement of Financial Activities on an accruals basis.

EXPENDITURE

The charge in the Statement of Financial Activities consists of the training grants paid during the year together with an estimate of the liability for unpaid grants for the period and any adjustments to accruals and provisions made in earlier years. Grants are considered to be legally binding when the terms have been agreed by both parties.

CHARITABLE ACTIVITIES

The charges in the Statement of Financial Activities are recognised on an accruals basis.

LEASING

Rentals paid under operating leases are charged in the Statement of Financial Activities on a straight-line basis over the lease term.

ALLOCATION OF EXPENDITURE

Direct costs are allocated accordingly, with support costs apportioned to activities by appropriate drivers. For the majority of support costs, this is an average of the full-time equivalent for the financial year. However, funding support costs have been allocated based on funding expenditure split between the activities, while estate costs have been allocated on an office full-time equivalent/college training days basis.

REALISED GAINS/LOSSES ON INVESTMENTS

The Statement of Financial Activities recognises the net value of all gains and losses on the sale of investments, calculated as the difference between the cost and sales proceeds of each investment liquidated.

UNREALISED GAINS/LOSSES ON INVESTMENTS

The difference between the brought-forward market value at the beginning of the accounting period and the year-end market value of all investments held at the balance sheet date is recognised in the Statement of Financial Activities.

DEBTORS

Levy debtors represent the estimated recoverable amounts of unpaid Levy Assessments, having taken account of provisions for bad debts and for reassessing estimated assessments following the late receipt of Levy Returns. CITB only writes off Levy debts when it has evidence that an employer has become insolvent, ceased to trade, is dissolved or, CITB having made all reasonable efforts to locate the debtor, is untraceable.

Non-Levy debtors are shown at their amortised value after any provision for impairment.

TANGIBLE FIXED ASSETS

Tangible fixed assets (excluding freehold land and buildings) are stated at cost less accumulated depreciation. Adjustments to modified historical cost, to recognise the assets at fair value, are only made if material. For non-revalued assets, the depreciated historic cost is considered to be a reasonable estimate of the fair value. Costs of acquisition, comprising only those costs that are directly attributable to bringing the asset into working condition for its intended use, are capitalised. The threshold for capitalisation is £2,500, either individually or for a group of similar assets.

Freehold land is not depreciated. All other tangible fixed assets are depreciated evenly to write off their value over their estimated useful economic lives. These lie within the following ranges:

Freehold buildings

- 50 years (permanent buildings)
- 20 years (improvements and temporary buildings)
- Nil (buildings under construction).

Motor vehicles

- Ten years.

Plant and machinery

- Five to Ten years.

Office equipment

- Four to Ten years.

Computer equipment

- Four years.

Freehold properties are fully revalued every five years and reviewed annually. All tangible fixed assets are subject to an annual impairment review.

INVESTMENTS

Investments are stated at market value at the balance sheet date. Investments are split between those maturing over one year and those under one year. Bonds, equities and cash are held at market value. Managed funds are valued at a price provided by the third-party investment manager.

CASH AND CASH EQUIVALENTS

Cash is represented by amounts held in banks. Cash equivalents are highly liquid investments that are readily convertible to known amounts of cash.

LIABILITIES

Grant creditors: Amounts payable in relation to grant funding authorised but not yet paid are recognised within creditors.

College fee creditors: Amounts payable in relation to college fee invoices are calculated on the basis of known learners' records. College fees relating to students whose details have not yet been received are accrued for on the basis of historical payment patterns adjusted for any known changes in circumstances.

Trade and taxation creditors: Amounts payable in relation to supplier invoices are based on those due as at the year-end where goods or services have been received.

Borrowings: Amounts payable in relation to a loan from the Department for Education.

GOVERNMENT GRANTS

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income. During 2021-22, no grants were claimed under the Government's Coronavirus Job Retention Scheme (CJRS). In 2020-21, an accrual was made for the CJRS grant income expected in relation to the March 2021 claim. The amount received in April 2021 was £7k lower than the amount accrued.

PROVISIONS

Provisions are made for dilapidations on leasehold properties to represent a provision for estimated settlements with landlords on the expiry of leases. The estimations are based on previous financial experience.

Grant claims not yet received are provided for on the basis of historical payment patterns adjusted for any known changes in circumstances. Provisions and accruals for apprentice grant claims are based on the number of new entrant trainees known to have enrolled on the scheme.

A restructuring provision has been made to account for the expected redundancy costs associated with the proposed restructure of the National Construction College and the Apprenticeship areas.

A provision has been made following the outcome of an ESFA audit regarding a non-compliance with our data submissions to support apprenticeship funding. The outcome of the audit of the 2020-21 contract year, verbally communicated to CITB just prior to the 2021-22 year-end, has resulted in a request for repayment from ESFA of £1.6m and a further audit in to both 2018-19 and 2019-20.

As the result of those audits is as yet un-determined, we have taken the prudent approach to provide for a total of £5.9m based on an extrapolation of the ESFA calculation, amended following detailed investigation by CITB, and that being our assessment of the most likely outcome at the date these accounts were signed. However, if ESFA do not accept our findings, the extrapolation when applying ESFA's un-amended error rate from the 2020-21 audit over the three years would give a total liability of £10.3m and so we have disclosed a contingent liability of a further £4.4m, representing our best estimate of the possible additional monies due to ESFA from the ongoing 2018-19 and 2019-20 audits.

Discussions are ongoing between CITB and ESFA on the potential repayment, if any, due. CITB acknowledges that the audit trail to demonstrate funding conditions had been met was not present at the required level for all apprentices, but we consider that we have met the funding terms in the delivery of the required outcomes for apprentices and their training needs. In response to the 2020-21 audit findings, we have amended our processes to ensure that we have sufficient evidence of the required administrative processes from now on and ESFA have acknowledged the improvements.

The 2021-22 financial statements represent management's best estimate of the likely and possible monies due to the ESFA, but we note the uncertainties present within the provision recognised and contingent liability disclosed.

SIGNIFICANT JUDGEMENTS

The financial statements include two significant judgements, one for the Levy impairment (bad debt) provision and one for grants earned not yet claimed provision. Generally, collection of the Levy has been much better than anticipated, as the impact of the pandemic on the financial wellbeing of the construction industry was less than anticipated. The key estimate required is how much of the £103m debt outstanding at the year-end will be collected in the fullness of time. We have followed our normal methodology, which is based on age, but adjusted it to reflect the cash collection experience in 2021-22. We have used our experience of cash collection over the past year, against all prior Levy Assessments, to judge how much we can expect to collect in the fullness of time. The total provision is then split between bad debt (i.e. money that is owed but not expected to be paid) and reassessment (money that has been invoiced on an estimated assessment and is likely to be adjusted downwards when the Levy Return is received). The split is intended to help the reader understand the difference between the bulk assessment and the net income received, and although it is a judgement, the split itself does not have any net impact on our financial statements.

The second significant judgement is regarding part of the provision for training grants. There is naturally a gap between the grant being earned (i.e. the learner has had their training) and the claim being received by CITB. Therefore, at the year-end we make an assessment for the amount of provision that is required to account for apprenticeship, qualification and short duration training grants earned but as yet not claimed. Our methodology is based upon the CITB Grant Product team's knowledge of the current industry environment and the training therein. They have an expectation as to how much training will be delivered in a financial year and we provide for the difference between that forecast and the amount we have actually paid during the year.

VAT

Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input tax is recoverable, the amounts are stated net of VAT.

PENSIONS

CITB is a participating employer in the ITB Pension 2016 and operates a defined contribution section (see Note 15).



2. INCOME FROM CHARITABLE ACTIVITIES

LEVY INCOME	2021-22	2020-21
	£'000	£'000
Current year's Levy Assessment receivable	118,347	232,521
Less: provision for bad debts and debt write-offs	(17,968)	(36,873)
NET VALUE CURRENT YEAR'S LEVY ASSESSMENTS	**100,379**	**195,648**
Reassessment of previous years' Levy	7,887	(3,706)
NET LEVY INCOME FOR THE YEAR	**108,266**	**191,942**



Reassessment of previous years' Levy relates to prior year Levy Assessment that is reassessed this year. Therefore, it is an estimation of uncertainty refined in 2021-22.

The sharp fall in Levy income in 2021-22 is because the Board took the decision to charge a half-year Levy as part of its continued response to the pandemic and to try to help industry through the uncertain period. Having delayed the 2019 Levy to August 2020 and with a base collection period up to June 2021, the 2020 half-year Bulk Assessment was issued in August 2021 with a base collection period up to February 2022.

The resulting income, however, was more than half of the previous year, as we managed to collect more cash from employers than anticipated, not only against the 2020 Assessment but also against outstanding debt from prior years' assessments. The £7.9m positive adjustment reflects the additional cash collected and collectable against those prior years. The provision for bad debts and debt write-offs charged in the year has fallen, mainly to reflect the half-year value of the Levy Assessment but also to reflect the better than anticipated collection success, both to date and anticipated.

3. MATERIAL CASH SUPPORT PAYMENTS IN RESPECT OF TRAINING

Accounting and Reporting by Charities: Statement of Recommended Practice FRS 102 requires material grants made to be disclosed. Disclosure must include the name of the recipient and the aggregate amount of grants made to that recipient. The material payments for 2021-22 are disclosed below:

RECIPIENT	2021-22
	£'000
Royal BAM Group Nv	1,777
O'Rourke Investments Plc	1,708
Taylor Wimpey Plc	1,609
Barratt Developments Plc	1,369
Kier Group Plc	1,319
Persimmon Plc	1,139
Procure Plus Holdings Ltd	1,120
O'Halloran & O'Brien Ltd	998
The Skills Centre London Ltd	938
Transport for London	865
West Midlands Combined Authority	826
Vinci	819
Balfour Beatty Plc	593
Cyfle Building Skills Ltd	561
Hampshire County Council	527
Other recipients	81,007
TOTAL PAID OR OFFSET DURING THE YEAR	97,175

For comparative purposes, the material payments for 2020-21 were:

RECIPIENT	2020-21
	£'000
Taylor Wimpey Plc	1,805
Kier Group Plc	1,790
Transport for London	1,764
Royal BAM Group nv	1,563
Procure Plus Holdings Ltd	1,187
Hampshire County Council	1,185
O'Halloran & O'Brien Ltd	935
University of Wales Trinity St David	838
Southend-on-Sea Borough Council	779
Redrow Plc	747
The Skills Centre London Ltd	652
O'Rourke Investments Plc	601
London Borough of Barking & Dagenham	595
Persimmon Plc	561
London Borough of Camden	529
Other recipients	78,947
TOTAL PAID OR OFFSET DURING THE YEAR	94,478

4. EXPENDITURE ON CHARITABLE ACTIVITIES

ACTIVITY	Activities directly undertaken	Grant funding activities	Support costs	2021-22 total	2020-21 total
	£'000	£'000	£'000	£'000	£'000
Training and Development	43,995	97,165	23,327	164,487	167,771
Careers	517	10	564	1,091	885
Standards and Qualifications	2,434	-	2,712	5,146	5,517
Engagement and Evidence Base	2,237	-	754	2,991	12,585
TOTAL	**49,183**	**97,175**	**27,357**	**173,715**	**186,758**

Grant funding of **£97.2m (2020-21: £94.5m)** is split into two elements as below (also referenced on page 25):

Main Grants Scheme

£78.8m

(2020-21: £66m)

Programme-based funding

(incorporating structured and flexible funding)

£18.4m

(2020-21: £28.5m)



5. SUPPORT COSTS

SUPPORT COST	Training and Development	Careers	Standards and Qualifications	Engagement and Evidence	2021-22 Total	2020-21 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Change	1,770	33	194	44	2,041	5,037
Technology (IT)	7,210	133	792	181	8,316	8,470
Communications and marketing	1,759	32	193	44	2,028	3,506
Estates	4,272	240	790	314	5,616	5,664
Strategy and policy	1,665	31	183	42	1,921	2,864
Finance	2,079	38	228	52	2,397	2,501
Human resources	1,843	34	202	46	2,125	2,476
Commissioning	527	10	58	13	608	583
Grant support costs	1,554	-	-	-	1,554	1,098
Legal and governance	1,559	29	171	39	1,798	871
Other corporate costs	(911)	(16)	(99)	(21)	(1,047)	4,129
TOTAL	23,327	564	2,712	754	27,357	37,199

Other corporate costs include the reversal of the provision against the CPCS divestment debtor that arose when it was sold to NOCN in 2018-19. A settlement of £1.3m was received in December 2021 from NOCN against the amount outstanding. Following this receipt, the provision against the debtor was reversed, which created a negative balance in other corporate support costs.

6. EXPENDITURE

THE NET MOVEMENT IN FUNDS FOR THE YEAR WAS ARRIVED AT AFTER CHARGING/(CREDITING)	2021-22	2020-21
	£'000	£'000
Loss/(Profit) on disposal of fixed assets	6	(167)
Rentals paid under operating leases		
Hire of plant and machinery	256	129
Other operating leases	1,027	1,380
Statutory external auditor fee	190	198
Other assurances (internal audit)	310	216
Depreciation on owned assets	605	466
Interest payable on borrowings	49	103
Indemnity insurance	101	18



7. TANGIBLE FIXED ASSETS

a) Summary

	Freehold property	Plant and machinery	Vehicles	Computer and office equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost or Valuation					
1 April 2022	10,450	8,120	322	7,111	26,003
Additions	-	-	-	-	-
Disposals	-	(233)	(69)	(3,149)	(3,451)
Transfers	-	-	-	-	-
Revaluation	200	-	-	-	200
31 MARCH 2022	**10,650**	**7,887**	**253**	**3,962**	**22,752**
Depreciation					
1 April 2021	-	6,834	322	7,071	14,227
Charges during year	204	379	-	22	605
Disposals	-	(233)	(69)	(3,143)	(3,445)
Revaluation	(204)	-	-	-	(204)
31 MARCH 2022	**-**	**6,980**	**253**	**3,950**	**11,183**
Net book value					
31 MARCH 2022	**10,650**	**907**	**-**	**12**	**11,569**
31 MARCH 2021	**10,450**	**1,286**	**-**	**40**	**11,776**

Freehold property includes both land and buildings.

(b) Historical cost information

If the valuations had not been included, then freehold property would have been included at the following amounts:

	2021-22	2020-21
	£'000	£'000
Cost	19,302	19,302
Accumulated depreciation	(5,386)	(5,182)
TOTAL	13,916	14,120

(c) Freehold property

	2021-22	2020-21
	£'000	£'000
Freehold land valuation	3,405	3,405
Freehold property valuation	7,245	7,045
Accumulated depreciation freehold property valuation only	-	-
TOTAL	10,650	10,450

(d) Revaluation

An independent valuation of all CITB freehold property was carried out by Montagu Evans LLP. The valuation as at 31 March 2022 was based on the principles of fair value and prepared upon existing use valuation.

(e) Capital commitments

There were £Nil capital commitments as at 31 March 2022 (2020-21: £Nil).

(f) Tangible fixed assets 2020-21 (comparative table)

	Freehold property	Plant and machinery	Vehicles	Computer and office equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost or Valuation					
1 April 2020	11,139	8,819	401	9,022	29,381
Additions	-	-	-	-	-
Disposals	(939)	(699)	(79)	(1,911)	(3,628)
Transfers	-	-	-	-	-
Revaluation	250	-	-	-	250
31 MARCH 2021	**10,450**	**8,120**	**322**	**7,111**	**26,003**
Depreciation					
1 April 2021	1	7,132	401	8,920	16,454
Charges during year	193	401	-	62	656
Disposals	(4)	(699)	(79)	(1,911)	(2,693)
Revaluation	(190)	-	-	-	(190)
31 MARCH 2021	**-**	**6,834**	**322**	**7,071**	**14,227**
Net book value					
31 MARCH 2021	**10,450**	**1,286**	**-**	**40**	**11,776**
31 MARCH 2020	**11,138**	**1,687**	**-**	**102**	**12,927**

8. DEBTORS

	2021-22	2020-21
	£'000	£'000
Levy debtors	103,040	144,654
Less: provision for bad debts	(97,505)	(76,515)
TOTAL LEVY DEBTORS	**5,535**	**68,139**
Trade and other debtors	2,077	3,406
Less: provision for bad debts	(273)	(401)
TOTAL TRADE AND OTHER DEBTORS	**1,804**	**3,005**
Accrued income	1,590	6,403
Prepayments	892	1,056
TOTAL DEBTORS	**9,821**	**78,603**
Debtor due in more than one year	-	-
Debtor due within one year	9,821	78,603

As stated in the Accounting Policies (see Note 1), CITB writes off Levy debts only when it has evidence that an employer has become insolvent, has ceased to trade, has been dissolved or, having made all reasonable efforts to locate the debtor, is untraceable. We do provide for bad debts where we believe Levy will not be collected.

Generally, collection of the Levy has been much better than anticipated, as the impact of the pandemic on the financial wellbeing of the construction industry was less significant than feared. Issuing a half-year Levy obviously meant that our income was significantly less than expected. However, having adjusted our spending plans and our operating cost base in response to the situation, as well as the fact that grant and funding claims have fallen over the period of the pandemic, we have had sufficient funds to enable us to operate as normal. The key estimate required is how much of the £103m debt outstanding at the year-end will be collected in the fullness of time. We have followed our normal methodology, which is based on age, but adjusted it to reflect the cash collection experience in 2021-22.

Levy debtors and income are stated net of a provision for reassessment of £39.7m (2020-21: £56.2m). This amount has continued to reduce in 2021-22, as an additional year of the new estimating process is included in the calculation. Up until the 2017 Levy year, estimates were sent out at the same value for all employers. From 2017 Levy year onwards, we have banded estimates according to anticipated size of the employer and this has reduced the adjustment required to initial assessments when the estimate becomes bona fide.

Also, in 2021-22, we have been able to cancel £8m of estimated assessments in relation to the Guild of Construction and reissue the invoices as bona fide assessments. We still do not anticipate collecting this money but it has moved the value from the reassessment provision to the bad debt provision.

The decreases in debt reflect the fact that the Levy Assessment collection period has ended before the year-end, whereas in 2020-21 the Assessment collection period ran in to the following year and also the fact that in this financial year we raised a half-year Levy. The increase in bad debt provision is due, in part, to the improvement in the estimating process reducing the anticipated need for reassessment by £7.8m which has had an equal and opposite impact on the general bad debt provision.

There is also the cancellation of £8.7m of debt previously in the reassessment provision, which has been replaced with invoices totalling £8m which are included in the bad debt provision, relating to Guild of Construction. The remaining increase in the provision is a general pessimism about our ability to collect Levy Debt in the current economic climate. Although collection has been better than anticipated, it is still below pre-pandemic levels.

9a. INVESTMENTS

ANALYSIS OF MOVEMENT OF INVESTMENTS	2021-22	2020-21
	£'000	£'000
Market value at beginning of period	-	29,897
Additions	-	1,258
Disposals	-	(31,847)
Gain/(loss) on investments	-	692
MARKET VALUE AT END OF PERIOD	-	-

9b. CASH AND CASH EQUIVALENTS

ANALYSIS OF MOVEMENT OF INVESTMENTS	2021-22	2020-21
	£'000	£'000
Cash at bank and in hand	117,259	90,464
Cash equivalents	-	-
TOTAL CASH AND CASH EQUIVALENTS	117,259	90,464

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021-22	2020-21
	£'000	£'000
Trade creditors	2,071	931
Borrowings	-	10,000
Taxation and social security	609	726
Deferred income	1,674	5,030
Accruals		
Grant funding	2,997	7,537
Other	8,527	12,297
TOTAL CREDITORS	**15,878**	**36,521**

Deferred income analysis

Income has been deferred where cash has been received for services in the financial year, but for which associated activities will not be carried out until subsequent accounting periods.

	2021-22	2020-21
	£'000	£'000
Balance carried forward at start of year	5,030	8,462
Deferred income in current year	1,674	5,030
Prior year released	(5,030)	(8,462)
CLOSING BALANCE	**1,674**	**5,030**

In 2020-21, CITB borrowed £10m from the Department for Education to ensure there was minimal disruption to operations from the Covid-19 pandemic. Strong Levy receipts meant that this loan was not required, and it was subsequently repaid early in 2021-22.

11. PROVISIONS FOR LIABILITIES AND CHARGES

	Grant provision	Redundancy provision	Other provisions	ESFA repayment provision	Total provisions	Total provisions
	£'000	£'000	£'000	£'000	£'000	£'000
	2021-22	2021-22	2021-22	2021-22	2021-22	2020-21
Balance as at period start	20,740	1,590	2,211	-	24,541	28,511
Utilised	(20,740)	(611)	(2,150)	-	(23,501)	(26,579)
Released provisions	-	(641)	(5)	-	(646)	(1,392)
Additional provisions	19,774	576	2,190	5,900	28,440	24,001
BALANCE AS AT PERIOD END	19,774	914	2,246	5,900	28,834	24,541

GRANT PROVISIONS

CITB pays out grants to employers to fund relevant training. There is naturally a gap between the grant being earned (i.e. the learner has had their training) and the claim being received by CITB. Therefore, at the year-end we make an assessment for the amount of provision that is required to account for grants earned but as yet not claimed.

- Apprenticeship grant provisions are based on expected claims for known named apprentices with confirmed start dates
- Short duration training grant and qualification grant provisions are based on recent historical experience. Covid-19 has seen a decrease in short duration training and qualification grant claims, as many classes have been suspended and those that have operated have had reduced numbers. This has meant that the provisions are reduced when compared to previous years.

REDUNDANCY PROVISION

A restructuring provision has been made to account for the expected redundancy costs associated with the proposed restructure of the National Construction College and the Apprenticeship areas.

OTHER PROVISIONS

CITB funds relevant training to the construction industry. There is naturally a gap between the funding being earned and the claim being paid by CITB. Claims are submitted with evidence of completeness, which have to be verified and processed. Therefore, at year-end we make an assessment for the amount of provision that is required to account for funding earned but as yet not paid.

The fund provisions relate to the Skills and Training (Small) Fund, the Skills and Training (Medium) Fund and the Leadership and Management Development Fund.

Other provisions also include small dilapidation provisions.

ESFA REPAYMENT PROVISION

A provision has been made following the outcome of an ESFA audit regarding a non-compliance with our data submissions to support apprenticeship funding. The outcome of the audit of the 2020-21 contract year, verbally communicated to CITB just prior to the 2021-22 year-end, has resulted in a request for repayment from ESFA of £1.6m and a further audit in to both 2018-19 and 2019-20.

As the result of those audits is as yet un-determined, we have taken the prudent approach to provide for a total of £5.9m based on an extrapolation of the ESFA calculation,

amended following detailed investigation by CITB, and that being our assessment of the most likely outcome at the date these accounts were signed. However, if ESFA do not accept our findings, the extrapolation when applying ESFA's un-amended error rate from the 2020-21 audit over the three years would give a total liability of £10.3m and so we have disclosed a contingent liability of a further £4.4m, representing our best estimate of the possible additional monies due to ESFA from the ongoing 2018-19 and 2019-20 audits.

Discussions are ongoing between CITB and ESFA on the potential repayment, if any, due. CITB acknowledges that the audit trail to demonstrate funding conditions had been met was not present at the required level for all apprentices, but we consider that we have met the funding terms in the delivery of the required outcomes for apprentices and their training needs. In response to the 2020-21 audit findings, we have amended our processes to ensure that we have sufficient evidence of the required administrative processes from now on and ESFA have acknowledged the improvements.

The 2021-22 financial statements represent management's best estimate of the likely and possible monies due to the ESFA, but we note the uncertainties present within the provision recognised and contingent liability disclosed.

12. 2020-21 RESTRICTED AND UNRESTRICTED FUNDS

INCOME	2020-21 restricted	2020-21 unrestricted	2020-21 total
	£'000	£'000	£'000
Income from charitable activities	-	-	-
Levy income	-	191,942	191,942
Non-Levy income			
Training and Development	36,170	21,314	57,484
Careers	-	(15)	(15)
Standards and Qualifications	-	214	214
Engagement and Evidence Base	-	1	1
Other	-	(137)	(137)
TOTAL NON-LEVY INCOME	**36,170**	**21,377**	**57,547**
Income from investments	-	175	175
Income from Government grants	4,393	-	4,393
Other income	-	191	191
TOTAL INCOME	**40,563**	**213,685**	**254,248**

EXPENDITURE	2020-21 restricted	2020-21 unrestricted	2020-21 total
	£'000	£'000	£'000
Expenditure on raising funds	16	2,077	2,093
Expenditure on charitable activities			
Training and Development	105,168	62,603	167,771
Careers	8	877	885
Standards and Qualifications	499	5,018	5,517
Engagement and Evidence Base	1,054	11,531	12,585
TOTAL EXPENDITURE ON CHARITABLE ACTIVITIES	**106,729**	**80,029**	**186,758**
Expenditure from trading activities	-	39	39
Other expenditure	-	(440)	(440)
TOTAL EXPENDITURE	**106,745**	**81,705**	**188,450**
Net loss/(gain) on revaluation of investments	-	692	692
Net income/(expenditure)	(66,182)	132,672	66,490
Transfer from unrestricted fund	66,182	(66,182)	-
Net movement in funds	-	66,490	66,490

The above results include all recognised gains and losses and are derived from continuing activities. The notes 1 to 23 on pages 64 to 93 form an integral part of these accounts.

13. ACCUMULATED FUNDS

	2021-22 general reserve	2021-22 fixed asset revaluation reserve	2021-22 total unrestricted funds	2020-21 total unrestricted funds
		£'000	£'000	£'000
Opening balance	120,733	-	**120,733**	54,243
Net movement in funds	(26,480)	-	**(26,480)**	66,490
CLOSING BALANCE	**94,253**	**-**	**94,253**	**120,733**

Accumulated funds 2020-21 (comparative table)	2021-22 general reserve	2021-22 fixed asset revaluation reserve	2021-22 total unrestricted funds	2020-21 total unrestricted funds
		£'000	£'000	£'000
Opening balance	54,243	-	**54,243**	64,823
Net movement in funds	66,490	-	**66,490**	(10,580)
CLOSING BALANCE	**120,733**	**-**	**120,733**	**54,243**

The accumulated unrestricted fund is available for use at the discretion of the Board in furtherance of the general objectives of the charity.

14. GROSS CASH FLOWS BY CATEGORY

	2021-22	2020-21
	£'000	£'000
Returns on investment and servicing of finance		
Interest received on investments	-	175
Capital expenditure		
Receipts from sales of tangible fixed assets	-	1,102
Management of liquid resources		
Placed on deposit and purchase of externally managed investments	-	(1,258)
Deposit withdrawals and sale of externally managed investments	-	31,847



15. ITB PENSION FUND



CITB is a participating employer in the ITB Pension Fund Scheme, which has two sections: The two sections are:

1. The '2007 Section', a defined benefit scheme for staff who joined before 1 January 2013. As at 31 December 2016, all current members of the defined benefit scheme became deferred members of the scheme and were transferred across to the 'Defined Contribution Section' and the scheme closed to future accrual.

The most recent triennial valuation of the scheme was performed as at 31 March 2019.

The principal future assumptions used are:

- A discount rate being gilt yield curve +0.15%
- A dual discount rate reverted back in 2019 to same pre-post retirement rate being gilt yield curve +0.15%
- Real rate of return (net of Consumer Prices Index, CPI) would be -0.9% p.a.
- Nominal rate of investment return on assets would be 1.4% p.a.
- Rate of future pension increases for the 2007 section would be in line with the CPI, assumed to be 0.9% lower than the Retail Prices Index (RPI)
- Rate of future pension increases for the new and 2007 sections would be in line with the RPI, subject to a cap of 5% for benefits accrued before 6 April 2005 and 2.5% for benefits accrued on and after 5 April 2005. RPI inflation is implied by a gilt curve and rates of increase are assumed to be on average 0.9% a year less than RPI.

The 2019 triennial valuation indicated that the actuarial value of the assets helped by the scheme in total showed a surplus of £21m against the scheme liabilities on a statutory funding basis. There were no deficit funding contributions paid to the scheme in the 12-month period (2020-21: £Nil).

2. The 'Defined Contribution Section' is a defined contribution scheme for staff who joined on or after 1 January 2013.

As the '2007 Section' is a multi-employer scheme for which CITB's proportion of assets and funding/liabilities cannot be separately identified, the Charity SORP (FRS 102) requires it to be accounted for as a defined contribution plan.

The range for employee contributions is 4%-7% (2020-21: 4%-7%), and the employer contributions will match the employee contribution plus 2% but are capped at 9% (2020-21: 9%). Expenses related to the CITB defined contribution scheme are attached to individual employees and allocated across activities on the same basis as total employee costs. These expenses are funded from unrestricted reserves.

As shown in Note 18, employer's pension contributions totalled £1.9m for 2021-22 (2020-21: £2.5m).

16. LEASE COMMITMENTS

CITB is committed to the following annual payments under non-cancellable operating lease agreements:

	Land and buildings	Other	Land and buildings	Other
	£'000	£'000	£'000	£'000
OPERATING LEASES				
Leases expiring within 1 year	128	239	492	485
Leases expiring within 2-5 years	-	179	164	133
Leases expiring after 5 years	-	-	-	-
AS AT 31 MARCH	128	418	656	618

17. BOARD MEMBERS' REMUNERATION

Remuneration of Board members was as follows:

	2021-22	2020-21
	£'000	£'000
CHAIRMAN - PETER LAUENER	22,725	20,250

The authority under which payments were made to the Chairman is contained within the Industrial Training Act 1982.

Expenses paid to Board members during 2021-22 amounted to £270 (2020-21 £nil) in respect of travel and subsistence. The total number of recipients was two (2020-21 nil). No material expenses were waived by Board members during this period.

18. PARTICULARS OF STAFF

During the period, the average number (across the year) of staff directly and temporarily employed by CITB (expressed in full-time equivalents) was as follows:

	Directly employed	Temporary	2021-22 total	2020-21 total
TOTAL	640	4	644	764

During the period, the following costs were incurred in respect of the above:

	2021-22	2021-22
	£'000	£'000
Salaries of directly employed staff	26,638	29,011
Temporary staff costs	1,517	1,525
Redundancy cost	(32)	1,259
Social security costs	2,959	3,154
Pension costs	1,879	2,477
TOTAL	32,961	37,426

The remuneration, pension entitlements and pension transfer values of CITB's senior directors can be found in the Remuneration Report on pages 94 to 101.

A £1.6m redundancy provision was made at the end of 2020-21, therefore the above redundancy cost in 2021-22 represents the net release of this provision following reassessment of estimated redundancy costs in 2021-22. During the period, no grants were claimed under the Government's Coronavirus Job Retention Scheme (CJRS) (2020-21: £4.4m). In 2020-21, an accrual was made for the CJRS grant income expected in relation to the March 2021 claim. The amount received in April 2021 was £7k lower than the amount accrued.



The number of employees whose emoluments exceeded **£60,000**, including benefits in kind but excluding pension contributions, are outlined within the ranges shown below.

	2021-22	2020-21
£60,001 - £70,000	35	43
£70,001 - £80,000	10	16
£80,001 - £90,000	8	7
£90,001 - £100,000	3	3
£100,001 - £110,000	2	1
£110,001 - £120,000	2	-
£120,001 - £130,000	2	-

The total employer contributions paid in 2021-22 to the defined contribution section of the ITB Pension Fund in respect of those employees earning over **£60,000** was **£302,912** (2020-21: **£428,350**).

	2021-22			2020-21		
Grade	Male	Female	Total	Male	Female	Total
Chief Executive	1	-	1	-	1	1
Director	2	2	4	3	-	3
Grade A	11	9	20	10	11	21
Grade B	24	16	40	26	16	42
Grade C	40	50	90	43	41	84
Grade D	57	58	115	57	49	106
Grade E	106	77	183	102	64	166
Grade F	55	86	141	74	120	194
Grade G	14	31	45	7	38	45
Grade H	3	3	6	8	5	13
TOTAL	313	332	645	330	345	675

Details of staff sickness absence and off-payroll engagements are shown in the Remuneration Report (page 101).

Details of staff leaving the organisation during 2021-22 for whom contractual redundancy exit packages were payable are:

Exit package cost band	Number of compulsory redundancies		Number of other agreed departures		Total number of exit packages by cost band	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
<£10,000	6	22	-	-	6	22
£10,001-£25,000	8	17	-	1	8	18
£25,001-£50,000	8	38	-	-	8	38
£50,001-£100,000	4	4	-	-	4	4
Total number of exit packages	26	81	-	1	26	82
TOTAL COST £	667,934	1,888,232	-	11,800	667,934	1,900,032



19. TAXATION

As a registered charity, CITB is exempt from corporation tax on its charitable activities under section 505 of the Income and Corporation Taxes Act 1988. However, incoming resources include income that is deemed to be of a non-charitable nature, resulting in a loss of £2,856 (2020-21: loss of £33,131). This has given rise to a corporation tax liability of £Nil (2020-21: £Nil).

20. RELATED PARTY TRANSACTIONS

The sponsoring department for CITB is Department for Education (DfE). During 2021-22, there were some material transactions with other entities for which DfE is regarded as the parent department, namely the Education and Skills Funding Agency. There have also been material transactions with DfE themselves.

	Income recognised by CITB		Owing to CITB	
	£'000	£'000	£'000	£'000
	2021-22	2020-21	2021-22	2020-21
ESFA	1,523	13,443	1,053	2,082
SDS	-	10,083	-	1,568
WG	-	4,954	-	424
DfE	2,506	4,108	-	-
	Expenditure recognised by CITB		**Owed by CITB**	
	£'000	£'000	£'000	£'000
	2021-22	2020-21	2021-22	2020-21
ESFA	-	-	5,900	-
SDS	-	2,139	-	2,139
WG	-	-	-	-
DfE	49	2,562	-	15,404

In addition, some members of the Board hold positions of influence and decision-making with organisations with which CITB has transacted during the year. Details of such positions and employments are declared in the following appendices to this report:

- Appendix A (pages 103 to 106) lists the members of the Board and its Committees, also giving the names of their employers.
- Appendix C (pages 109 to 110) shows the register of interests of Board members.

The transactions in the following tables comprise the receipt of Levy and income from the sale of training-related products and services, and the payment of grants and payments for the purchase of materials and services to the organisations classified as related parties.

	Income recognised by CITB		Amounts owing to CITB at period end	
	£'000	£'000	£'000	£'000
	2021-22	2020-21	2021-22	2020-21
Levy	417	949	-	414
Sale of training-related products and services	-	1	-	-
TOTAL	**417**	**950**	**-**	**414**

	Expenditure recognised by CITB		Amounts owed by CITB at period end	
	£'000	£'000	£'000	£'000
	2021-22	2020-21	2021-22	2020-21
Payment of grants	7	32	10	17
Purchase of materials and services	-	-	-	-
TOTAL	**7**	**32**	**10**	**17**

During the year, no key manager, employee or other related party has undertaken any material transactions with CITB other than remuneration, as disclosed in the Remuneration Report and staff costs notes. All of the transactions were under normal terms and carried out at arm's length. No funds were held as an agent.

21. LOSSES AND SPECIAL PAYMENTS

During the year, no special payments were made and there were no reportable losses over £300,000. Total bad debts written off during the year amounted to £6m, from 1,261 individual items (2020-21: £2.7m, from 524 individual items).

22. CONTINGENT LIABILITIES

A contingent liability of £4.4m exists, representing our best estimate of the possible additional monies due to ESFA from the ongoing 2018-19 and 2019-20 audits as disclosed in note 11 (page 81).

23. REMOTE CONTINGENT LIABILITIES

As part of our ten-year contract with SSCL, CITB has agreed to compensate SSCL should we exit early. As at 31 March 2022, in the unlikely event that CITB were to cancel the contract, there would be a maximum liability of £1.8m to compensate SSCL for investment in systems and people due to be used over the life of the contract to 2029.

SSCL has a duty to mitigate any losses and, in the normal course of events, CITB will be paying SSCL this money as part of the contract delivery. As at the following year-end, 31 March 2023, the maximum liability remains £1.9m.

24. EVENTS AFTER THE BALANCE SHEET DATE

There have been no events after the balance sheet date requiring an adjustment to the financial statements. On 29 April 2022 CITB was granted a new three-year levy order enabling us to raise a Levy Assessment for 2022-23 through to 2024-25. This secures our income stream for three years and ensures our ability to produce these financial statements as a going concern.

A provision has been made for the anticipated outcome of an ESFA audit regarding a non-compliance with our data submissions. The outcome of an audit in to the 2020-21 contract year has resulted in a repayment of £1.6m and instigated a further audit in to 2018-19 and 2019-20.

As the result of those audits is as yet un-determined we have taken the prudent approach to provide for a total of £5.9m, as the breach is a procedural one and we had not amended our procedures in that time frame.

The financial statements were authorised for issue on the date the Comptroller and Auditor General signed. Events after this date have not been considered and the charity's Trustees do not have the power to amend the financial statements after issue.

SECTION 7

REMUNERATION REPORT

MEMBERSHIP

The Nomination, Appointments and Remuneration Committee is a Committee of the Board. Its terms of reference provide, among other matters, that the Committee will advise and provide assurance to the Board on senior appointments, the remuneration policy, succession planning of the Executive and Leadership teams, and the monitoring of people-based key performance indicators against the 2021-25 Strategic Plan.

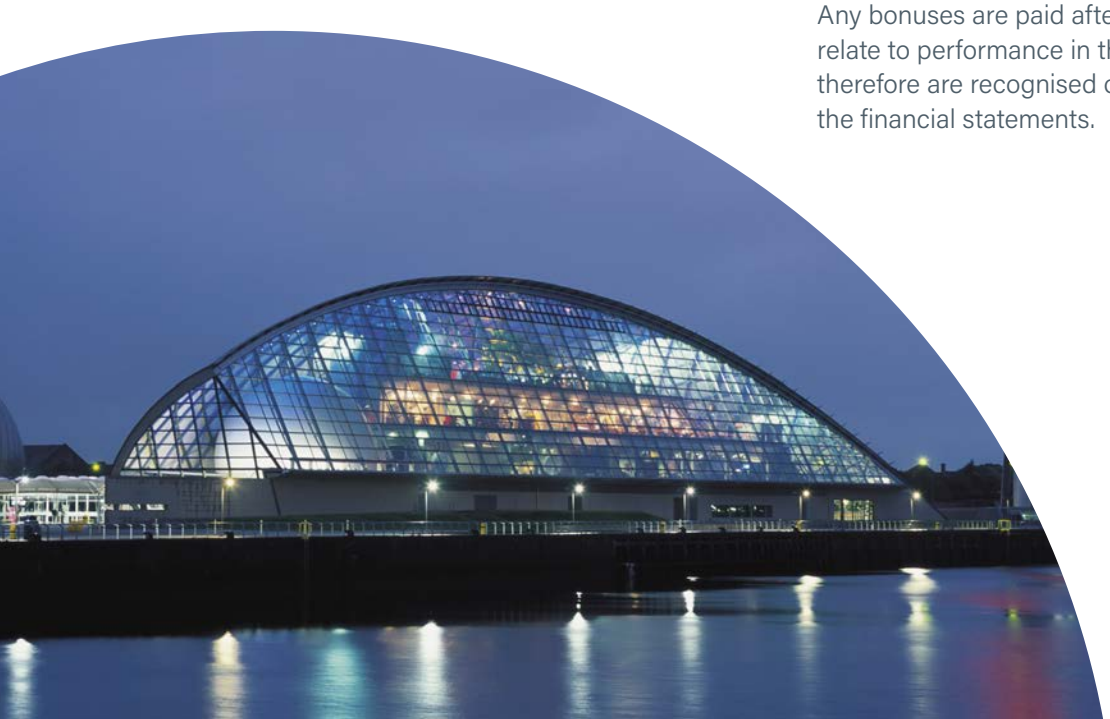
The Committee normally has three Board Trustees, one of whom is appointed as Chair. The CEO, Corporate Performance Director and People Director provide information to the Committee to inform its decisions.

POLICY ON THE REMUNERATION OF DIRECTORS

Individual remuneration for Executive directors is reviewed annually with regard to external market changes and an assessment of individual performance, evidenced by the performance management process. Individual performance payments, which are not consolidated into annual salaries, are set within a range from 0%-10% of basic pay for the directors, excluding the CEO, for whom the range is normally 0%-15%. As Sarah Beale agreed to work an extended notice period to allow CITB to recruit a successor and have a sufficient handover period, a bonus of £30,000 was paid in 2021-22.

All employees, including directors, are eligible for membership of the ITB Pension Fund Scheme.

Performance bonuses may be paid annually to all staff. Any bonuses are paid after the financial year-end but relate to performance in the preceding financial year, therefore are recognised on an accruals basis within the financial statements.



POLICY ON CONTRACTS, NOTICE PERIODS AND TERMINATION PAYMENTS

All the directors are permanent employees of the organisation and have a notice period of six months.

Termination payments, if applicable, are paid in accordance with CITB contractual terms and conditions. No additional or discretionary payments are made outside of contractual terms.

NON-CASH REMUNERATION

With the exception of company cars, health insurance, dental insurance and critical illness cover (the last two are not provided as a right of office), no non-cash remuneration is provided. The provision of company cars and health screening are part of the standard terms and conditions of employment for senior grades of staff. As alternatives, a cash option for cars and a business mileage allowance are paid.

SALARY AND PENSION ENTITLEMENTS

The sections on the following pages provide details of the remuneration for the year and the pension benefits of the most senior members of CITB staff.

BOARD MEMBERS' REMUNERATION

The Nomination, Appointments and Remuneration Committee is not responsible for considering Board members' remuneration. Of the Board members, only the Chairman receives remuneration, which is determined by the Department for Education in line with the Industrial Training Act 1982.





TIM BALCON

Chief Executive

Tim joined CITB as CEO in September 2021, bringing with him a strong track record in developing skills, training and organisations. Tim hails from a construction background and has extensive experience in leading professional and membership bodies, as well as widespread knowledge of the education sector. Tim is driven by the need to modernise construction, get us closer to net zero, and plans to move CITB forward into a new era.



ADRIAN BECKINGHAM

Corporate Performance Director

Adrian became CITB's Corporate Performance Director in January 2019. Adrian has enjoyed a variety of senior roles during his 20 years at CITB. Posts include: Head of IT, Head of Business Improvement and, most recently, Change Director, leading the delivery of the Vision 2020 programme. Accountable for driving effectiveness and efficiency, he leads our corporate services, including communications, contracts and commissioning, HR, change and technology, and finance. Adrian is committed to driving improvements in customer experience and operational efficiency.



EMMA BLACK

Legal, Governance and Compliance Director

Emma joined CITB in 2017 as General Counsel and Board Secretary and was appointed to the Executive team in January 2021 as Legal, Governance and Compliance Director. As well as her executive responsibilities, Emma's accountabilities include key liaison with the Department for Education sponsorship team, oversight of all legal matters and corporate governance. This covers delivery of Board and Committee activity and the internal audit and risk function. Emma is passionate about driving continuous improvement across the business, good governance and investment in people.



JACKIE DUCKER

Customer and Product Director

Jackie held a range of business improvement, collaboration, growth and customer experience leadership roles before joining CITB in July 2021. As Customer and Product Director, she leads our engagement with industry, ensuring construction businesses receive the support and advice they need, as well as overseeing products such as the Training Directory and Go Construct. Jackie is enthusiastic about the end-to-end experience of our customers and improving our engagement with all internal and external stakeholders.



STEPHEN RADLEY

Strategy and Policy Director

Steve left CITB on 31 March 2022.

Payments to the Chair are authorised under Schedule 1(4) of the Industrial Training Act 1982. No other Board members are remunerated. Note 17 – Board members' remuneration (page 87) provides the Chairman's Remuneration as well as Board members' expenses.

The aggregate total of employee benefits received by the Trustees and key management personnel for their services to CITB during the year was

£819,667

2021-22 Remuneration (audited)

	Salary	Benefits in kind	Bonus	Pension benefits	2021-22 total
	£'000	To nearest £100	£'000	£'000	£'000
TIM BALCON Chief Executive	90-95	400	-	5.4	100-105
SARAH BEALE Chief Executive	90-95	2,100	25-30	7.6	130-135
STEPHEN RADLEY Strategy and Policy Director	115-120	2,400	-	6.7	125-130
BRADEN CONNOLLY Products and Customer Services Director	95-100	800	-	3.4	100-105
ADRIAN BECKINGHAM Corporate Performance Director	105-110	200	-	9.8	115-120
EMMA BLACK Legal, Governance and Compliance Director	105-110	1,800	-	9.1	115-120
JACKIE DUCKER Customer and Product Director	90-95	100	-	7.1	95-100

The full-year equivalent annual salary bandings (£'000) of those who left during 2021-22 were:
Sarah Beale: 155-160
Braden Connolly: 115-120

The full-year equivalent annual salary bandings (£'000) of those who joined during 2021-22 were:
Tim Balcon: 160-165
Jackie Ducker: 120-125

An outplacement support package was provided to Stephen Radley to help him transition to the next stage of his career. This package cost CITB £2,940.

2020-21 Remuneration (audited)

	Salary	Benefits in kind	Bonus	Pension benefits	2020-21 total
	£'000	To nearest £100	£'000	£'000	£'000
SARAH BEALE Chief Executive	135-140	5,300	-	12.4	155-160
STEPHEN RADLEY Strategy and Policy Director	105-110	2,100	-	6.0	115-120
MARK NOONAN Industry Relations Director	40-45	100	-	2.5	40-45
BRADEN CONNOLLY Products and Customer Services Director	105-110	1,400	-	8.7	115-120
ADRIAN BECKINGHAM Corporate Performance Director	100-105	200	-	8.7	110-115
EMMA BLACK Legal, Governance and Compliance Director	25-30	-	-	2.1	25-30

The full-year equivalent annual salary bandings (£'000) of those who left during 2020-21 were: Mark Noonan: 110-115

The full-year equivalent annual salary bandings (£'000) of those who joined during 2020-21 were: Emma Black: 100-105

Salary includes gross pay, payments in lieu of car and luncheon allowance. Benefits in kind includes the use of allocated cars, flexible benefits (including critical illness cover and dental insurance) and medical insurance. For members who accrue only defined contribution pension benefits, the value represents the total of employer contributions paid in respect of the individual.

FAIR PAY DISCLOSURES (AUDITED)

CITB is required to disclose the relationship between the remuneration of its highest-paid director and the **lower quartile**, **median** and **upper quartile** remuneration of the organisation's workforce (based on full-time equivalents).

Highest paid director ratios compared to the organisation's workforce	2021-22	2020-21
	£'000	£'000
Highest-earning executive director's total remuneration	160-165	140-145
Median total remuneration	39,463	37,993
Ratio of remuneration of highest earning executive to remuneration of employee on lower quartile	4.7 : 1	4.2 : 1
Ratio of remuneration of highest earning executive to median remuneration	4.1 : 1	3.8 : 1
Ratio of remuneration of highest earning executive to remuneration of employee on upper quartile	3.4 : 1	3.2 : 1

The slight increase in these ratios year on year was due to the highest paid director taking a voluntary pay cut of 20% during May to September 2020 during the height of the Covid-19 pandemic.

The percentage increase from the previous financial year for salary and allowances of the highest paid director was 14.45%.

The highest paid director did not receive performance pay or bonuses in 2021-22 or 2020-21.

The percentage increase from the previous financial year for average salary and allowances for all FTE employees was 3.43%. The increase was due to more senior appointments in the year along with the prior year including the 20% voluntary pay cut taken by the directors.

The average performance pay and bonus increase for FTE employees in 2021-22 was 100% due to no bonuses being paid in 2020-21 in light of Covid-19 and financial pressures.

In 2021-22, no employees received remuneration in excess of the highest-paid director (2020-21: Nil).
Note: in line with fair pay guidance, the remuneration stated above excludes pension benefits.

EMPLOYEES REPRESENTING EACH QUARTILE OF PAY

	2021-22		2020-21	
	Total pay & benefits	Salary	Total pay & benefits	Salary
Quartile	£'000	£'000	£'000	£'000
Lower quartile	35	30	34	29
Median	39	34	38	34
Upper quartile	48	42	45	40

Total pay and benefits year on year remained relatively unchanged. The slight increase in the upper quartile is a result of more senior appointments in the year.

Full-time equivalent remuneration ranged from £19k to £163k (2020-21: £15k to £143k).

Details of staff sickness absence is as follows:

2021-22		2020-21	
Days lost	Absence rate	Days lost	Absence rate
6,653	4.11%	3,659	1.87%

The absence rate is calculated as a percentage of those staff available to work.

Off-payroll engagements as at 31 March 2022, for more than £245 per day	2021-22
Number of existing engagements as at 31 March 2022	5
of which:	
less than one year at time of reporting	4
between one and two years at time of reporting	1

Off-payroll workers engaged at any point during the year ended 31 March 2022 and earning at least £245 per day	2021-22
Number of off-payroll workers engaged during the year ended 31 March 2022	5
of which:	
number determined as in-scope of IR35	5
number determined as out-of-scope of IR35	-

All off-payroll engagements as at 31 March 2022, for more than **£245 per day** were subject to off-payroll legislation and determined as in-scope of IR35.

Peter Lauener
Chairman
28 October 2022

Tim Balcon
Accounting Officer
28 October 2022

SECTION 8

PROFESSIONAL ADVISERS

BANKERS

Barclays Bank Plc
17 Market Place
Fakenham
Norfolk
NR21 9BE

LEGAL ADVISERS

CITB Legal Team
Sand Martin House
Bittern Way
Peterborough
PE2 8TY

INVESTMENT ADVISERS

J.P. Morgan
1 Knightsbridge
Belgravia
London
SW1X 7LX

PRINCIPAL OFFICE

See Appendix E (page 112) for details of principal and registered offices.

AUDITORS

Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
London
SW1W 9SP



APPENDICES

Appendix A: Membership of the Board and its Committees

First name	Surname	Employer	CITB Board	Audit and Risk Committee	Nomination, Appointments and Remuneration Committee	Industry Funding Committee	Levy Strategy Committee	Cymru Wales Nation Council	England Nation Council	Scotland Nation Council
Bola	Abisogun	DiverseCity Surveyors							Appointed September 2021	
Nicola	Barclay	Homes for Scotland								Tenure ended August 2021
Diane	Bourne	Eric Wright Civil Engineering							Tenure ended August 2021	
Mark	Bramley	Pat Munro (Alness) Ltd								Tenure ended August 2021
Liz	Bridge	Joint Taxation Committee					Resigned December 2021			
Karen	Brookes	Sir Robert McAlpine							Y	
Craig	Bruce	Pert Bruce Construction					Resigned November 2021			Y
Chris	Carr	Carr and Carr (Builders) Ltd							Y	
Gareth	Davies	Knox and Wells Ltd					Y	Y		
Ian	Dickerson	Kier Group Plc				Resigned September 2021			Appointed September 2021	
Maureen	Douglas	Forster Group Ltd								Tenure ended July 2021
Steve	Drury	Rooff Limited and Rooff Residential Ltd				Y				

First name	Surname	Employer	CITB Board	Audit and Risk Committee	Nomination, Appointments and Remuneration Committee	Industry Funding Committee	Levy Strategy Committee	Cymru Wales Nation Council	England Nation Council	Scotland Nation Council
Terry	Edwards	John Weaver Construction						Y		
Tony	Elliott	Robertson Group	Y		Chair					Deputy Chair
Julia	Evans	BSRIA				Y				
James	Flannery	Cunard Construction Ltd							Y	
Angela	Forbes	BuildForce								Chair
Marion	Forbes	Mactaggart and Mickel Homes Ltd								Y
Steve	Fox	BAM Nuttall	Y			Chair				
Diana	Garnham	Consultant	Y	Chair	Y		Chair			
Andrea	Green	Costain Ltd						Y		
Andrew	Harvey	Harvey Shopfitters Ltd					Y		Tenure ended August 2021	
Leigh	Hughes	Bouygues UK						Chair		
Susan	Jackson	Campion Homes Ltd								Y
Simon	Jehu	Jehu Group Ltd						Tenure ended August 2021		
Owain	Jones	T Richard Jones (Betws) Ltd						Y		
Yvonne	Kelly	Barking & Dagenham College	Y				Y			
Seamus	Keogh	Clancy Docwra Ltd							Tenure ended June 2021	
Alison	Lamplough	Laing O'Rourke					Y		Y	
Peter	Lauener	CITB Chairman	Chair							
Sharon	Llewellyn	JPR Roofing and Flooring Ltd							Chair	
Karen	McGahan	William Waugh & Sons (Builders) Ltd								Appointed September 2021

First name	Surname	Employer	CITB Board	Audit and Risk Committee	Nomination, Appointments and Remuneration Committee	Industry Funding Committee	Levy Strategy Committee	Cymru Wales Nation Council	England Nation Council	Scotland Nation Council
Kevin	McLoughlin	McLoughlin Group	Y						Deputy Chair	
Ryan David	Miles	Miles Hire					Resigned June 2021			
Jeremy	Musselwhite	Jem Musselwhite Ltd							Appointed September 2021	
Kacey	O'Driscoll	Danny Sullivan Group				Appointed September 2021				
Hannah	O'Sullivan	VolkerWessels				Appointed October 2021				
Richard	Owen	Jones Bros						Tenure ended August 2021		
Rupert	Perkins	John Perkins Construction Ltd				Y				
Jennifer	Phin	A.C Whyte & Co Ltd								Joined January 2022
Richard	Plumb	Ordnance Survey Ltd		Y						
Holly	Price	Keltbray Group	Y			Y				
Chris	Richardson	Wates		Tenure ended May 2021						
Neil	Rogers	Scottish Decorators' Federation					Y			
Dave	Sargent	RBF Construction Training Academy Ltd							Appointed September 2021	
Maria	Seabright	Greenade Construction Ltd							Appointed September 2021	
Sophie	Seddon	Novus Property Solutions	Y	Y	Y					
Ged	Simmonds	Mace Ltd							Tenure ended August 2021	
Vikki	Skene	Galliford Try					Y			
Richard	Steedman	Cameron Drywall Contractors Ltd								Tenure ended August 2021
Neal	Stephens	Willmott Dixon						Resigned May 2021		
Rob	Tansey	Barratt Developments Plc					Y			

First name	Surname	Employer	CITB Board	Audit and Risk Committee	Nomination, Appointments and Remuneration Committee	Industry Funding Committee	Levy Strategy Committee	Cymru Wales Nation Council	England Nation Council	Scotland Nation Council
Paul	Tedder	Atlantic Dwellings Ltd						Y		
Kevin	Urquhart	Barrat & David Wilson Homes								Joined September 2021
Julie	White	D-Drill (Master Drillers) Ltd							Tenure ended August 2021	
Robert	Williams	WRW Construction Ltd	Resigned July 2021					Resigned July 2021		
Jim	Young	Chap Group (Aberdeen) Ltd								Tenure ended August 2021

This table shows all membership during the 12-month period between 1 April 2021 and 31 March 2022.

Appendix B: Board and Committee attendance

Board Attendance	2021-22
Peter Lauener (Chairman)	4/4
Tony Elliott	4/4
Steve Fox	4/4
Diana Garnham	4/4
Yvonne Kelly	3/4
Kevin McLoughlin	3/4
Holly Price	4/4
Sophie Seddon*	0/1
Robert Williams (resigned July 2021)	1/1
TOTAL	27/30

Audit and Risk Committee Attendance	2021-22
Diana Garnham (Chair)	5/5
Lee Jones (joined Nov 2021)	0/1
Peter Lauener	4/4
Richard Plumb	4/5
Chris Richardson (tenure ended May 2021)	0/1
Sophie Seddon*	0/1
TOTAL	13/17

Industry Funding Committee Attendance	2021-22
Steve Fox (Chair)	4/4
Ian Dickerson (resigned Sept 2021)	1/2
Steve Drury	4/4
Julia Evans	3/4
Kacey O'Driscoll (appointed Sept 2021)	3/3
Hannah O'Sullivan (appointed Oct 2021)	2/2
Rupert Perkins	4/4
Holly Price	1/4
TOTAL	22/27

Levy Strategy Committee Attendance	2021-22
Diana Garnham (Chair)	7/7
Liz Bridge (resigned Dec 2021)	5/5
Craig Bruce (resigned Nov 2021)	1/4
Gareth Davies	6/7
Andrew Harvey	6/7
Yvonne Kelly	6/7
Alison Duckles (Lamplough)	4/7
Ryan David Miles (resgined June 2021)	0/2
Neil Rogers	5/7
Vikki Skene	5/7
Rob Tansey	5/7
TOTAL	50/67

Cymru Wales Nation Council Attendance	2021-22
Leigh Hughes (Chair)	4/4
Robert Williams (Deputy Chair - resigned July 2021)	1/1
Gareth Davies	3/4
Terry Edwards	4/4
Andrea Green	1/4
Simon Jehu (tenure ended Aug 2021)	1/2
Owain Jones	4/4
Richard Owen (tenure ended Aug 2021)	0/2
Neal Stephens (resigned May 2021)	0/1
Paul Tedder	2/4
TOTAL	20/30

Scotland Nation Council Attendance	2021-22
Angela Forbes (Chair)	4/4
Tony Elliott (Deputy Chair)	3/4
Maureen Douglas (Chair - tenure ended July 2021)	2/2
Nicola Barclay (tenure ended Aug 2021)	1/2
Mark Bramley (tenure ended Aug 2021)	2/2
Craig Bruce	2/4
Marion Forbes	4/4
Susan Jackson	2/4
Karen McGahan (joined Sept 2021)	2/2
Jennifer Phin (joined Jan 2022)	1/1
Richard Steedman (tenure ended Aug 2021)	0/2
Kevin Urquhart (joined Sept 2021)	1/2
Jim Young (tenure ended Aug 2021)	2/2
TOTAL	26/35

England Nation Council Attendance	2021-22
Seamus Keogh (Chair - tenure ended June 2021)	1/1
Sharon Llewellyn (Chair from June 2021)	4/4
Kevin McLoughlin (Deputy Chair)	3/4
Bola Abisogun (joined Sept 2021)	2/2
Diane Bourne (tenure ended Aug 2021)	0/2
Karen Brookes	2/4
Chris Carr	4/4
Ian Dickerson (joined Sept 2021)	2/2
James Flannery	1/4
Andrew Harvey (tenure ended Aug 2021)	2/2
Alison Lamplough	3/4
Jeremy Musselwhite (joined Sept 2021)	1/2
Dave Sargent (joined Sept 2021)	1/2
Maria Seabright (joined Sept 2021)	1/2
Ged Simmonds (tenure ended Aug 2021)	1/2
Julie White (tenure ended Aug 2021)	0/2
TOTAL	28/43

* Due to personal reasons Sophie Seddon, in agreement with CITB and DfE, took an extended leave from her Trustee duties from April 2021 to January 2022, and was not required to attend meetings for the period of this sabbatical.

Appendix C: Register of Board members' interests

RELATED PARTY TRANSACTIONS

Employer Board Trustees must be concerned in the management of the activities of an employer engaging in the construction industry in order for their appointment by the Secretary of State to be valid. Therefore, with the exception of the two independent members, all Trustees would have had business interests, as Levy payers or potential grant recipients, at the date of their appointment, which may be perceived to conflict with their responsibilities as Board members. The following Board members who served for the period ended 31 March 2022 have, in addition, declared other personal or business interests.

PETER LAUENER

CITB CHAIRMAN

Peter Lauener was appointed as CITB Chairman in May 2018. Peter came to CITB with a wealth of experience in the education and skills sector, having previously held the roles of Chief Executive of the Education and Skills Funding Agency (ESFA), interim Chief Executive of the Institute for Apprenticeships and Technical Education (IfATE), and interim Chief Executive of the Student Loans Company (SLC).

Along with his work on the CITB Board, Peter currently holds a number of non-executive roles in the education, skills and health sectors. Since March 2020, Peter has been Chair of the SLC, a Government-owned non-profit-making company, which is also an executive non-departmental public body (NDPB). This organisation administers loans and grants to students in universities and colleges in the UK.

Peter continues in his role as a Non-Executive Director of Newcastle College Group, a corporation in the further education sector comprising a group of seven colleges across England, a position he has held since March 2018. He is also the Chair of Orchard Hill College, which is an independent special needs college based in Sutton, with sites across London and the South East. This college is a sponsor of a special needs academy trust with a number of academies in the same area.

In addition to his interests in the education and skills sector, Peter also has an interest in the health sector as a Non-Executive Director of Sheffield Children's NHS Foundation Trust, one of a small number of specialist children's trusts in the NHS, providing clinical and community services.

TONY ELLIOTT

GROUP HR DIRECTOR, ROBERTSON GROUP

Tony Elliott has over 25 years of experience in the fields of talent, people and learning, and is part of the senior team at Robertson, one of the UK's largest privately owned construction and infrastructure services companies. Tony feels strongly about the development of people and the growing of internal talent, the attraction of new talent, and ensuring skillsets are enhanced and future-proofed within construction.

STEVE FOX

Steve was appointed as a Non-Executive Director of Barhale Ltd on 29 July 2020, and he also provides advisory services to other parties. Steve was Chief Executive of BAM Nuttall from 2010 until June 2020. He had worked for the company since 1989. Steve is a Chartered Engineer and a Fellow of the Institution of Civil Engineers. He was awarded a CBE in 2015 for services to the construction industry. Steve is a strong supporter of both trade and technician apprenticeships as routes into the industry and is a member of the WISE Board. This follows Steve's commitment to championing women to work in science, technology, engineering and mathematics (STEM).

DIANA GARNHAM

Diana is Chair of Skills East Sussex, a member of SELEP Skills Advisory Panel, a Council Member of Christ's Hospital School, President of King's College London Alumni Association, Chair of King's College London Alumni Advisory Group, and Director of Tavern Quay RTM Company. Previously, she was Chief Executive of the Science Council and a Governor of the East Sussex College Group. She has a continuing interest in the social consequences of science, in good governance and strategy, and in enabling young people to achieve their potential, particularly within the STEM environment.

YVONNE KELLY

PRINCIPAL AND CEO, BARKING & DAGENHAM COLLEGE

Yvonne Kelly is the Principal and CEO of Barking & Dagenham College, an award-winning college that provides vocational, technical and professional training to over 7,000 students annually. Barking & Dagenham College provides intermediate, advanced and higher-level qualifications in Construction including apprenticeships and T Levels. The College trains a number of CITB apprentices. The College is the lead partner of the East London Institute of Technology, one of the first 12 in the country, and joined the WorldSkills UK Centre of Excellence Programme in 2020. Yvonne takes an active role on various Boards, and is a member on the Royal Society Education Committee, the Four Nations College Alliance and as an adviser on the Pearson FE Reference Group.

KEVIN MCLOUGHLIN

MANAGING DIRECTOR, MCLOUGHLIN GROUP HOLDINGS LTD

Kevin McLoughlin MBE is the founder and Managing Director of London-based SME McLoughlin Group Holdings Ltd. The company is an avid supporter of apprenticeships. The company employs several tutors who help train apprentices in painting and decorating, and since 2012 has offered a four-week pre-employment programme for all ages. Kevin was awarded an MBE in 2014 for his services to skills and apprenticeships, and is a Fellow of the Chartered Institute of Building. Kevin also is a Member of GMB, Liveryman of Painters and Stainers, Freeman of the City of London, Member of the Federation of Master Builders Training Group, Member of the London Regional Construction Training Group, FIR Steering Group, Islington Skills & Strategy Delivery Group, Islington Living Wage Place Action Group and a member of the Alumnus Community for the Institute for Apprenticeships and Technical Education. Kevin is also a Director of McLoughlin Decorating Schools Community Interest Company, and a Partner of Maxine and Kevin Property Business Partnership.

HOLLY PRICE

GROUP SUSTAINABILITY DIRECTOR, KELTBRAY GROUP

Holly Price was the Training and Development Director at Keltbray Group from 2007 until 2022, playing a crucial role in engineering sustainable and considerable growth through getting the right people in the right place at the right time. Holly started her career in the demolition industry at aged just 17, training to be an engineer, and went on to become Europe's only female explosives engineer in the sector. Throughout her time at Keltbray, Holly also took the lead on Social Value delivery and played an active role in industry partnerships with trade associations and other educational establishments promoting skills in the construction sector.

In early 2022 Holly was appointed as Group Sustainability Director and her collaborative leadership approach has best placed her to take responsibility for the implementation of Keltbray's published targets for environmental, social and economic sustainability.

Holly actively promotes the need to widen the talent pool by embracing diversity and attracting newcomers from all backgrounds to the industry, and she tirelessly campaigns for continuous improvement of industry standards.

Holly is also an Honorary Life Vice President of the National Federation of Demolition Contractors, which has financial management of the National Demolition Training Group, and benefits from CITB funding. She is also a Trustee of Construction Youth Trust, which receives CITB funds to support disadvantaged youth into construction jobs through training and mentoring.

SOPHIE SEDDON

PEOPLE AND CULTURE DIRECTOR, NOVUS PROPERTY SOLUTIONS

Sophie Seddon has worked in construction for over 10 years, having joined her family business after graduating in Business Management. Starting her career at Seddon Property Services, Sophie was instrumental in the company's rebrand to Novus. Since then she was appointed as the Head of Client Engagement and Communication in 2018, before moving into her most recent role in 2020. Sophie understands the importance of nurturing young talent, as Novus offers numerous routes into construction for young people. She is also passionate about the use of new technology, improving sustainability issues, and encouraging inclusivity within the industry.

Sophie is also a shareholder of JSSH Ltd, the group holdings of Novus Property Solutions Ltd and a Director and a shareholder of Hall Estates Ltd, a property development company.

ROBERT WILLIAMS

Robert resigned from the Board in July 2021.

Appendix D: Prescribed Organisations

RELATED PARTY TRANSACTIONS

During 2021-22, CITB maintained close contact with the following Prescribed Organisations:

- British Woodworking Federation
- Build UK
- Civil Engineering Contractors Association
- Construction Plant-hire Association
- Federation of Master Builders
- Finishes and Interiors Sector
- Hire Association Europe
- Home Builders Federation
- National Association of Shopfitters
- National Federation of Builders
- National Federation of Demolition Contractors
- Scottish Building Federation
- Scottish Decorators' Federation
- Scottish Plant Owners Association

Appendix E: Location of principal CITB offices

HEAD OFFICE AND REGISTERED OFFICE

Sand Martin House
Bittern Way
Peterborough
PE2 8TY
Tel: 0300 456 7577

SCOTLAND

Scottish Office
4 Fountain Avenue
Inchinnan Business Park
Inchinnan
Renfrewshire
PA4 9RQ
Tel: 0344 994 8800

WALES

Welsh Office
Companies House
Crown Way
Maindy
Cardiff
CF14 3UZ
Tel: 0303 123 4500

Appendix F: Glossary

CCS	Crown Commercial Service
CIS	Construction Industry Scheme
CJRS	Coronavirus Job Retention Scheme
CPCS	Construction Plant Competence Scheme
CPI	Consumer Prices Index
CSCS	Construction Skills Certification Scheme
CSF	Construction Skills Fund
DfE	Department for Education
ESFA	Education and Skills Funding Agency
ICO	Information Commissioner's Office
IfATE	Institute for Apprenticeships and Technical Education
ISAs	International Standards on Auditing
ITB	Industrial Training Board
KPI	Key performance indicator
LSC	Levy Strategy Committee
NAO	National Audit Office
NCC	National Construction College
NDPB	Non-departmental public body
OCPA	Office for the Commissioner of Public Appointments
ONS	Office for National Statistics
RPI	Retail Prices Index
SDS	Skills Development Scotland
SEISS	Self-Employment Income Support Scheme
SME	Small and medium-sized enterprise
SORP	Statement of Recommended Practice
STEM	Science, technology, engineering and mathematics
WAG	Welsh Assembly Government

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CITB

England & Wales - Charity number 264289

Accounts

CONSTRUCTION INDUSTRY TRAINING BOARD (CITB)

Annual Report and Accounts

HC 615



For the year ended
31 March 2021

Construction Industry Training Board (CITB)
Annual Report and Accounts

For the period 1 April 2020 to 31 March 2021
Presented to Parliament pursuant to section 8 (4) of the Industrial Training Act 1982
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CHAIR'S FOREWORD



As has often been stated, last year was like no other. It presented challenges to us all.

Some construction employers had sites closed for weeks; others operating in domestic settings had a period of disruption due to people having to self-isolate; and all businesses had to adapt to new ways of working. The differing restrictions within each nation added another layer of complexity to what was already a difficult situation.

At CITB, we had to respond quickly to ensure we were serving employers, whose needs had changed radically and immediately.

Our Board, supported by the Executive Team, made the decision to suspend Levy collection to help employers with their immediate cash flow. We then turned our attention to further practical support, with a focus on protecting apprenticeships and direct funding to employers, which formed the basis for our Skills Stability Plan, published in June 2020.

The decision to prioritise the immediate needs of employers in suspending the Levy had the inevitable consequence that we had to suspend or stop a number of funded programmes. Now the industry has returned to growth, I am pleased that we have been able to restart some projects which will help the industry make progress towards overcoming immediate and longer-term skills challenges.

Last year also saw the publication of our new four-year Strategic Plan, in which we continued our commitment to concentrate on fewer priority initiatives and now place much more emphasis on Training and Development. We are paying particular attention to the areas where skills are most in demand, and where CITB can use the Levy to the greatest benefit.

For example, we are addressing the long-term causes that make it difficult for college learners studying construction-related courses to join the sector. This is a complex issue, but the new occupational traineeships, linked to accelerated apprenticeships that recognise prior learning, will form part of the solution. We are trialling an occupational traineeship in bricklaying, a trade where demand is high, with other courses being introduced through the year.

A significant decision we took this year was to retain control of the National Construction College (NCC), with its bases at Bircham Newton in Norfolk, Inchinnan near Glasgow, and Erith in south-east London. We had previously planned to sell the colleges as part of our divestment programme, which has resulted in a number of significant sales already. But we have always said that we would make sure that employers' needs come first and when it became clear we couldn't find the right buyer, who would protect these services, we decided to retain them within CITB. This was to provide certainty to employers who need the specialised plant and scaffolding training provided by NCC, but also to our colleagues whose futures had been in doubt for too long.

This past year has seen new faces on our Board, Nation Councils and Committees. I want to thank all those who serve, and have served, as part of our governance structure, most of whom also have busy jobs within the sector. They play a critical role in developing strategy and driving the skills agenda forward. And the Nation Councils and Committees keep our feet to the fire and make sure that we put industry first in the decisions we take and focus on the different needs of employers in Scotland, Wales and England.

During the year, our Chief Executive, Sarah Beale, announced her intention to move on after 16 years at CITB, the last four as Chief Executive. She has been an outstanding and visionary leader who is respected throughout the industry for the way she has represented the interests of employers and made sure the Levy works as hard as possible to deliver improved skills outcomes. Following an extensive and rigorous recruitment process, we have appointed Tim Balcon as our new Chief Executive. Tim started on 1 September 2021 and is a former apprentice who brings a strong track record in skills.

Looking forward, following the Consensus process in August 2021, industry has supported a new Levy Order for the next three years, and we will be tailoring our strategy to reflect the changing needs of employers and new challenges, such as net zero carbon and responding to the Grenfell Inquiry.

Our most recent five-year skills forecast suggests there will be sustained growth for the construction sector, but those predictions will only be fulfilled if the right skills are in place. CITB stands ready to play its role in supporting industry to build a better Britain.



Peter Lauener
CITB Chair

CHIEF EXECUTIVE'S INTRODUCTION

This Annual Report and Accounts tells the story of how CITB responded to the coronavirus pandemic and supported the construction sector's return to growth across England, Scotland and Wales.

As Peter Lauener has outlined, we were determined to put employers' and construction workers' needs first, and to make sure our decisions were based on what businesses were facing.

While we were doing this, our colleagues at CITB were not unaffected, having to adjust to homeworking, with many going on furlough. As budgets tightened, we also had to make significant job cuts. Through all this, my colleagues have produced excellent results.

We put many of our training courses online for the first time, so that people could train where and when it was most convenient for them. In addition to previous efficiency measures, we made significant savings to our running costs, which means from 2021-22 we plan to invest upwards of 94p in every pound of Levy collected directly on employer funding and on industry-wide initiatives to address skills requirements.

A major success of the year was protecting apprenticeships. We made this a huge focus, and our work to retain apprentices, backed by strong employer support, meant just 2.5% of 11,000 CITB apprentices were made redundant and over 50% of those were placed with a new employer.

We focused on providing core, practical support for businesses. For example, during 2020-21, COVID-19 site operating procedures, checklists and risk assessments were downloaded 38,000 times from our website, while our free COVID-19 eCourse was completed by 22,000 people. This helped sites stay safe, even during a pandemic – a great achievement for the sector.

Staying safe also means looking after employees' mental health and wellbeing, which is why I'm so pleased our project with the Lighthouse Club charity has helped to train nearly 5,000 mental health first aiders, who, in turn, have provided support to over 6,000 people.

Direct funding to employers was a critical part of our Skills Stability Plan. Despite the pandemic, we supported almost 1,000 SME employers through our Skills and Training Funds, and 37 large employers through the



Leadership and Management Development Fund, helping to upskill over 18,000 employees in total. Our Grants Scheme supported 13,700 employers with some level of funding toward training their workforce and, even during this exceptional year, our Construction Training Directory detailed 17,000 Scheduled Courses and 736,000 Learner Achievements were uploaded to our Construction Training Register.

Industry working together

If I had to characterise the pandemic year from a business perspective, it would be one where industry came together, out of necessity, and in a way we haven't seen before. The Construction Leadership Council's Industry Skills Plan was a landmark document which really highlighted that collaborative approach. In Wales, we worked with industry and Government to produce a short- and medium-term recovery plan, while in Scotland, CITB partnered with Construction Scotland's Industry Leadership Group to conduct a wide-ranging survey of employers on how they were affected. This led directly to the development of a new pathway to apprenticeships.



CITB will, of course, play its role in these plans and programmes, but the driving force to achieve success has to be employers supporting industry-wide initiatives, particularly in helping to attract talent, make recruitment simpler, and retain and train the talent we have by improving opportunities and environments.

These initiatives include the careers information website, Go Construct, STEM Ambassadors, whose numbers and activity we need to see increasing fast, and the Talent Retention Scheme and Talentview careers one-stop-shop, with Careers Wales and My World of Work in Scotland providing similar schemes.

If all employers support schemes like these and our Fairness, Inclusion and Respect (FIR) training, as well as more modern employment practices, we will once and for all address the long-term issues around diversity and access to the people and skills we need.

This will be my final Annual Report at CITB, having decided to leave the organisation after 16 hugely rewarding years. I would like to welcome Tim Balcon, who has taken over as CEO from 1 October 2021. As a former apprentice with 20 years' experience as a chief executive, he has all the right skills and experience to carry the organisation forward. I will continue as Accounting Officer until my last day at the end of October 2021. Finally, thank you to all those across the sector who I have had the pleasure to work with in that time.

And thank you to my terrific colleagues at CITB, whose extraordinary determination and commitment has made me so proud. They leave me in no doubt that the organisation will keep delivering great results for our customers.



Sarah Beale
Chief Executive

Section 1

Overview of CITB

Who we are

CITB was founded in 1964 with the aim of making sure the construction industry in Great Britain has the skills to succeed. A key part of this, then and now, is to help keep workers safe on site. CITB's work since the 1960s has contributed to an 85% reduction in onsite deaths.

We help employers attract people to join the sector who have relevant qualifications and experience, and access high-quality, accredited training when and where it is needed. This includes directly delivering specialised training at our National Construction College.

We provide practical support to employers through a range of products and services. We play a strategic role for the construction sector, identifying immediate and future skills needs and working out how they can be met. Where an upcoming training need is not supported, we commission innovative pilot projects, delivered by employers, that can be ramped up if they are successful. We use our unique position to listen to employers and influence Government policy so they have the right support.

Our work helps workplaces to become safer and more productive. This, in turn, helps create and maintain a world-class, sustainable built environment that is of benefit to us all.

Vision

For British construction to have a recognised world-class, innovative approach to developing its workforce to deliver quality in the built environment.

Mission

Attract and support the development of people to construct a better Britain.

Our statutory basis

CITB's charitable activities are partly funded by the statutory Levy raised pursuant to the Industrial Training Act 1982 and confirmed through Levy Orders passed by both Houses of Parliament. The most recent Levy Order came into force on 22 April 2021. Full details of CITB's powers and responsibilities, as well as the restrictions placed on it, can be found in the Industrial Training Act 1982 and subsequent amendments. CITB is registered as a charity in England and Wales (264289) and in Scotland (SC044875).

Our charitable status

CITB is a non-departmental public body (NDPB) and has been a registered charity since 1972. The Board has regard to the Charity Commission's general guidance on public benefit and the Charities Act 2011 when planning activities to achieve its aims.

Section 2

Operating Environment

The construction industry has remained resilient despite the impact of the pandemic, although challenges remain in the months ahead.

The economic bounce back began in June 2020, picked up pace through the summer, but slowed from September as infection rates increased. Construction's recovery continued into November, with output growing for the seventh consecutive month. The main reason for this better-than-expected performance was due to construction operating during the lockdowns.

Growth continued in the first quarter of 2021, despite a third national lockdown and while the wider UK economy contracted. The level of output in March 2021 exceeded that of February 2020 by 2.4%, signalling a return to pre-pandemic levels. As a result, construction output was much closer to its pre-pandemic level (-3.4%) than the average for the UK economy (-8.7%).

The rapid vaccine roll-out and falling fatality levels boosted business confidence. Consumer confidence has also improved with the easing of lockdown restrictions. However, there remains a degree of caution due to potential new strains of the virus, the winding down of Government support schemes, and the emergence of inflationary pressures.

Continuation of both the Coronavirus Job Retention Scheme (CJRS) and Self-Employment Income Support Scheme have no doubt helped the industry. It's not clear yet the extent to which these schemes have reduced rather than simply postponed job losses, but the current high level of vacancies and skill shortages suggest that the fall in construction employment may be less than originally anticipated.

But once these schemes finish in September 2021, construction employment is likely to come under pressure and an increase in unemployment levels is anticipated.

Government loans and reduced operational running of courts have delayed the number of insolvencies, and the risk of significant business closures in the short term remains low. However, with cash flow pressures on employers, rising materials costs and the continued unwinding of measures to protect jobs, this is likely to rise.



Construction output is currently around 97% of pre-pandemic levels, and our latest Construction Skills Network (CSN) forecast suggests that overall output will reach pre-pandemic levels early in 2022. This will be driven by infrastructure, private housing and repair and maintenance. Commercial and public housing will take longer to recover, with output in those sectors not expected to reach pre-pandemic levels until 2025 or later.

Short-term prospects for the commercial sector are uncertain, as offices, retail and leisure have been hardest hit by the pandemic. While demand in the hospitality sector is expected to return, increased homeworking and the continued rise of online shopping may dampen commercial's long-term growth.

Official employment data for 2020 shows that construction employment is estimated to have fallen by 0.7% to 2.7 million. This represents the first decline in construction jobs since 2013, with employment in the sector about 6% lower than its 2008 peak. The decline in jobs has been softened by Government support schemes, and a reduction in the number of hours worked rather than jobs. Construction vacancies returned to pre-pandemic levels in December 2020.

Business sentiment remains positive, with over nine in ten employers very confident (53%) or fairly confident (42%) they will survive the economic situation resulting from the pandemic. The main challenges are getting enough work (27%), followed by finding skilled staff (24%), access to materials (15%), and rising prices (10%).

Employers are seeking out new opportunities, with two in five businesses (38%) stating they would diversify into other areas, and a third (34%) saying they would invest in new technology. Many businesses have identified training needs resulting from the pandemic and new ways of working.

A widespread shortage of materials has been caused by several factors, including increased demand, post-Brexit trading friction, and reduced production and transportation capacity. These shortages are likely to continue and present the most immediate challenge to construction maintaining its recovery. They are especially disruptive for small and medium-sized enterprises (SMEs), due to reduced buying capacity, and more generally present productivity problems that result in project delays.

The availability of skilled workers remains a challenge, particularly those who may have become unemployed or temporarily left the sector due to the pandemic. We are working with partners in industry and Government to address these challenges, as is set out in our Strategic Plan and the Construction Leadership Council's Industry Skills Plan 2021-25.

One such challenge is the drive to reach net zero carbon emissions in the UK by 2050. In construction, this will give rise to an estimated 350,000 new roles by 2028 to meet demand.

Part of the solution will be through increasing the diversity of the construction workforce, alongside helping more further education (FE) learners join the sector.

The construction industry has proved to be an attractive source of job opportunities during the pandemic. The challenge now is to maintain that enviable position when the wider economy recovers.



Section 3

Strategic Report

REVIEW OF 2020-21: ACHIEVEMENTS

During a tumultuous year, the construction and built environment sector truly came together. We responded swiftly to the rapidly changing needs of the industry by suspending the Levy and providing direct funding to employers to support their immediate cash flow.

We maintained a focus on providing core, practical services – **84p* in every pound of Levy collected was invested in employer funding and industry-wide initiatives** to address skills requirements. We're planning to increase this to 94p in 2021-22.

Protecting apprenticeships

Backed by employers, **98% of our 11,000 apprentices retained their positions** – and of those made redundant, over half were placed with a new employer.

Grants and funding for employers

Our Skills and Training Funds supported almost **1,000 SME employers**, and large employers benefitted from our Leadership and Management Development Fund, helping to **upskill over 18,000 employees.** We maintained strong training provision, with our **Grants Scheme providing 13,700 employers with funding** to support training.

Helping keep sites safe

Keeping people safe on site is our utmost priority. We initiated an agile response to safety training and learning amid the pandemic, introducing many online courses to ensure qualifications weren't a barrier to the industry's recovery. Our **remote COVID-19 eCourse was a great success**, giving workers the tools to enable them to continue to work safely.

Creating site-ready workers

The Construction Skills Fund (CSF) provided employers with what they require most: site-ready workers. The fund trained over **6,000 workers** to a site-ready level this year, removing the time and costs involved in training away from employers.

More learners into jobs

By helping to develop the UK's very first occupational traineeship, we started to address the key issue of the lack of construction learners entering the workforce after completing their education. The **first traineeship pilot is in bricklaying**, a trade with an acute skills shortage, with other courses to follow.

*This figure is derived from the Levy receipts received in the year rather than the financial statements, which are prepared on an accruals basis.

HOW WE SUPPORT INDUSTRY

Helping workers stay safe on site

Health and safety has always been the foundation of CITB's training offer – our bread and butter.

CITB exists to protect and save lives on construction sites, through suitable training to create a workforce that understands what health and safety is all about.

The **top three most-claimed grants** in 2020-21 were for asbestos awareness, quality in construction and an introduction to health and safety. These courses totalled nearly **33,000 claims**, with asbestos awareness accounting for almost half of that total. This demonstrates the vital support the Grants Scheme provides for people to be safe at work.

Our **Health, Safety and Environment test** was taken by over **360,000 people** in 2020-21, alongside **120,000 who took a Site Safety Plus course**. These remain the most common ways for workers to learn about how to stay safe on site.

In response to the first coronavirus lockdown, we accelerated the move to online training and created a **free-to-access COVID-19 eCourse**. This was successfully completed by over **22,000 individuals**, and enabled managers and supervisors to operate safe construction sites during the pandemic.

"The course gave guidance on how to protect everyone from coronavirus hazards. Being online, it was easy to access and available on demand. I'm sure everyone will come away with an altered perspective on how positive measures can lead to safer and healthier construction sites."

Simon Rosser, SHEQ Manager at Hereford Asbestos Services, on the 'COVID-19: Setting up and operating a safe construction site' eCourse.

Eliminating fraud is integral to keeping people safe on site. Criminals took advantage of the increased training demand post-lockdown, as well as new opportunities to set up fake companies and sell PPE to the sector. In 2020-21, we led the investigations for and **suspended 11 independent testing centres**, with half subsequently reinstated with action plans to prevent further problems. We **revoked in excess of 3,500 HS&E tests** but ensured affected candidates received a free voucher for a retest. We will **continue to support awarding bodies and test centres on tackling fraud** to protect our industry.



COVID-19 response

We are proud to have been part of the industry-wide response to the pandemic that enabled our sector to continue to operate safely through multiple lockdowns. We reacted quickly and provided immediate support when and where it was needed most.

Suspending Levy collection for five months and **reducing the 2021-22 Levy Order by 50%** supported businesses across the UK when they were facing critical cash flow challenges. We established a series of **new training standards and free COVID-19 resources** to guide employers on how to work safely throughout the pandemic.

We introduced **remote learning options for all Site Safety Plus courses**, as well as the Health and Safety Awareness course and the new Site Management Environmental Training Scheme course. This allowed workers to learn from the safety of their own homes and ensured qualifications weren't a barrier to returning to work.

Our National Construction College (NCC) adapted to deliver remote training wherever possible and reopened in-person learning when it was safe to do so.

Improving mental health

Our sector is disproportionately affected by poor mental health and suicide, which were exacerbated by the pandemic. Two construction workers take their own lives each day. The Building Mental Health project, led by the Lighthouse Club, was very much in the right place, at the right time, to provide crucial support to industry.

The programme upskilled 284 people to become mental health first-aider instructors, who in turn passed that knowledge on and **trained 4,600 mental health first aiders** to tackle the increasing issue of poor mental health within construction.

We are under no illusion that the construction industry still has progress to make towards destigmatising and fully supporting the mental health of our workforce, and we are continuing this work with new research and a newly commissioned project to work towards a more welcoming and safe workplace for all.



Protecting apprenticeships in a pandemic

Providing support to apprentices and their employers is a core part of CITB's role.

But when the pandemic hit, and with many businesses needing to make difficult decisions, we knew we needed to do more to protect construction apprenticeships. CITB Apprenticeships moved to remote learning and working to avoid risks to apprentices and employers of moving from site to site.

We then formed a small project team with a single aim: to **get as many apprentices as possible who had lost their employer back into training** or employment.

Apprenticeship Officer Joanne Dixon was one of those involved.

"It was difficult keeping up with what was going on," she said. "There were tough conversations to be had with apprentices. We were trying our hardest to get them back into employment during a difficult time in the industry. A lot of companies had shut down, or had put a stop on recruitment.

"We were contacting apprentices, trying to keep them engaged and positive. We wanted to see if they were ok, first and foremost.

"The learners had to get used to the fact we were doing things over the phone. For them it was tough to not see us face to face and maybe have that conversation they would have had on site.

"If they had been displaced from their employer, we advised them where they needed to look, how to go about it, how to write a CV, and how to prepare for an interview to give them the best chance of success."

The apprentices were encouraged to register with the Construction Talent Retention Scheme (TRS) in England, with similar schemes in Scotland and Wales. This meant they could see the opportunities available to get back into the industry as quickly as possible.

The project was successful, with only **2.5% of 11,000 CITB apprentices being made redundant**, and half of those finding new employers.

This is testament to the work of people like Joanne, but primarily to the tremendous **commitment shown by employers and the apprentices** themselves to furthering their careers in a crisis.

CITB Apprenticeship support

- Apprenticeship grants supported over **23,322 apprentices and 8,883 employers** in 2020-21
- Grants cover Level 1, 2 and 3 qualifications, as well as higher apprenticeships
- Over **2,800 apprentices** have also benefitted from our travel and subsistence funding, providing financial support to employers for required travel, accommodation and subsistence in hard-to-reach areas.





Raising standards in the industry

The right qualifications and training must be in place so our industry can grow and be more productive.

The way industry thinks about competence has gone through significant change, partly due to the issues highlighted by the Grenfell tragedy.

We set out to answer some fundamental questions about what competence is and how we can support construction employers. In 2020-21, we completed a **review of the routes to competence** and will use this work to establish a competence framework. This includes the activities that form a core part of the role, the skills and behaviours to carry them out, and how people are assessed. Once that's complete, different sectors can then use this framework to build their own.

Throughout the year, we supported various strands of work to **develop a robust building safety system.** Highlights include a training standard for fire safety awareness, which was a key recommendation from the Hackitt review, as well as setting the **requirements for all competence frameworks** across the built environment, and a common framework for installer roles, which will be used as a pilot during 2021-22.

To support our partnerships with the Lighthouse Club and Samaritans, we established a series of **Mental Health First Aid training standards** so people can help each other through crises. In total, **5,756 individuals claimed a grant** against these standards in 2020-21, increasing the awareness and availability of mental health support in the industry.

Improving qualifications

In England, we ensured the **quality of end-point assessments** for construction apprenticeships. We worked closely with providers and the Institute for Apprenticeships and Technical Education (IfATE) to ensure assessments deliver a valid and robust assessment for the apprentice. We continue to support the new approach to apprenticeships and provide external quality assurance for 24 standards in the sector.

In Scotland, we formed part of the Quality and Skills Working Group with Energy Skills Partnership to **review current energy efficiency qualifications** and installer competencies. We also launched the Level 5 and Level 6 Insulation Building Treatment Scottish Vocational Qualifications (SVQs).

In Wales, we secured final draft approval of the Foundation qualifications, which will play a key part in the new apprenticeship offer for nine trades. We also established a new development group to advise Welsh Government on **apprenticeship pathways and frameworks** for the construction sector.

Pipeline of talent

Ensuring a pipeline of talent is at the heart of what we do – without it, there's no construction industry.

Bridging the gap between education and employment is imperative for the industry to **attract and retain the skills** it needs. Currently, just four out of ten further education (FE) construction students go into an apprenticeship or job in the industry, and we are determined to help improve that.

Our Learning to Earning research found that attracting a wide pool of learners necessitates offering different interventions: some benefit from a fast-paced, hands-on experience of the industry to effectively engage them; others require a blend of classroom learning and experience.

This is why we have **continued to champion traineeships**, which create a bridge between FE and employment. Traineeships involve a work placement to develop practical skills, complemented by academic study, including a particular focus on maths, English and digital skills. Traineeships represent an attractive offer to many types of learners.

In partnership with the Department for Education (DfE), we have developed the **UK's first occupational traineeship**. The occupational traineeship for bricklaying, currently being piloted, could enable learners to accelerate their career, with many able to progress to accelerated apprenticeships that recognise what they have already learnt. **Employers receive £1,000 per trainee** to cover the cost of placement, while gaining access to a readied pipeline of talent.

Onsite experience

The Construction Skills Fund (CSF) provides learners with **free training and construction site experience** across England. Following the success of the first phase from September 2018 to March 2020, the programme was extended until March 2021. £7.5m of DfE funding, as well as £300,000 from the Levy, has been invested into the fund, delivering on our commitment to run 14 onsite training hubs.

Despite the considerable challenges of providing live experiences amid a pandemic, the CSF has continued to exceed expectations: **5,984 participants have been trained** to an employment and site-ready level, 894 of whom achieved sustained employment status in the industry.

"CSF can deliver flexible training on request. Without the funding available we wouldn't be able to offer training and progression as we currently do."

Emma Smith, Learning and Development Advisor, FM Conway

When people join the construction industry, it's important they're not only skilled, but site ready. Onsite Experience hubs, which build on the CSF model, provide candidates with live site experience as well as the necessary health and safety credentials, allowing for immediate recruitment. Seven hubs are fully operational, with the remaining six due to open later this year – we will deliver over **8,500 onsite experiences**, with at least 3,800 candidates achieving sustained employment by 2024.

Attracting people to join

For the industry to succeed, we need to attract and retain the very best.

We must portray **construction as a vibrant and rewarding industry** to attract a diverse workforce, while encouraging career changers and young people to take their first step into a construction career.

Information and guidance

Go Construct is the industry's central source of trusted, reliable **information, advice and guidance** on construction careers – and it has gone from strength to strength over the previous year.

We invested a further £300,000 to **develop and improve the Go Construct website**, significantly increasing its scope and visibility. The number of first-time website visitors has increased to over 410,000. Meanwhile, careers information has been overhauled, resulting in **179 comprehensive job descriptions** that garnered over 60,000 views in March 2021 alone.

Engaging young people is key, so we're delighted our National Apprenticeship Week social media campaign was seen by over **12 million people**, reaching predominantly those aged 16-24, on TikTok, Snapchat and YouTube.

We're also committed to improving access to careers information: Go Construct worked in partnership with the Department for Work and Pensions, National Careers Service and others to provide better signposting for guidance and resources. This ensures everyone – from career changers to school leavers – can easily access the support they need.

Our **Construction Ambassadors** continue to inspire young people by sharing experiences, delivering workshops, acting as mentors and much more. We delivered on our commitment to increase the programme's reach by successfully merging it with the STEM Ambassador scheme, providing access to every school in Britain.

Courtesy of the merger, Ambassadors also have access to STEM Learning's 19 hubs across the UK, as well as its portal, which acts as a central location for resources, training and industry events.

Due to the national lockdown, SkillBuild 2020 was sadly cancelled. However, despite considerable challenges remaining, the UK's largest and longest-running construction skills competition is running in 2021. We're thrilled to demonstrate **the best in upcoming UK construction talent**, highlighting the bright future the industry has ahead.

Showcasing opportunities

During a disruptive year for construction employees, we supported the **Construction Talent Retention Scheme**. Launched in August 2020, the TRS helps retain skilled, trained workers in the industry following job losses caused by COVID-19, while attracting workers with transferable skills from other sectors, such as manufacturing.

Sir Robert McAlpine Ltd was one of the hundreds of companies that filled vacancies via the TRS.

"It's been wonderful that, via the TRS, we've been able to help individuals faced with redundancy. The people we have helped now have new careers within the construction sector," said Nadeem Mirza, Head of Resourcing.

"We would encourage the TRS to continue long term, as it connects competent people with construction companies and offers a win-win for employers and those in need of work."

It is testament to the resilience of the industry that practical solutions such as the TRS can be swiftly implemented to ensure skills are retained.

As the recovery from COVID-19 continues, the TRS will remain core to our careers strategy: instead of focusing on mitigating redundancies, it will act as a shop window for vacancies, offering a simplified route for employers to secure the best construction talent.

Alongside the TRS, we've developed **Talentview**, a portal for job opportunities tailored towards those currently working outside of construction. Talentview allows employers, colleges, training providers and hubs to showcase traineeships, work experience, taster sessions, apprenticeships, graduate jobs and more. Talentview will play a significant role in delivering our careers strategy. Similarly, we continue to support Skills Development Scotland's My World of Work career information service, as well as Careers Wales.

KEY PERFORMANCE INDICATORS

We report on our performance to support employers and the industry through a series of key performance indicators (KPIs). In February 2020 the Board agreed four KPIs for 2020-21, which would be measured through nationally representative audience surveying, and set a benchmark target for each KPI to pursue continual improvement in our support of the construction sector.

The results

The KPIs and their targets are shown in Table 1 (below). In summary, all four KPIs either met or exceeded their target for 2020-21.

Satisfaction with **CITB being seen as credible and reputable, and adding value to the industry**, is on target for the year, representing a 1 percentage point improvement on the previous year's approval rating. This score has remained steady at around 41%-43% over the last three years and continued to remain within these margins between the mid-year and end-year surveys.

The view of employers regarding **accessibility of training in a timely manner** improved by 8 percentage points over the previous year, achieving its set target. The mid-year survey saw this score charting 1 percentage point above target before the second wave of COVID-19 created additional challenges in supporting access. **Favourability with construction as a career** achieved its benchmark target in 2020-21. This index was tracking to the previous year's performance in the first wave of measurement (December 2020), before increasing by 3 percentage points to reach 66% favourability by the second wave (April 2021).

Employers viewed the **reflection of industry's need in the content and method of training and assessment** more favourably, with this score's improvement more than doubling the targeted 3 percentage point increase.

The mid-year KPI pointed to even stronger performance before the arrival of the second wave of the coronavirus trimmed performance to 5 percentage points over target.

How the KPIs are calculated

The **KPI for favourability with construction as a career** is an index (scored out of 100%) which measures the proportion of the people we want to attract (young people, parents of young people and careers guidance professionals) who view the construction industry positively, in part reflecting the work we undertake to support workforce recruitment.

The **remaining KPIs** are measured using CITB's Employer Tracker, which asks employers for their thoughts on our performance. These questions offer employers the opportunity to grade our support for employers and the industry on a 5-point scale, with the KPI representing the proportion of answers that return a score of 4 (fairly satisfied) or 5 (completely satisfied).

Table 1: Summary of Board KPIs – results and status

KPI	2020-21 Target	2020-21 Actual Oct/Dec 20 (wave 1)	2020-21 Actual April 21 (wave 2)
CITB seen as credible and reputable, adding value to the industry	42%	43%	41%
Employers say they can access the training they need in a timely manner	42%	43%	41%
Favourability with construction as a career (young people, influencers, educators)	66%	63%	66%
Employers believe that the content and method of training and assessment reflects industry's need	38%	44%	42%

FINANCIAL REVIEW

Financial review for the year ending 31 March 2021

Overview

2020-21 has been an extraordinary year as the COVID-19 pandemic evolved and all businesses had to respond to the ever-changing circumstances. Our decision to postpone the 2019 Levy Assessment until August 2020 meant that we had five months without much of our normal income and, after our decision to reduce the 2020 Levy Assessment (raised in August 2021) by half, we had to adapt our investment plans to ensure financial stability not only for 2020-21 but over the following year as well.

As our cash and underlying reserves were depleted during the first few months of the year, while we awaited the income from the 2019 Levy Assessment, we were uncertain about our ability to continue to fund industry as normal through our Grant Scheme and funding programmes. Therefore, we borrowed £10m from the Department for Education to ensure there was minimal disruption or impact. This loan was due to be repaid in three tranches in the second half of 2021-22, but in May 2021 the Board of Trustees took the decision to repay the loan early as Levy receipts had been much stronger than anticipated.

Our Skills Stability Plan assumed that Levy collection would be significantly impacted by the pandemic but, in the event, income was 24% (£37m) higher than expected, albeit 5% (£11m) down on our original plans. As employers were impacted by the pandemic and training providers, including CITB itself, were restricted in their ability to deliver courses, claims for training were down on expectations and so CITB has ended the year with sufficient cash and reserves to fund the 50% reduction in the 2020 Levy.

Result for period

In 2020-21, we had net incoming funds of £66.5m, which was slightly better than our predictions at the start of the pandemic. However, it was worse than the plan due to be published in April 2020 but not released, as the first lockdown started at the end of March.

Levy income

Levy income for the period was £191.9m (2019-20: £188.2m), comprising £195.6m (2019-20: £192.2m) in respect of the current year's assessment (net of current Levy year's bad debt) and a downwards adjustment of £3.7m (2019-20: decrease £4m) in respect of prior years' assessments. When a Levy Return is received against a previously estimated Levy Assessment, we turn the assessment from an estimate to a confirmed amount, that we refer to as "bona fide". In most cases the bona fide amount is less than the estimate and where that assessment has been taken to income in a prior year, we make an adjustment in the current year.

The Levy rate remains at 0.35% on direct labour payments (PAYE) and at 1.25% on Net Construction Industry Scheme (CIS) payments. The small business exemption level of £79,999 has increased to £119,999, and the threshold for the small business Levy reduction of 50% remained at £399,999.

As at 31 March 2021, the number of employers in the Levy and Grant register was 79,784 (79,264 as at 31 March 2020).

Non-Levy income

Non-Levy income was £57.5m (2019-20: £84.2m), down by £26.7m due to the pandemic, as our trading products and services saw drops in demand while people were in lockdown and on furlough. The National Construction College saw a 50% (£3.6m) drop in income as classes were at first cancelled and then, once lockdown ended, run with socially distanced classes with fewer learners.

We managed a second phase of the Construction Skills Fund, which meant we recognised an income from Government of £11.4m, up from £9.3m in 2019-20. This income was offset by costs with funds placed with the training hubs of £10.9m. In addition, we spent £2.3m of CITB's other funds on training hubs.

Grants Scheme

Grant expenditure in the year was £66m, down from £94.8m the previous year. Grants paid helped support 20,752 (2019-20: 24,866) apprentices, 12,332 (2019-20: 17,202) vocational qualification (VQ) achievements and 10,177 (2019-20: 18,718) plant tests. The total number of employers in receipt of grant was 13,729 (2019-20: 15,916). Clearly, the pandemic had a significant effect on the number of people claiming grants.

Programme-based funding

We offer three principal types of funding:

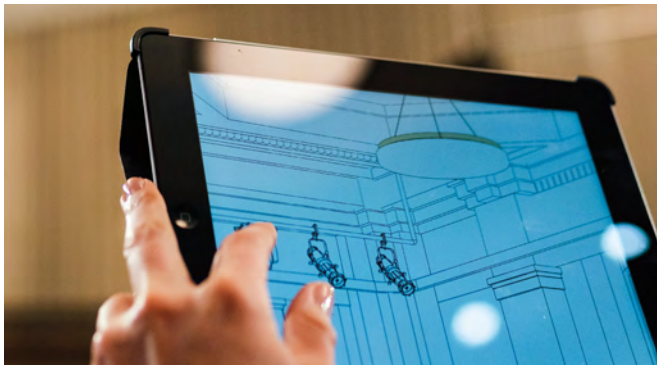
- Skills and Training Fund, offering up to £10,000 for small employers (up to 99 directly employed staff) and up to £25,000 for medium-sized employers (100 to 250 directly employed staff)
- Flexible funding, offered to address industry needs and CITB priorities
- Structured funding, where we identify a particular need for investment.

In total, £28.5m was spent on programme-based funding in 2020-21 (2019-20: £39.1m). The reduction in expenditure was due to businesses placing staff on furlough during the pandemic, which made it difficult to maintain contact with the delivery teams who were due to use the funding; and where businesses were able to continue operating, it was difficult to use the funds, as trainees' movements were restricted by the pandemic.

Restructuring

At the start of the year, there was a £4.2m provision for the remaining redundancies as a result of the Vision 2020 programme. The remaining redundancies were due to the finalising of the Head Office move to Peterborough and concluding the sale of the colleges. The pandemic has had an impact on both activities, and in March 2021 we announced that we would be retaining the National Construction Colleges at Bircham Newton and Inchinnan. This meant that £1m of the redundancy provision was released.

Due to the pandemic, as with many other businesses, our operating model has changed with people working remotely and having much less, if not zero, face-to-face contact with colleagues and customers. We responded to this change, along with the impact of the pandemic on general business activity, by reviewing its structure during the year and reducing the organisation size by a further 83 roles. The cost of the resulting redundancies saw a charge of £1.1m to the accounts for the year.



Furlough

Whilst we considered the impact of COVID-19 during the year, in order to protect roles we placed a number of staff on furlough, thanks to the Government's Coronavirus Job Retention Scheme (CJRS). The money from this scheme is recognised as income in the period to which it relates and is therefore matched against the cost of employees' salaries. For 2020, we claimed CJRS for all staff who were placed on furlough. From January 2021, following discussions with the Department for Education, we restricted our CJRS claims to staff whose employment related directly to the National Construction College.

Reserves and reserves policy

Reserves are required to cover delays in income receipts, accelerated grant claims and costs that are outside of our control, and to ensure continued construction industry funding, in line with our charitable objectives. During the year, we had been able to reset reserves at a level the Board of Trustees deems appropriate as we move into the next three-year plan.

General reserves at 31 March 2020 were £54.2m and, as expected, they fell significantly during the first five months of the year, as we continued to fund industry but without the Levy income to support it. We then issued the 2019 Levy Assessment, and reserves at 31 March 2021 were £120.7m. At first glance this seems excessive. However, it must be noted that following our decision to issue a 2020 Levy Assessment reduced by 50% in August 2021, these reserves will fund the period between 1 April 2021 and the date the 2020 Levy Assessment is raised. Current expectations are that we will have sufficient income to support all the planned industry funding and finish the 2021-22 financial year with reserves just above the reserves policy floor.

The unrestricted fund is available for use at the discretion of the Board in furtherance of the general objectives of the charity. Restricted funds are those funds that have been received for a particular purpose and may not be used for any other. Income received from the Coronavirus Job Retention Scheme (CJRS) is included within the restricted fund along with the corresponding payroll costs it is supporting. This is due to the restriction on the use of the income to fund payroll and qualifying salary payments only.

Investment income

Investment income during 2020-21 decreased to £0.2m (2019-20: £1m), as we decided to liquidate our portfolio in the early part of the year to raise cash and allow us to continue to fund industry in the spring and summer of 2020, without any Levy income in that period due to the pandemic.

The following chart gives a breakdown of how resources have been allocated to support industry.

	2020-21 £m
Levy income	191.9
Less cost of collection	(2.1)
Total	**189.8**
Grants Scheme	
Apprenticeship grants	50.5
Qualification grants	7.3
Short duration grants	8.2
Total	**66.0**
Funding	
Flexible and Structured funding	3.5
Skills and Training funding	7.9
Employer and industry support funding	3.8
Construction Skills Fund	13.2
Other funding	0.1
Total	**28.5**



Section 4

Structure, Management and Governance

TRUSTEES

For the period 2020-21, the CITB Board of Trustees consisted of:
Peter Lauener (CITB Chairman)
Maureen Douglas, FCIPD (resigned May 2020)
Tony Elliott (appointed June 2020)
Steve Fox, CBE
Diana Garnham, MA, DSc, LLD
Yvonne Kelly
Kevin McLoughlin, MBE, FCIOB
Holly Price
Sophie Seddon (appointed June 2020)
Robert Williams, MBE

As specified in Schedule 1 of the Industrial Training Act 1982, Trustees are appointed and answerable to the Secretary of State (normally for four years). This follows a public appointment process governed by the Office for the Commissioner of Public Appointments (OCPA), including the advertising of vacancies on the Government's Public Appointments website.

The CITB Board of Trustees comprises independent non-executive Trustees who have a broad range of skills, background and experience. Peter Lauener has been Chair of CITB since 1 May 2018. All Trustees, with the exception of the Chair, are unremunerated.

Trustees are introduced to CITB's work through an induction meeting with the Executive Team on appointment and they receive ongoing support from the Corporate Governance Team. All Trustees are required to have relevant senior experience and currently six of the Trustees work within the construction industry; the remaining two Trustees were appointed as independents and bring additional and appropriate experience. Further support and training (both formal and informal) are provided to support specific duties, such as participation in the Audit and Risk Committee.

Trustees liaise regularly with relevant Executive Team members in relation to specific Committee items. They also receive a brief policy update each week. Further details in relation to the Trustees are also available on our website.

STRUCTURE

The Construction Industry Training Board is an executive non-departmental public body (NDPB) accountable to the Secretary of State for Education and is required to comply with its statutory obligations and functions as set out in the Industrial Training Act 1982. CITB is also a registered charity, making the Board Members charitable Trustees.

For the period 2020-21, in accordance with statutory requirements, the Board comprised a majority membership of employer Trustees supported by independent Trustees. The Board is supported by an Executive Team and the following Committees: Audit and Risk; Industry Funding; Nomination, Appointments and Remuneration; Levy Strategy; and, for part of this year, the Levy Working Party. Additionally, the Board receives strategic insights and feedback from three Nation Councils – Scotland, Cymru Wales and England.

Board performance

The duty of the Board is to set and maintain the vision, mission and values of CITB to develop and shape CITB's future direction and strategy, adhere to the principles of the Framework Document (currently in draft) and ensure good corporate governance. It acts in accordance with the Board's standing orders and delegations, and provides leadership, advice and challenge to the Executive on the management and performance of the organisation.

Annually, the governance cycle incorporates internal reviews of the effectiveness of Board Committees and Nation Councils, an appraisal of the Board Chair undertaken by the Department for Education, and individual appraisals of Trustees and Nation Council Chairs conducted by the Board Chair. Every three years, we also commission an external review of the effectiveness of the Board, the most recent of which commenced in January 2021. The findings from this year's internal and external effectiveness reviews have been combined to develop an action plan to support the continuous review and improvement cycle of our governance processes. This action plan will be approved by the Board in 2021-22, with progress monitored by the Board via quarterly reports.

The Board met nine times in 2020-21. At the start of the year, the scale of the growing COVID-19 crisis was becoming clear, and the initial impact on construction and the wider economy was also emerging. As a result, the Board worked closely with the business to rapidly identify and implement the immediate action required to help industry retain existing skills, and to then reassess the key priorities for the next 12 months. In order to work at pace and address all the emerging concerns as rapidly as possible, for quarters one and two the Board moved away from its established quarterly Board meeting cycle with standing agenda items, and put in place a series of more frequent meetings that focused on getting the right support in place for industry and stabilising the organisation during this turbulent time. As a result of this work, the Board agreed to replace our 2020-21 Business Plan with the Skills Stability Plan. This plan set the tone of the Board's work for the year. Additionally, the Board listened to industry's views about running the planned Consensus process and decided to postpone it for a year so as not to detract focus from the immediate challenges at hand. Instead, Board Members and senior managers worked closely with Government to agree a one-year Levy Order to bridge the gap to the 2021 Consensus process.

As the first national lockdown eased, we began to adjust to what was referred by many as being "the new normal" and started to plan for the medium and long term again. Accordingly, Board meetings reverted back to their established pattern and format, reinstating standing agenda items for Board Members to hold the business to account, and shape future strategy and plans. New strategic risks were identified and work continued to refine the Board's KPIs in response to feedback from stakeholders and Nation Councils. By quarter four, a new Business Plan was ready for launching in advance of the 2021-22 financial year, accompanied by comprehensive Nation Plans for Wales, Scotland and England.



GOVERNANCE

Audit and Risk Committee

The Audit and Risk Committee is a committee of the Board that supports the Board's strategic leadership with corporate oversight of strategy and performance. The Committee is charged with ensuring that the Board and the Accounting Officer gain the assurance they need on the adequacy and effectiveness of our arrangements for risk management, governance and control. Within this, the Committee engages with the internal audit, the work of the external auditor and financial reporting issues. There were seven meetings of the Audit and Risk Committee during 2020-21, and the Committee met its Terms of Reference.

The Committee has two Trustee members, one of whom is Chair. The Committee benefits from the contribution of two external members, who are able to bring additional depth of experience and expertise from internal audit and finance. In addition, other observers and attendees from our Sponsor Department and the External Audit Team from the National Audit Office (NAO) contribute to the breadth and robustness of scrutiny and discussion.

Risk management

The 2020-21 financial year started shortly after the scale of the COVID-19 pandemic was beginning to become apparent, and the initial resultant impact upon world economies began to be felt. As we moved swiftly to adopt Government guidance for employees to work from home wherever possible, it also recognised the need to rapidly re-evaluate its strategic and business plans for the immediate term in order to help industry retain its skilled workforce. The result of the latter was our publication of the Skills Stability Plan and announcement of a Levy holiday during which collection of Levy payments was suspended. Intrinsically linked to these strategic decisions, there was an adjustment to the Board's risk appetite and a significant shift in the strategic risks we faced. In response to this, the Audit and Risk Committee worked closely with the Executive and senior managers to re-visit and re-evaluate the key strategic risks that we had to manage. As a result of this re-evaluation, the number of strategic risks was reduced from eight to five, with a clear shift towards risks linked to Levy income and cash flow (see **Risk overview** on page 33).

Alongside the re-evaluation of our risk profile and risk appetite, the Committee agreed that the focus of the 2020-21 Internal Audit Plan would need to be reviewed as part of the organisation's risk management strategy and acknowledged the need for changes. It also monitored, and advised upon, the evolution of our assurance map – work which will continue into 2021-22. This assurance map will provide an assessment of the effectiveness of the framework of control in each area of the business. It brings together assessments by management, senior management and oversight roles including internal audit, and supports activities to monitor, test and, where necessary, improve controls.

Internal audit

The delivery of the Internal Audit Plan for 2020-21 was significantly impacted by the effect that the pandemic had upon our internal resources and those of our third-party provider SSCL, particularly during the first national lockdown, when remote working and furlough made accessing supporting audit evidence challenging. As a result, the level of internal audit activity was extremely limited for the first part of the year and the Committee's immediate focus was to monitor and review the effectiveness of our business continuity planning. This work took into particular account the shift to remote working, third-party suppliers, and standing up alternative methods of delivery to facilitate ongoing training while sites and colleges were closed. The shift to outsourcing service delivery of key areas of our operations, such as grants and Levy processing, to partner providers required especially close monitoring by the Committee given the newness of these arrangements and the need to successfully embed them during such a challenging time. During the second part of the year the level of internal audit activities returned to near expected levels and the Committee resumed its work of receiving and discussing summary reports from the Internal Audit Team.

The internal audit work was supported externally by RSM. This enabled us to access specialist skills as and when required, such as expertise in cyber security, enhancing the skill set available in the audit function, and independence where there might be conflicts of interest for the internal team.

External audit

The statutory external audit of the Annual Report and Accounts was performed by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General, in accordance with the Industrial Training Act 1982. The NAO attended all seven meetings of the Committee in 2020-21.

An update report was provided for each Committee meeting and an interim audit enabled the Committee to understand progress and pinch points, and identify issues for further review. The Committee reviewed the Audit Plan in advance of the audit commencement and reviewed the Audit Report and findings. The Committee also reviewed the Letter of Representation and Management Responses to the audit findings, including the 2019-20 Management Letter and Interim Audit Reports.

We acknowledge the recommendations resulting from the NAO 2019-20 Audit Completion Report and interim update report on the 2020-21 Financial Statement Audit, including weaknesses in financial management, which we are addressing. The recommendations have either been actioned or form part of an action plan for completion. The Committee supports the delivery of this action plan, which has been closely monitored in respect of the audit work required, both planned and unplanned, to ensure mitigation where possible of the fee level associated with the previous year and anticipated for this, and to secure best value.



Nomination, Appointments and Remuneration Committee

During 2020-21, the Nomination, Appointments and Remuneration Committee continued to provide advice to the Board on matters relating to Executive accountabilities and appropriate pay packages, performance management and HR policies. The Committee supported the Executive in our response to the COVID-19 pandemic and ensuing financial restraints, through taking the difficult decisions to furlough staff where appropriate, as well as organisational change, amendments to the redundancy policy to align more closely with industry norms, and recommending that the Board implement a pay freeze in the 2020-21 financial year. Senior staff also took voluntary pay cuts of 10% to 20%. The Committee was pleased to be able to set parameters for the negotiation of a 1% pay review for 2021-22, in recognition of the dedication and hard work of CITB colleagues throughout the challenging period of the pandemic. Succession plans for Executive Directors and the Leadership Team were reviewed, and recruitment began to replace the Chief Executive and the Products and Customer Services Director. Consideration of the total reward framework was put on hold for the 2020-21 financial year, but the Committee began to review the development of a People Strategy, which will incorporate the total reward framework, future ways of working, and focus on workplace culture and environment, colleague development, and delivering performance.

There were eight meetings of the Nomination, Appointments and Remuneration Committee during 2020-21, and the Committee met its Terms of Reference. The CITB Chair oversaw the Committee as a temporary measure until October 2020, following the previous Committee Chair reaching the end of her term in office. In June 2020, Tony Elliott was appointed as a Board Trustee, joined the Committee in August and accepted the role of Committee Chair in October.

Industry Funding Committee

The Industry Funding Committee is a decision-making body with delegated authority from the Board to authorise industry funding of up to £5m for any one commission or funding project. The Committee is tasked with assisting the Board to adopt a funding strategy that supports our strategic aims, and then monitoring the delivery and impact of this funding strategy – making resultant recommendations to the Board as necessary.

The Committee's last meeting of the previous financial year was in March 2020, just as it was becoming clearer that COVID-19 would have a major impact on construction. By the time the Committee met again in July 2020, CITB's Board had taken a decision to delay Levy collection and had replaced its Business Plan for 2020-21 with a Skills Stability Plan, drawn up in recognition that industry needed rapid support to help retain its existing skills during the crisis and would require training to support re-skilling and upskilling through the post-Covid recovery period. Therefore, much of the Committee's initial work in 2020-21 was to support the new training agenda set out by the Skills Stability Plan, identifying where the pre-pandemic training priorities had changed, and what priorities had replaced them.

As the year progressed, the Committee continued to monitor the performance of commissions and funds, and considered the impact of moving certain provision to virtual rather than onsite delivery while lockdown and social distancing measures were in place. Alongside this, we launched a comprehensive review of the Grants Scheme and looked to the Committee to play a significant role in contributing to this review and helping to shape the Scheme moving forward. To this end, Committee members participated in additional workshops and meetings considering all aspects of the current Grants Scheme, and approved the revised Grants Scheme Objectives Statement and Principles. This Grants Scheme review work remains ongoing, and is due to conclude at the end of 2021-22.

Committee members also participated in the Board's annual internal effectiveness review, and the results of this review led to a more agile approach to meetings, with Committee members participating in topic-based workshops and steering early-stage thinking of ideas, as well as advising CITB on the best way to engage and implement funding with industry. The Committee has been active throughout the year to respond to specific requests and provide input as a major CITB Board Committee, and members commit significant time to other meetings and discussions.

The Committee is chaired by Trustee member Steve Fox, who is joined by fellow Trustee member Holly Price, and independent members Julia Evans and Rupert Perkins. Two new independent members also joined the Committee this year – Ian Dickerson and Steve Drury. Trustee member Yvonne Kelly stepped down from this Committee in March 2021. Collectively, these Committee members bring extensive experience and knowledge from construction and its associated industries, further education and higher education, along with a good spread of industry representation from major contractors, medium-sized employers, SMEs and not-for-profit organisations. Committee meetings provide a forum for robust, lively debate, with all Committee members prepared to offer their views and constructive challenge.

Nation Councils

During the 2020-21 financial year, the CITB Nation Councils continued to work closely with the Board capturing and articulating issues affecting the industry, particularly the impact of the COVID-19 pandemic. The Councils assisted in the development of COVID-19 support initiatives for the industry and in developing the 2020-21 Skills Stability Plan, which replaced the 2020-21 Business Plan that we were about to publish.

The Councils' advice and input were sought in the development of the Levy Proposals which went out to Consensus in the summer of 2021, and shaping the Strategic Plan into a new GB-wide Business Plan and plans for each nation, outlining agreed priorities for 2021-25. Each Nation Council also held focused discussions on areas that were specific to their nation.

Council members, either within their own Nation Councils or as part of joint Council meetings, took part in a growing number of standalone workshops, which helped to shape our thinking on our role and plans in a range of areas. This included net zero carbon emissions, competence, apprenticeships, onsite hubs and targeting action at the most pressing areas of skill need.

There was a three-yearly refresh of Nation Councils' membership in 2021, with a Nation Councils Chairs' recruitment process in May 2021, followed by a recruitment process for the general membership of each Nation Council in June/July 2021.

Cymru Wales Nation Council

The Cymru Wales Nation Council continued to work with the CITB Board to help support industry during the COVID-19 pandemic, asking questions and providing recommendations in a range of areas, including: training to deal with the COVID-19 situation, mental health, and support for apprenticeships during lockdowns. The Council also raised questions regarding the long-term impact of the pandemic on standards and on training course content and delivery methods. The Council requested that the Board focus on industry training, including ensuring scaffolding provision commenced as soon as possible at the Construction Wales Innovation Centre after the building had been returned following its use as a field hospital. Additional discussions focused on retrofit and decarbonisation training to ensure that the sector is fit for the future.

Nick Evans resigned from the Council in August 2020. (Neal Stephens resigned post reporting period).

England Nation Council

The England Nation Council worked with the CITB Board to help shape our new four-year Strategy and KPIs, focusing on efficient customer delivery and transparency of outcomes, as part of the Skills Stability Plan. The Council brought constructive challenge and support in equal measure, which helped to shape our Strategic Plan, and the England Nation Business Plan specifically, setting out the priorities for 2021-25.

Numerous workshops were held during the year on key future plans, including FE interventions, competence frameworks and priority skills areas.

Rob Tansey resigned from the Council in December 2020, and Alison Lamplough was recruited to the Council in January 2021.

Scotland Nation Council

The Scotland Nation Council had input into both strategic and operational priorities relating to supporting employers and learners affected by COVID-19-related economic and social issues. This work included the production of the 2021-25 Strategic Plan, which outlines our support in Scotland, and the development of KPIs which reflect GB and Nation priorities and allow for operational performance reporting at a Scotland-specific level.

In the midst of the COVID-19 pandemic, the Council acted as a facilitator and conduit to other Scottish stakeholders involved in supporting COVID-19-related matters, such as the Scottish Government, to ensure support was available to employers and learners where most required. It liaised with the CITB Board and key strategic bodies, such as the Nation Leadership Groups, to ensure guidance and working practices introduced to mitigate the impact of COVID-19 on industry were disseminated and updated on an ongoing basis.

Throughout the year the Council reiterated the importance of apprenticeship provision in Scotland and worked with the Board and senior staff members to ensure this was reflected in terms of our operational priorities in Scotland.

Tony Elliott was appointed to the CITB Board in June 2020 and took on the Deputy Nation Council Chair's post accordingly. Having stepped down from the CITB Board in May 2020, Maureen Douglas took on the Scotland Nation Council's Chair post on an interim basis until July 2021. Zeshan Afzal relinquished his membership as a Council member in July 2020, while Angela Forbes and Susan Jackson joined the Council in January 2021.



Levy Working Party

The Levy Working Party (LWP) was established by the Board pursuant to the Industrial Training Act 1982. The purpose of the LWP was to represent the views of industry across all three nations on the development of the 2020 Levy Proposals, with specific reference to the anticipated cost of the Strategic Plan.

The Committee consisted of two CITB Trustee members, four industry representatives from the CITB Nation Councils and two independent members who were not part of the CITB Nation Councils. The diversity of the group encouraged challenging discussions that helped shape the Committee's recommendation to the Board.

The work of the LWP was significantly impacted by the onset of the COVID-19 pandemic, with the Consensus process delayed by a year and the need to make changes to the existing Levy to reflect the difficult circumstances faced by many employers in the industry. On top of the five-month Levy holiday, we sought to make changes to the rate of the existing Levy. When discussions with Government established that we could not be confident that work on this would be completed in time, we developed a new approach with a one-year Levy introduced for 2021-22 at half of the existing rate. Throughout this period, we worked closely with the LWP as it developed its approach.

During the year, the Committee covered the following:

- Receiving and reviewing the outputs from the consultation on the draft Levy Proposals, as well as feedback from the Prescribed Organisations
- Reviewing forecasts for Levy income for 2020-22, taking the impact of COVID-19 into account
- Agreeing a halving in Levy rates for the 2021-22 Levy to support employers further during the pandemic.

The LWP also recommended that the Levy exemption threshold that had been set at £80k for over 10 years be increased to £120k. This recommendation was based on the overwhelming support (85%) in the consultation to the proposal to increase it to £100k, and as an extra level of support during the pandemic for smaller employers.

The LWP was retired at the end of July 2020 in line with its Terms of Reference. However, in recognition of the importance of the Levy mechanism and the need to ensure that it remains fit for purpose on a continuous basis, the Board decided to establish a new standing Board Committee, the Levy Strategy Committee, to meet this remit.



Levy Strategy Committee

The Levy Strategy Committee (LSC) had its inaugural meeting on 3 November 2020. Committee members were selected via an application process on the basis of their strategic and analytical skills. The LSC has 11 members: five independent members including two Trustees, and six members representing Levy-registered employers. The mix of the LSC brings extensive skill and diversity of industry intelligence, which has helped shape the Committee's recommendations to the Board.

The remit of the LSC is similar to, but wider than that of, the LWP. Its initial primary purpose is to deliver the Levy Proposals for the three-year 2022 Levy Order aligned to the anticipated cost of the Strategic Plan. Its longer-term role is to support the Fundamental Review of Levy that will shape future Levy Orders to ensure the system is and remains fit for purpose.

During the year, the LSC covered the following:

- Reviewing forecasts for Levy income in the years 2022-25, taking into account the potential impact of COVID-19 on amounts employers would be liable to pay and their ability to pay the Levy
- Consideration of multiple options for how Levy could be adapted to generate the level of Levy required by the Strategic Plan
- Consideration of options to generate additional Levy, closer to the pre-COVID-19 forecast amounts, to enable us to support industry further as it recovers from the pandemic
- Consideration of whether the impact of the introduction of IR35 legislation in April 2021 should be factored into Levy Proposals
- Recommendation to the CITB Board of draft Levy Proposals that retained the pre-COVID-19 Levy rates (PAYE @ 0.35% and Net CIS @ 1.25%) and retained the Levy exemption and reduction thresholds used in the 2021 Levy Order (£120k and £400k, respectively)
- Initial discussions to consider matters that members felt should be included and considered in the Fundamental Review of Levy.

In the 2021-22 financial year, the LSC will make its final recommendations to the CITB Board for the 2022 Levy Order Proposals. It will also consider many aspects of the current Levy system, including the employment basis, the potential to move to a real time-based Levy, and the impact of a modernising construction industry on the scope of CITB.



RISK MANAGEMENT

Our system of internal control is designed to manage risks to a reasonable level, to evaluate the likelihood of those risks occurring, to mitigate the impact should they be realised, and to manage risks efficiently, effectively and economically.

The system of internal control has been in place for the financial period ended 31 March 2021 and is subject to internal audit that follows the Public Sector Internal Audit Standards.

We manage risk through regular scrutiny, at strategic and team level. Oversight of the effectiveness of risk management and the assurance from management is provided by the Audit and Risk Committee.

A number of specific sources contribute to the annual review of these risks, including:

- Reports and recommendations from the Audit and Risk Committee
- The Head of Internal Audit's annual opinion to the Accounting Officer
- Recommendations from the National Audit Office
- Annual accountability statements from members of the Executive and senior managers, outlining the governance, risk and control arrangements in their business areas
- External reports on CITB produced by independent organisations such as Ofsted
- Legislative and regulatory guidelines, including those relating to charitable status, state aid and tax arrangements.





Risk management process

As a registered charity, we have a prudent and balanced attitude to risk, placing emphasis on our risk management and control framework.

There are several ways we manage risks, specifically for the year ending 31 March 2021:

- A review of our strategic risks was undertaken as part of the business planning process. This involved sessions with the Executive Team, with the Leadership Team, and sign-off by the Board, via the Audit and Risk Committee
- Risks were also considered from an operational and project level, and escalated where appropriate
- The Executive had collective oversight of risks at the strategic level and undertook deep-dive reviews of the management of these risks throughout the year
- Each meeting of the Audit and Risk Committee received a risk update, including details of the organisation's strategic risks and the deep-dive reviews undertaken by the Executive.

Risk overview

The external environment in 2020-21 was highly dynamic, requiring significant risk management action by the Executive and Leadership Teams. The impact of COVID-19 at the start of the financial year required the rapid adjustment to remote working across CITB and the suspension of our face-to-face delivery.

The economic uncertainty facing the construction industry in the early stages of the pandemic fundamentally shifted the skills landscape, with the focus shifting rapidly from attraction to retention. Responding to industry's challenge required rapid adjustment of expenditure plans and budgets, supported by the suspension of the Levy for the first five months of the financial year, reflected in the Skills Stability Plan published in June 2020.

Alongside the development of the Skills Stability Plan, the strategic risks were refreshed and updated to reflect the impact of the COVID-19 pandemic.

Each strategic risk is owned by a member of the Executive Team, with the key mitigating actions and controls for each risk being owned by a member of the Leadership Team. The extent to which these are operating effectively is RAG-rated and a target date to achieve a 'green' status is agreed. Performance is reviewed and updated regularly.

Risk description	Mitigations
Funding: There is a risk that CITB has insufficient funding to meet industry commitments and maintain a sustainable business	▪ Loan facility agreed with DfE ▪ Robust forecasting process and monthly review process to delay or stop operational expenditure ▪ Monthly economic forecasting to inform scenario and contingency planning
Support to pay the Levy: There is a risk that there is insufficient support for the Levy required to support the skills needs	▪ Industry consultation and engagement on the Strategic Plan ▪ Demonstrating value of Levy through delivery of services and effective communication ▪ Business plans developed by customer segment, e.g. Nation Plans ▪ Operating cost reductions
Training infrastructure: There is a risk that CITB is unable to maintain the training infrastructure	▪ Niche training provision to support specialist sectors ▪ Construction Talent Retention Scheme to support displaced apprentices to find employment ▪ Advanced apprenticeship grant to support employers in retaining apprentices during COVID-19 ▪ Allow greater flexibility in training, including eLearning
Fraud: There is a risk that CITB does not protect itself adequately against high levels of fraudulent activity, which is damaging, due to profile, value or volume	▪ Vetting of companies applying to be Approved Training Organisations (ATOs) ▪ Use of CCTV at test centres ▪ Cross-agency working, including with Home Office and UK Border Agency ▪ Levy and grant verification
Third-party providers: There is a risk that CITB is unable to operate effectively because third-party providers fail to meet CITB's requirements	▪ Regular due diligence and financial assessment of suppliers ▪ Monthly monitoring of key suppliers' performance



With regard to funding, we implemented the Skills Stability Plan and published a new four-year Strategic Plan reflecting the current economic forecasts. We agreed a loan facility with DfE to ensure we were able to make greater use of reserves in order to maintain ongoing funding and support to industry throughout the pandemic and the suspension of the Levy. Although, in the end, the loan transpired to be surplus cash, we could not be certain that was going to be the case and so took steps to secure the funding. Contingency plans were developed and maintained throughout the pandemic to address the risks of further restriction measures.

With regard to the support for the Levy, we consulted on a new four-year Strategic Plan, aligned to industry's priorities in recovering from the economic and skills impact of the pandemic. We utilised the furlough scheme and implemented an organisational restructure and other operational cost reductions to reflect the reduced Levy forecast and maximise the funding available through the Levy to support industry priorities.

With regard to maintaining the training infrastructure, we implemented immediate measures to advance apprenticeship grants to employers to support the retention of skills in the early stages of the pandemic. The Skills Stability Plan further prioritised funding to support the retention of skills. Alongside this, we supported the Construction Talent Retention Scheme to ensure both apprentices and existing workers are retained within the industry. Recognising the risk to skills from the suspension of face-to-face training and learning, we implemented eLearning provision and introduced greater flexibility into training delivery to maintain training throughout the pandemic.

With regard to third-party suppliers, we have continued to strengthen the contract management function and commissioning function to manage all third-party services. We conduct regular performance reviews with key suppliers and providers, and we have rights of audit with key operational suppliers which will form part of our ongoing internal audit plans. This increases the assurance level around the outsourced provision and helps identify and address any future areas of concern at an earlier point in time. We experienced some issues in the management of grant and Levy, and the application of the furlough scheme through our outsource partner, compounded by the pandemic, and we have worked and continue to work collaboratively with our partners to ensure performance meets the required levels.

The current risk environment remains dynamic and challenging. We expect lasting change to the way CITB and all organisations work in the future. We continue to review and assess the changing risk environment to ensure we remain agile and prepared as the economy, businesses and the skills landscape adjust to a post-COVID-19 world.



Head of Internal Audit's opinion

Although the internal audit was impacted by the disruption caused by the COVID-19 pandemic during 2020-21, the Internal Audit Team, working to the Public Sector Internal Audit Standards, delivered reviews against a reduced Audit Plan approved by the Audit and Risk Committee. The revised Audit Plan was developed to focus on areas of control and risk considered core to the system of internal control, as well as areas of known development needs and areas of low assurance and high risk. Despite the reduction in the number of audits compared with previous years, the level of work performed during the year and the breadth of coverage remained sufficient for the Head of Internal Audit to provide the annual opinion.

An annual report, summarising the work undertaken and containing the Head of Internal Audit's opinion, was presented to the Audit and Risk Committee and stated that the quality of governance, risk management and internal control during the year to 31 March 2021 was 'satisfactory, with some improvements required.' This opinion is based on delivery of the 2020-21 Audit Plan across activities, and inputs from risk management activity and governance arrangements. Management responded positively to the findings of each review, and agreed to implement action plans to address the identified risks and drive enhancement of the control environment in the coming year.

Section 5

Statement by Accounting Officer

STATEMENT BY ACCOUNTING OFFICER, SARAH BEALE

Our approach to data security

To achieve our aims, CITB processes personal information about individuals. Categories of data subjects include construction-related employers, employees and prospective employees within the construction industry, construction apprentices, suppliers, contractors and internal staff.

We are committed to protecting the rights and freedoms of individuals in respect of the processing of their personal data and undertake to comply with our legal obligations and responsibilities at all times.

We routinely review systems and processes for handling data securely against prevailing guidelines to ensure we continue to meet expected standards. We follow ISO 27001-compliant practices in relation to information security and have a current Cyber Essentials Plus certification.

We comply with our legal obligations in relation to personal data, and any serious data-related incidents are published and reported to the Information Commissioner's Office (ICO). This year, no incidents were reported to the ICO.

As CITB's outsourced IT Service Provider, SSCL is committed to protecting the security and access to the data of our customers. SSCL follows ISO 27001-compliant practices in relation to information security and enable CITB to hold a current Cyber Essentials Plus certification.

SSCL investigates all security incidents relating to its service to CITB to identify suitable improvements in process, staff education and technical security measures. There were no new high-severity security incidents raised in financial year 2020-21. One high-severity incident raised in January 2020, in respect of a vulnerability in Oracle's reporting software, was resolved via an Oracle patch in May 2020.

Our approach to reporting concerns

We are committed to achieving and maintaining high standards of behaviour at work, in service to the public and in all our working practices, and to maintaining a culture where people are encouraged to speak out, confident that they can do so without adverse consequences and that appropriate action will be taken. Our arrangements for reporting concerns (also known as whistleblowing) were reviewed and approved by the Audit and Risk Committee during the year. There were no whistleblowing incidents during the year.

Register of interests

As a non-departmental public body (NDPB), CITB must abide by principles of regularity and propriety, ensuring that its work is not adversely impacted by conflicts of interest. Board Trustees, Council and Board Committee members, and Executive Directors are required to complete a declaration of any interests annually. No significant company directorships or other interests were held by members that conflicted with their role and responsibilities.

In addition, all staff are required to complete a declaration of interest return annually, including those who have no interests to declare, and to declare any gifts or hospitality offered.

Maintaining stakeholder support

To continue to meet industry expectations, CITB must maintain support from a range of stakeholders. We liaise with industry at all levels and have connections with federations, trade unions and educational bodies. We work with Government (with the Department for Education at Westminster, and the Scottish and Welsh Governments) and we are involved in a range of stakeholder events, consultative groups and forums, and stakeholder surveys.

CITB is required to seek and demonstrate to the Secretary of State support from industry for its Levy Proposals in order to secure a Levy Order that will enable CITB to support and deliver skills and training in the industry. Due to the exceptional economic environment of 2020, and in response to feedback from federations and employers, the decision was taken – in consultation with the Department for Education – to withdraw the Consensus process in the summer of 2020 and instead seek a one-year Levy Order, with Parliament's consent, for the 2021-22 Levy year. A formal Consensus process for a new three-year Levy Order was held in the summer of 2021.



Conclusion

As Accounting Officer, I am satisfied that the governance arrangements that were in place during the year to 31 March 2021 are sufficient to continue managing risks effectively. This is informed by the work of Executive Directors and the Leadership Team, who are responsible for developing and maintaining the governance structures and internal control framework. I acknowledge the comments made by the National Audit Office in its management letter and other reports (refer to **External Audit** on page 27). The Governance Statement represents the end product of the review of the effectiveness of the governance framework, risk management and internal control.

Based on the review I have outlined above, I conclude that CITB has a satisfactory system of governance, risk management and internal control that supports the aims and objectives of the organisation.



Sarah Beale
Accounting Officer, 8 October 2021
Acknowledged on behalf of the Board



Diana Garnham
Chair of Audit and Risk Committee, 8 October 2021

STATEMENT OF THE BOARD AND ACCOUNTING OFFICER'S RESPONSIBILITIES

Under section 8 (1) of the Industrial Training Act 1982, the Board is required to prepare for each financial year a statement of accounts in the form and on the basis determined by the Secretary of State with the consent of the Treasury.

The accounts are prepared on an accruals accounting basis and must show a true and fair view of CITB's state of affairs at the year end and of its income and expenditure and cash flows for the financial year.

In preparing that statement of accounts, the Board and Accounting Officer are required to comply with the requirements of the Charities Statement of Recommended Practice (FRS 102) and have regard for the relevant requirements of the Government Financial Reporting Manual and in particular to:

(a) Observe the accounts direction issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
(b) Make judgements and estimates on a reasonable basis
(c) State whether applicable accounting standards as set out in the Charities Statement of Recommended Practice and Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements
(d) Prepare the financial statements on a going concern basis unless it is inappropriate to presume that CITB will continue in operation
(e) Confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable, and to take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Accounting Officer for the Department for Education has designated the Chief Executive of CITB as Accounting Officer for CITB. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding CITB assets, are set out in Managing Public Money published by the HM Treasury.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that CITB's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

Approved by the Board on 8 October 2021 and signed on its behalf by:



Peter Lauener
Chairman, 8 October 2021



Sarah Beale
Accounting Officer, 8 October 2021

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

Opinion on financial statements

I certify that I have audited the financial statements of the Construction Industry Training Board for the year ended 31 March 2021 under the Industrial Training Act 1982. The financial statements comprise: the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes, including the significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom accounting standards including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

I have also audited the information in the Remuneration Report that is described in that report as having been audited.

In my opinion:

- The financial statements give a true and fair view of the state of the Construction Industry Training Board's affairs as at 31 March 2021 and of its net income for the year then ended
- The financial statements have been properly prepared in accordance with the Industrial Training Act 1982 and Secretary of State directions issued thereunder
- The financial statements have been prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and section 8 of the Charities Accounts (Scotland) Regulations 2006.

Opinion on regularity

In my opinion, in all material respects the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I have also elected to apply the ethical standards relevant to listed entities. I am independent of Construction Industry Training Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Construction Industry Training Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Construction Industry Training Board's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Board and Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

Other information

The other information comprises information included in the Annual Report, but does not include the financial statements and my auditor's certificate thereon. The Board and Accounting Officer are responsible for the other information. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion:

- The parts of the Remuneration Report to be audited have been properly prepared in accordance with Secretary of State directions made under the Industrial Training Act 1982
- The information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Construction Industry Training Board and its environment obtained in the course of the audit, I have not identified material misstatements in the Annual Report.
I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- Adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff
- The financial statements and the parts of the Remuneration Report to be audited are not in agreement with the accounting records and returns
- I have not received all of the information and explanations I require for my audit
- The Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Board and Accounting Officer

As explained more fully in the Statement of the Board and Accounting Officer's Responsibilities, the Board and the Accounting Officer are responsible for:

- The preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view
- Internal controls as Board and the Accounting Officer determine is necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error
- Assessing the Construction Industry Training Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board and the Accounting Officer either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.



Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Industrial Training Act 1982.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included the following:

- Inquiring of management, the audited entity's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Construction Industry Training Board's policies and procedures relating to:
    - Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
    - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud
    - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Construction Industry Training Board's controls relating to the Industrial Training Act 1982, the 2018 Levy Order and Managing Public Money.
- Discussing among the engagement team and involving relevant internal specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, posting of unusual journals, grant expenditure and through manipulation of significant estimates
- Obtaining an understanding of the Construction Industry Training Board's framework of authority as well as other legal and regulatory frameworks that the Construction Industry Training Board operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Construction Industry Training Board. The key laws and regulations I considered in this context included the Industrial Training Act 1982, 2018 Levy Order, Coronavirus Act 2020, Managing Public Money, and other relevant employment, pension and tax legislation.

In addition to the above, my procedures to respond to identified risks included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above
- Enquiring of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims
- Reading minutes of meetings of those charged with governance and the Board
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business
- Substantive testing of the material model-based estimates recognised in the financial statements, including an assessment of the potential for bias in the assumptions applied by management.



I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, including internal specialists and significant component audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:
www.frc.org.uk/auditorsresponsibilities
This description forms part of my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

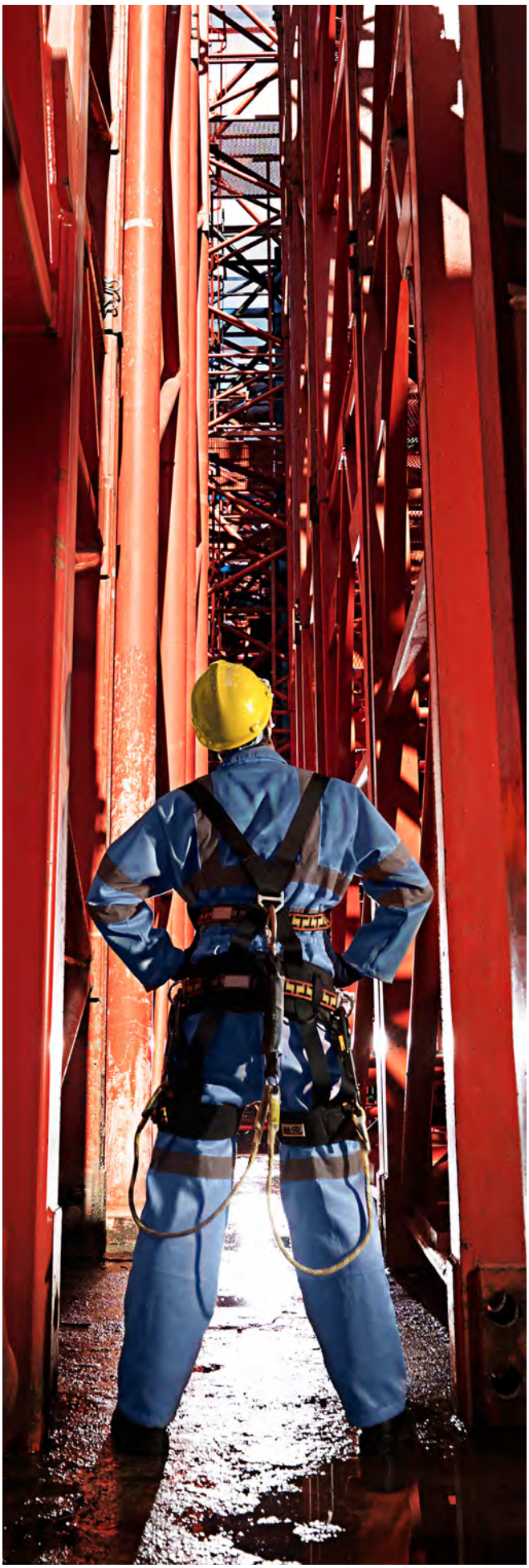
Report

I have no observations to make on these financial statements.

Gareth Davies **14 October 2021**

Comptroller and Auditor General

National Audit Office
157-197 Buckingham Palace Road
London
SW1W 9SP



Section 6

Financial Performance

FINANCIAL STATEMENTS

Statement of financial activities for the year ended 31 March 2021

	Notes	2020-21 £'000 Restricted	2020-21 £'000 Unrestricted	2020-21 £'000 Total	2019-20 £'000 Total
INCOME					
Income from charitable activities	2				
Levy income			191,942	191,942	188,177
Non-Levy income					
Training and Development		36,170	21,314	57,484	83,042
Careers			(15)	(15)	39
Standards and Qualifications			214	214	353
Engagement and Evidence Base			1	1	56
Other			(137)	(137)	745
Total non-Levy income		**36,170**	**21,377**	**57,547**	**84,235**
Income from trading activities	3		-	-	15
Income from investments			175	175	1,001
Income from Government grants	19	4,393	-	4,393	-
Other income			191	191	346
Total income		**40,563**	**213,685**	**254,248**	**273,774**
EXPENDITURE					
Expenditure on raising funds		16	2,077	2,093	2,507
Expenditure on charitable activities					
Training and Development		105,168	62,063	167,771	253,399
Careers		8	877	885	2,128
Standards and Qualifications		499	5,018	5,517	7,369
Engagement and Evidence Base		1,054	11,531	12,585	19,486
Total expenditure on charitable activities	5	**106,729**	**80,029**	**186,758**	**282,382**
Expenditure from trading activities	3		39	39	67
Other expenditure			(440)	(440)	(1,870)
Total expenditure		**106,745**	**81,705**	**188,450**	**283,086**
Net (loss)/gain on revaluation of investments		-	692	692	(1,268)
Net income/(expenditure)		**(66,182)**	**132,672**	**66,490**	**(10,580)**
Transfer from unrestricted fund		**66,182**	**(66,182)**	**-**	**-**
Net movement in funds		**-**	**66,490**	**66,490**	**(10,580)**
Total accumulated funds at period start	14	**-**	54,243	**54,243**	**64,823**
Total accumulated funds at period end	14	**-**	**120,733**	**120,733**	**54,243**

The above results include all recognised gains and losses and are derived from continuing activities. The notes 1 to 24 on pages 47 to 71 form an integral part of these accounts.

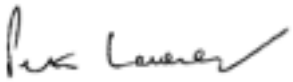
Balance sheet as at 31 March 2021

	Notes	2020-21 £'000	2019-20 £'000
Fixed assets			
Tangible assets	8	11,776	12,927
Investments	10a	-	18,780
		11,776	**31,707**
Current assets			
Stock		952	746
Debtors	9	78,603	19,856
Investments	10a	-	11,117
Cash at bank	10b	90,464	62,390
		170,019	**94,109**
Liabilities			
Creditors: Amounts falling due within one year	11	(36,521)	(43,062)
Net current assets		133,498	51,047
Total assets less current liabilities		**145,274**	**82,754**
Provisions for liabilities	12	(24,541)	(28,511)
Total net assets		**120,733**	**54,243**
Unrestricted Funds	14	120,733	54,243
Total Charity Funds	**14**	**120,733**	**54,243**

Notes 1 to 24 on pages 47 to 71 form an integral part of these accounts
Approved by the Board on 8 October 2021 and signed on its behalf by:



Sarah Beale, Accounting Officer,
8 October 2021



Peter Lauener, Chairman,
8 October 2021

Cash flow statement as at 31 March 2021

	Notes	2020-21 £'000	2019-20 £'000
Cash flows from operating activities			
Net incoming (outgoing) resources for the year		66,490	(10,580)
Income from investments		(15)	(1,001)
Interest expense		103	-
Depreciation charges	8	656	606
Profit on sale of tangible fixed assets		(167)	(95)
Realised (gain)/loss on investments	10a	(692)	1,268
Net effect of revaluation of freehold properties	8	(440)	(1,871)
Decrease/(Increase) in debtors and stock		(58,953)	11,619
(Decrease)/Increase in creditors and provisions		(20,511)	6,322
Net cash inflow/(outflow) from operating activities		**(13,689)**	**6,268**
Cash flows from investing activities			
Interest received on investments	15	175	1,001
Receipts from sales of tangible fixed assets	15	1,102	1,117
Proceeds from sale of investments	15	31,847	26,142
Purchase of investments	10a	(1,258)	(37,307)
Net cash inflow/(outflow) from investing activities		**31,866**	**(9,047)**
Cash flows from financing activities			
Borrowing		10,000	-
Interest paid on borrowings		(103)	-
Net cash inflow from financing activities		**9,897**	-
Increase/(decrease) in cash and cash equivalents		**28,074**	**(2,779)**
Cash and cash equivalents at period start		**62,390**	**65,169**
Cash and cash equivalents at period end		**90,464**	**62,390**

Notes 1 to 24 on pages 47 to 71 form an integral part of these accounts



NOTES TO THE ACCOUNTS

1. Accounting policies

Public benefit entity

As a charity, CITB is a public benefit entity, therefore 'an entity whose primary objective is to provide goods or services for the general public, community or social benefit and where any equity is provided with a view to supporting the entity's primary objectives rather than with a view to providing a financial return to equity providers, shareholders or members.'

Going concern

The financial statements for the year ending 31 March 2021 have been prepared on a going concern basis.

Despite postponing the issue of the 2019 Levy Assessment from April to August 2020 and the general uncertainty caused by the pandemic, CITB has ended the year with a strong reserves position and a healthy cash balance. The decision to raise a 50% reduced 2020 Levy Assessment in August 2021, to recognise the pressures that the pandemic placed on the construction industry, means that Levy income in 2021-22 will only be half of the amount expected pre-pandemic, an impact of approximately £96m. However, CITB's actions to reduce operating expenditure and lower grant and funding activity, reflecting the impact of the pandemic, along with the healthy balance sheet at the year-end, mean that we have sufficient funds to meet spending plans for 2021-22 and beyond.

The Board has also considered the impact of 2021 being a Consensus year and held conversations with the Department for Education (DfE) and their position regarding the potential outcomes of Consensus. Following those discussions and having regard to the requirements of the Industrial Training Act 1982, the Board retains the support of the Department to secure income for 12 months following the signing of the Annual Report and Accounts. Accordingly, the Board properly prepares and submits the 2020-21 Annual Report and Accounts on a going concern basis. Just prior to the approval and signing of the 2020-21 Annual Report and Accounts, the result of Consensus was established and CITB has been successful in gaining industry support for a further three years.

Accounting convention

The financial statements are prepared in accordance with the Industrial Training Act 1982 and directions made thereunder by the Secretary of State for Education. The accounts comply with the requirements of Accounting and Reporting by Charities: Charities SORP (FRS 102). The accounts also follow the disclosure requirements of the 2020-21 Government Financial Reporting Manual and also provide additional disclosures where this goes beyond the requirements of the Charities SORP (FRS 102). These accounts are prepared under the historical cost convention, as modified to reflect the revaluation of fixed assets and investments.

Restricted funds

Restricted funds relate to apprenticeship activity funded by the Education and Skills Funding Agency (ESFA), Skills Development Scotland (SDS) and Welsh Assembly Government (WAG) and their associated expenditure, in which contractual agreements state that funds should only be used for apprenticeship funds. In addition, the Construction Skills Fund (CSF) monies received from the DfE and Apprenticeship Employer Grant received from SDS, along with associated expenditure, are also restricted in nature based on contractual agreements. Note: income received from colleges under new arrangements are termed as unrestricted, as contractual agreements are not restricted in the same way.

Expenditure for apprenticeship activities is apportioned between restricted and unrestricted based on income apportions, as staff may be working on both.

Income received from the Coronavirus Job Retention Scheme (CJRS) is included within the restricted fund, along with the corresponding payroll costs it is supporting. This is due to the restriction on the use of the income to fund payroll and qualifying salary payments only.

No surplus is made on restricted funds and therefore any loss is covered by unrestricted funds.

Levy income

Levy income is that receivable from assessments based on the employment details returned by employers, with an estimate for those from which employment details have not been received. Estimated assessment income is reduced by a provision for reassessments, based on historical trends, to allow for their normal write-down in value following the receipt of a Levy Return declaring actual direct employment and labour-only subcontract payments. A provision for bad debts, based on identified doubtful debts, prior years' experience and the economic state of the industry, is also applied against Levy debts, and both the movement in the provision during the financial year and the actual bad debts written off in the year are set off against Levy income. Levy Assessments are recognised in the Statement of Financial Activities in the period in which they are raised.

Charitable activities – non-Levy income

Non-Levy income is recorded by charitable activity and is accounted for on an accruals basis.

Apprenticeship income is recognised as restricted funds based on contractual terms.

Deferred income

Deferred income is recognised where cash has been received during the accounting period, but for which associated activities will not be carried out until subsequent accounting periods.

Investment income

Income from investments is included in the Statement of Financial Activities on an accruals basis.

Expenditure

The charge in the Statement of Financial Activities consists of the training grants paid during the year together with an estimate of the liability for unpaid grants for the period and any adjustments to accruals and provisions made in earlier years. Grants are considered to be legally binding when the terms have been agreed by both parties.

Charitable activities

The charges in the Statement of Financial Activities are recognised on an accruals basis.

Leasing

Rentals paid under operating leases are charged in the Statement of Financial Activities on a straight-line basis over the lease term.

Allocation of expenditure

Direct costs are allocated accordingly, with support costs apportioned to activities by appropriate drivers. For the majority of support costs, this is an average of the full-time equivalent for the financial year. However, funding support costs have been allocated based on funding expenditure split between the activities, while estate costs have been allocated on an office full-time equivalent/college training days basis.

Realised gains/losses on investments

The Statement of Financial Activities recognises the net value of all gains and losses on the sale of investments, calculated as the difference between the cost and sales proceeds of each investment liquidated.

Unrealised gains/losses on investments

The difference between the brought-forward market value at the beginning of the accounting period and the year-end market value of all investments held at the balance sheet date is recognised in the Statement of Financial Activities.

Debtors

Levy debtors represent the estimated recoverable amounts of unpaid Levy Assessments, having taken account of provisions for bad debts and for reassessing estimated assessments following the late receipt of Levy Returns. CITB only writes off Levy debts when it has evidence that an employer has become insolvent, ceased to trade, is dissolved or, CITB having made all reasonable efforts to locate the debtor, is untraceable.

Non-Levy debtors are shown at their amortised value after any provision for impairment.

Tangible fixed assets

Tangible fixed assets (excluding freehold land and buildings) are stated at cost less accumulated depreciation. Adjustments to modified historical cost, to recognise the assets at fair value, are only made if material. For non-revalued assets, the depreciated historic cost is considered to be a reasonable estimate of the fair value. Costs of acquisition, comprising only those costs that are directly attributable to bringing the asset into working condition for its intended use, are capitalised. The threshold for capitalisation is £2,500, either individually or for a group of similar assets.

Freehold land is not depreciated. All other tangible fixed assets are depreciated evenly to write off their value over their estimated useful economic lives. These lie within the following ranges:

Freehold buildings

- 50 years (permanent buildings)
- 20 years (improvements and temporary buildings)
- Nil (buildings under construction).

Motor vehicles	– Ten years
Plant and machinery	– Five to Ten years
Office equipment	– Four to Ten years
Computer equipment	– Four years

Freehold properties are fully revalued every five years and reviewed annually. All tangible fixed assets are subject to an annual impairment review.

Investments

Investments are stated at market value at the balance sheet date. Investments are split between those maturing over one year and those under one year. Bonds, equities and cash are held at market value. Managed funds are valued at a price provided by the third-party investment manager.

Cash and cash equivalents

Cash is represented by amounts held in banks. Cash equivalents are highly liquid investments that are readily convertible to known amounts of cash.

Liabilities

Grant creditors: Amounts payable in relation to grant funding authorised but not yet paid are recognised within creditors.

College fee creditors: Amounts payable in relation to college fee invoices are calculated on the basis of known learners' records. College fees relating to students whose details have not yet been received are accrued for on the basis of historical payment patterns adjusted for any known changes in circumstances.

Trade and taxation creditors: Amounts payable in relation to supplier invoices are based on those due as at the year-end where goods or services have been received.

Borrowings: Amounts payable in relation to loan from the Department for Education.

Government grants

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Provisions

Provisions are made for dilapidations on leasehold properties to represent a provision for estimated settlements with landlords on the expiry of leases. The estimations are based on previous financial experience.

Grant claims not yet received are provided for on the basis of historical payment patterns adjusted for any known changes in circumstances. Provisions and accruals for apprentice grant claims are based on the number of new entrant trainees known to have enrolled on the scheme. At the year-end, we assessed grant provisions in light of all known circumstances, including the COVID-19 pandemic. Our provisions took account of both the reduction in general training activity caused by the pandemic reducing class sizes and the availability of training, as well as delays to claims caused by administrative staff being furloughed.

A restructuring provision has been made to account for the expected redundancy costs associated with concluding the implementation of CITB's Vision 2020 and those made as a result of the pandemic and new ways of working.

Significant judgements

The financial statements include two significant judgements, one for the Levy impairment (bad debt) provision and one for grants earned not yet claimed provision. The 2020-21 Levy Income Impairment Provision is different from previous years because the pandemic meant that we did not raise the Levy Assessment until mid-year and so, as at the year-end, employers still have five months in which to pay their debt. This means that the gross debt at the end of the year is much higher than normal, but we do have sight of the collection of a large amount where employers have signed up to instalment plans.

Generally, collection of the Levy has been much better than anticipated at the start of the pandemic and although our income for 2020-21 is slightly down on pre-pandemic forecasts, it is 24% (£37m) higher than our forecasts at the start of the pandemic.

The key estimate required is how much of the £204m debt outstanding at the year-end will be collected in the fullness of time. We have followed our normal methodology, which is based on age, but adjusted it for the fact that the 2019 Levy Assessment was raised mid-year and to reflect the cash collection experience in 2020-21. We have used our experience of cash collection over the past year, against all prior Levy Assessments, to judge how much we can expect to collect in the fullness of time, as we believe that payment patterns prior to the pandemic are no longer relevant, at least for the 2021-22 financial year. The total provision is then split between bad debt (i.e. money that is owed but not expected to be paid) and reassessment (money that has been invoiced on an estimated assessment and is likely to be adjusted downwards when the Levy Return is received). The split is intended to help the reader understand the difference between the bulk assessment and the net income received, and although it is a judgement, the split itself does not have any net impact on our financial statements.

The second significant judgement is regarding part of the provision for training grants. There is naturally a gap between the grant being earned (i.e. the learner has had their training) and the claim being received by CITB. Therefore, at the year-end we make an assessment for the amount of provision that is required to account for qualification and short duration training grants earned but as yet not claimed. Our methodology is based upon the CITB Grant Product Team's knowledge of the current industry environment and the training therein. They have an expectation as to how much training will be delivered in a financial year and we provide for the difference between that forecast and the amount we have actually paid during the year.

VAT

Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input tax is recoverable, the amounts are stated net of VAT.

Redundancy

Any unpaid costs are accrued, dependent on the rules applied, per employee. Additions to the provision in the year were due to those made as a result of the pandemic and timing of individual redundancies that differed from expectation.

Pensions

CITB is a participating employer in the ITB Pension 2016, and operates a defined contribution section for all staff who joined after 1 January 2013. Being a multi-employer scheme, FRS 102 states that the defined benefit scheme must be accounted for as a defined contribution scheme, as the proportion of assets and funding level attributable to CITB cannot be separately identified.



2. Income from charitable activities

Levy income	2020-21 £'000	2019-20 £'000
Current year's Levy Assessment receivable	232,521	197,921
Less: provision for bad debts and debt write-offs	(36,873)	(5,744)
Net value current year's Levy Assessments	**195,648**	**192,177**
Reassessment of previous years' Levy	(3,706)	(4,000)
Net Levy income for the year	**191,942**	**188,177**

Reassessment of previous years' Levy relates to prior year Levy Assessment that is reassessed this year. Therefore, it is an estimation of uncertainty refined in 2020-21.

The increase in the provision for bad debts is caused in part by a change in the way we registered and assessed new employers. Using data obtained from external sources, we added £17.5m more in new registration assessments for the 2019 Levy year than for the prior year. Almost all of this remains not collected and we believe uncollectable. An estimated assessment was issued based on no Levy Return being submitted and it remains unpaid. Attempts to contact the employers have failed and they may no longer be in business. Even if we do manage to contact them and obtain a completed Levy Return, we suspect it may be assessed to a nil bill. We have not repeated the exercise for new registrants during the 2020 Levy year.

Other reasons for the increase include the delay to issuing the Levy until August and the reduction in the overall amount we believe is collectable as the economy continues to suffer from the pandemic, impacting the cash flow of small and medium businesses in particular.

Non-Levy income – Careers

In 2019-20, a £15k funding accrual was made within Careers to support an event due to take place in 2020-21. The event was cancelled as a result of the pandemic and the accrual has reversed.

Non-Levy income – Other

Other non-Levy income includes a change in the estimate of the deferred consideration on the sale of CSkills Awards and the Construction Plant Competence Scheme (CPCS) due to an earn out payment in the year of £247k.

3. Trading activities

Income from trading activities represents non-charitable income generated from the use of CITB's social and leisure facilities and related expenditure. Associated expenditure is represented in expenditure from trading activities. The use of such facilities was prevented by the COVID-19 pandemic.



4. Material cash support payments in respect of training

Accounting and Reporting by Charities: Statement of Recommended Practice FRS 102 requires material grants made to be disclosed. Disclosure must include the name of the recipient and the aggregate amount of grants made to that recipient. The material payments for 2020-21 are disclosed below:

Recipient	2020-21 £'000
Taylor Wimpey Plc	1,805
Kier Group Plc	1,790
Transport for London	1,764
Royal BAM Group nv	1,563
Procure Plus Holdings Ltd	1,187
Hampshire County Council	1,185
O'Halloran & O'Brien Ltd	935
University of Wales Trinity St David	838
Southend-on-Sea Borough Council	779
Redrow Plc	747
The Skills Centre London Ltd	652
O'Rourke Investments Plc	601
London Borough of Barking & Dagenham	595
Persimmon Plc	561
London Borough of Camden	529
Other recipients	78,947
Total paid or offset during the year	**94,478**



For comparative purposes, the material payments for 2019-20 were:

Recipient	2019-20 £'000
Kier Group Plc	1,960
Taylor Wimpey Plc	1,758
O'Rourke Investments Plc	1,568
Royal BAM Group nv	1,555
University of Wales Trinity St David	1,239
Skanska UK	968
Barratt Developments Plc	954
Procure Plus Holdings Ltd	953
Hampshire County Council	920
Vinci	909
Persimmon Plc	850
Home Builders Federation Ltd	794
Bentley Holdings Ltd	767
London Borough of Camden	630
Morrison Utility Services Ltd	607
Other recipients	117,491
Total paid or offset during the year	**133,923**





5. Expenditure on charitable activities

Activity	Activities directly undertaken £'000	Grant funding activities £'000	Support costs £'000	2020-21 £'000	2019-20 £'000
Training and Development	45,988	94,385	27,398	**167,771**	253,399
Careers	178	93	614	**885**	2,128
Standards and Qualifications	2,250	-	3,267	**5,517**	7,369
Engagement and Evidence Base	6,665	-	5,920	**12,585**	19,486
Total	55,081	94,478	37,199	**186,758**	282,382

Grant funding of £94,478k (2019-20: £133,923k) is split into two elements as per the list below (also referenced on page 23):

- Main Grants Scheme – £65,978k (2019-20: £94,808k)
- Programme-based funding (incorporating structured and flexible funding) – £28,500k (2019-20: £39,115k).

Within the Main Grants Scheme element are two new grants which started in response to the pandemic. These are the Apprenticeship Employer Grant on behalf of SDS and the Employer Incentive Programme on behalf of Business Wales. The value of these grants in 2020-21 were £2,600k and £175k, respectively.

6. Support costs

Support cost	Training and Development £'000	Careers £'000	Standards and Qualifications £'000	Engagement and Evidence Base £'000	2020-21 Total £'000	2019-20 Total £'000
Change	3,623	68	427	919	5,037	22,214
Technology (IT)	6,092	114	719	1,545	8,470	12,001
Communications and marketing	2,521	47	298	640	3,506	8,515
Estates	4,412	204	683	365	5,664	7,175
Strategy and policy	2,060	38	243	523	2,864	4,042
Finance	1,799	34	212	456	2,501	3,542
Human resources	1,781	33	210	452	2,476	2,533
Commissioning	419	8	49	107	583	1,875
Grant support costs	1,095	1	1	1	1,098	1,513
Legal and governance	626	12	74	159	871	1,007
Other corporate costs	2,970	55	351	753	4,129	6,406
Total	**27,398**	**614**	**3,267**	**5,920**	**37,199**	**70,823**





7. Expenditure

	2020-21 £'000	2019-20 £'000
The net movement in funds for the year was arrived at after charging:		
Profit on disposal of fixed assets	167	95
Rentals paid under operating leases:		
Hire of plant and machinery	129	220
Other operating leases	1,380	2,076
Statutory audit fee (internal audit)	198	245
Other assurances	216	48
Depreciation on owned assets	466	330
Interest payable on borrowings	103	-
Indemnity insurance	18	19
Total	**2,677**	**3,033**

8. Tangible fixed assets

(a) Summary

	Freehold property £'000	Plant and machinery £'000	Vehicles £'000	Computer and office equipment £'000	Total £'000
Cost or Valuation					
1 April 2020	11,139	8,819	401	9,022	29,381
Additions	-	-	-	-	-
Disposals	(939)	(699)	(79)	(1,911)	(3,628)
Transfers	-	-	-	-	-
Revaluation	250	-	-	-	250
31 March 2021	**10,450**	**8,120**	**322**	**7,111**	**26,003**
Depreciation					
1 April 2020	1	7,132	401	8,920	16,454
Charges during year	193	401	-	62	656
Disposals	(4)	(699)	(79)	(1,911)	(2,693)
Revaluation	(190)	-	-	-	(190)
31 March 2021	**0**	**6,834**	**322**	**7,071**	**14,227**
Net book value					
31 March 2021	**10,450**	**1,286**	**-**	**40**	**11,776**
31 March 2020	11,138	1,687	-	102	12,927

Freehold property includes both land and buildings.
During the year, CITB disposed of the training centre at the Kings Norton site in Birmingham.

(b) Historical cost information

If the valuations had not been included then freehold property would have been included at the following amounts.

	2020-21 £'000	2019-20 £'000
Cost	19,302	20,241
Accumulated depreciation	(5,182)	(4,993)
Total	**14,120**	**15,248**

(c) Freehold property

	2020-21 £'000	2019-20 £'000
Freehold land valuation	4,200	4,205
Freehold property valuation	6,250	6,934
Accumulated depreciation freehold property valuation only	-	(1)
Total	**10,450**	**11,138**

(d) Revaluation

An independent valuation of all CITB freehold property was carried out by Montagu Evans LLP as at 31 March 2021. The valuation was based on the principles of fair value and prepared upon existing use valuation. As the pandemic has continued, CITB's plans to dispose of the colleges in Bircham Newton and Inchinnan, and associated land and buildings, have been abandoned, and so valuing the assets on an existing use basis is appropriate. Plans to sell the site at Erith continue, albeit slowly, and so the existing use valuation basis is also appropriate.

(e) Capital commitments

There were £Nil capital commitments at 31 March 2021 (2019-20: £Nil).

(f) Tangible fixed assets 2019-20 (comparative table)

	Freehold property £'000	Plant and machinery £'000	Vehicles £'000	Computer and office equipment £'000	Total £'000
Cost					
1 April 2019	10,566	8,819	401	9,087	28,873
Additions	-	-	-	-	-
Disposals	(1,022)	-	-	(65)	(1,087)
Transfers	-	-	-	-	-
Revaluation	1,595	-	-	-	1,595
31 March 2020	**11,139**	**8,819**	**401**	**9,022**	**29,381**
Depreciation					
1 April 2019	271	6,666	380	8,872	16,189
Charges during year	6	466	21	113	606
Disposals	-	-	-	(65)	(65)
Revaluation	(276)	-	-	-	(276)
31 March 2020	**1**	**7,132**	**401**	**8,920**	**16,454**
Net book value					
31 March 2020	**11,138**	**1,687**	**-**	**102**	**12,927**
31 March 2019	**10,295**	**2,135**	**21**	**233**	**12,684**



9. Debtors

	2020-21 £'000	2020-21 £'000	2019-20 £'000	2019-20 £'000
Levy debtors	144,654		29,705	
Less: provision for bad debts	(76,515)		(23,204)	
Total Levy debtors		**68,139**		**6,501**
Trade and other debtors	3,406		5,367	
Less: provision for bad debts	(401)		(381)	
Total trade and other debtors		**3,005**		**4,986**
Accrued income		6,403		7,839
Prepayments		1,056		530
Total Debtors		**78,603**		**19,856**
Debtor due within one year		78,603		19,856

As stated in the Accounting Policies (see Note 1), CITB only writes off Levy debts when it has evidence that an employer has become insolvent, has ceased to trade, has been dissolved or, having made all reasonable efforts to locate the debtor, is untraceable. We do provide for bad debts where we believe Levy will not be collected. The 2020-21 Levy Income Impairment Provision is different from previous years because the pandemic meant that we did not raise the Levy Assessment until mid-year and so, as at the year-end, employers still have five months in which to pay their debt. This means that the gross debt at the end of the year is much higher than normal, but we do have sight of the collection of a large amount where employers have signed up to instalment plans.

Generally, collection of the Levy has been much better than anticipated at the start of the pandemic and although our income for 2020-21 is slightly down on pre-pandemic forecasts, it is 24% (£37m) higher than our forecasts at the start of the pandemic.

The key estimate required is how much of the £204m debt outstanding at the year-end will be collected in the fullness of time. We have followed our normal methodology, which is based on age, but adjusted it for the fact that the 2019 Levy Assessment was raised mid-year and to reflect the cash collection experience in 2020-21.

Levy debtors and income are stated net of a provision for reassessment of £56.2m (2019-20: £72.7m). This amount has reduced in 2020-21 due to a detailed review of assumptions during the period, resulting in a change in the process of estimating Levy for employers who have not submitted a Levy Return. Up until the 2017 Levy year, estimates were sent out at the same value for all employers. From 2017 Levy year onwards, we have banded estimates according to anticipated size of the employer and this has reduced the adjustment required to initial assessments when the estimate becomes bona fide. To reflect this change we have amended the methodology for apportioning the outstanding debt between reassessment provision and bad debt provision, giving rise to the bulk of the movement seen from the 2019-20 figure of £72.7m to the 2020-21 figure of £56.2m. If we had applied the new methodology in 2019-20, the reassessment provision would have been £49.4m, with the £23.3m being reclassified as bad debt, increasing the bad debt provision from £23.4m to £46.7m. As this is the result of new analysis performed in 2020-21, the methodology has been revised prospectively with no restatement of prior year comparatives required. The table below details the impact of this change of methodology to comparatives for the bad debt and reassessment provisions.

	2019-20 original	Impact of change	2019-20 new methodology
	£m	£m	£m
Reassessment provision	72.7	(23.3)	49.4
Bad debt provision	23.4	23.3	46.7
Total	**96.1**	**-**	**96.1**

The ongoing legal case with two businesses over the eligibility of their Levy Assessment progressed such that £17m debt, which we had previously fully provided in the reassessment provision, was written off. The impact of this was that more of the overall debt provision was classified as bad debt rather than reassessment.

As well as the amount (estimated £23.3m) being reclassified from reassessment to bad debt as described above, the increase in the provision for bad debts is also caused by a change in the way we registered and assessed new employers. Using data obtained from external sources we added £17.5m more in new registration assessments for the 2019 Levy year than for the prior year. Almost all of this remains not collected and we believe uncollectable. An estimated assessment was issued based on no Levy Return being submitted and it remains unpaid. Attempts to contact them have failed and they may no longer be in business. Even if we do manage to contact them and obtain a completed Levy Return we suspect it may be assessed to a nil bill. We have not repeated the exercise for new registrants during the 2020 Levy year.

Other reasons for the increase include COVID-19 factors, the delay in issuing the Levy until August, and the reduction in the overall amount we believe is collectable.

As at the year-end, CITB was owed £3.5m from NOCN for the sale of CSkills Awards and CPCS in 2017-18 and 2018-19, respectively – all due within one year. In consideration of a number of factors, including the anticipated impact of COVID-19 on NOCN's financial position and a legal claim they have raised against CITB, we have provided for half of the CSkills debt and all of the CPCS debt, not because we doubt the validity of the debt but because we doubt NOCN's ability to pay.



10a. Investments

	2020-21 £'000	2019-20 £'000
Analysis of movement of investments		
Market value at beginning of period	29,897	20,000
Additions	1,258	37,307
Disposals	(31,847)	(26,142)
Gain/(loss) on investments	692	(1,268)
Market value at end of period	**-**	**29,897**
The Balance referenced above consisted of the following:		
Listed investments maturing in more than 1 year	-	18,780
Listed investments maturing in less than 1 year	-	1,117
Other investments – Deposits maturing in less than 1 year	-	10,000
Balances held outside of the Government Banking Service	**-**	**29,897**

Included in the above are the following investments that individually represent more than 5% of the total investment portfolio:

	2020-21 £'000	2019-20 £'000
Term deposits		
BNP Paribas	-	5,000
Lloyds TSB	-	5,000

CITB liquidated its investment portfolio during the year in order to maintain sufficient working capital, as we delayed raising the 2019 Levy Assessment in response to the COVID-19 pandemic.

10b. Cash and cash equivalents

	2020-21 £'000	2019-20 £'000
Cash at bank and in hand	90,464	62,069
Cash equivalents	-	321
Total cash and cash equivalents	**90,464**	**62,390**

11. Creditors: amounts falling due within one year

	2020-21 £'000	2019-20 £'000
Trade creditors	931	5,818
Borrowings	10,000	-
Taxation and social security	726	13
Deferred income	5,030	8,462
Accruals		
Grant funding	7,537	5,313
Other	12,297	23,456
Total creditors	**36,521**	**43,062**

Deferred income analysis

Income has been deferred where cash has been received for services in the financial year, but for which associated activities will not be carried out until subsequent accounting periods.

	2020-21 £'000	2019-20 £'000
Balance carried forward at start of year	8,462	4,951
Deferred income in current year	5,030	8,462
Prior year released	(8,462)	(4,951)
Closing balance	**5,030**	**8,462**

12. Provisions for liabilities and charges

	Grant provision 2020-21 £'000	Redundancy provision 2020-21 £'000	Other provisions 2020-21 £'000	Total provisions 2020-21 £'000	Total provisions 2019-20 £'000
Balance as at period start	23,825	4,223	463	**28,511**	38,229
Utilised	(23,825)	(2,754)	-	**(26,579)**	(32,442)
Released provisions	-	(961)	(431)	**(1,392)**	(2,430)
Additional provisions	20,740	1,082	2,179	**24,001**	25,154
Balance as at period end	**20,740**	**1,590**	**2,211**	**24,541**	28,511



Grant provisions

CITB pays out grants to employers to fund relevant training. There is naturally a gap between the grant being earned (i.e. the learner has had their training) and the claim being received by CITB. Therefore, at the year-end we make an assessment for the amount of provision that is required to account for grants earned but as yet not claimed.

- Apprenticeship grant provisions are based on expected claims for known named apprentices with confirmed start dates
- Short duration training grant and qualification grant provisions are based on recent historical experience. COVID-19 has seen a decrease in short duration training and qualification grant claims, as many classes have been suspended and those that have operated have had reduced numbers. This has meant that the provisions are reduced when compared to previous years.

Redundancy provision

The redundancy provision is partly due to the final staff redundancies as part of Vision 2020, which were delayed by the pandemic, and partly due to the restructure undertaken in response to the pandemic.

Other provisions

CITB funds relevant training to the construction industry. There is naturally a gap between the funding being earned and the claim being paid by CITB. Claims are submitted with evidence of completeness, which have to be verified and processed. Therefore, at year-end we make an assessment for the amount of provision that is required to account for funding earned but as yet not paid.

The fund provisions relate to the Skills and Training (Small) Fund, the Skills and Training (Medium) Fund and the Leadership and Management Development Fund. Other provisions also includes small dilapidation provisions.

13. 2019-20 Restricted and unrestricted funds

	2019-20 restricted £'000	2019-20 unrestricted £'000	2019-20 total £'000
INCOME			
Income from charitable activities			
Levy income		188,177	188,177
Non-Levy income			
Training and Development	39,357	43,685	83,042
Careers		39	39
Standards and Qualifications		353	353
Engagement and Evidence Base		56	56
Other		745	745
Total non-Levy income	**39,357**	**44,878**	**84,235**
Income from trading activities		15	15
Income from investments		1,001	1,001
Other income		346	346
Total income	**39,357**	**234,417**	**273,774**
EXPENDITURE			
Expenditure on raising funds		2,507	2,507
Expenditure on charitable activities			
Training and Development	61,516	191,883	253,399
Careers		2,128	2,128
Standards and Qualifications		7,369	7,369
Engagement and Evidence Base		19,486	19,486
Total expenditure on charitable activities	**61,56**	**220,866**	**282,382**
Expenditure from trading activities		67	67
Other expenditure		(1,870)	(1,870)
Total expenditure	**61,516**	**220,886**	**282,382**
Net loss/(gain) on revaluation of investments	**-**	**1,268**	**1,268**
Net income/(expenditure)	**(22,159)**	**11,579**	**(10,580)**
Net movement in funds - transfer from unrestricted fund	**22,159**	**(22,159)**	**-**
Total	**-**	**(10,580)**	**(10,580)**

14. Accumulated funds

	2020-21 General reserve £'000	2020-21 Fixed asset revaluation reserve £'000	2020-21 Total unrestricted funds £'000	2019-20 Total unrestricted funds £'000
Opening balance	54,243	-	**54,243**	64,823
Net movement in funds	66,490	-	**66,490**	(10,580)
Closing balance	**120,733**	**-**	**120,733**	**54,243**

Accumulated funds 2019-20 (comparative table)	2019-20 General reserve £'000	2019-20 Fixed asset revaluation reserve £'000	2019-20 Total unrestricted funds £'000	2018-19 Total unrestricted funds £'000
Opening balance	63,795	1,028	64,823	34,640
Net movement in funds	(10,580)	-	(10,580)	30,183
Transfer between funds	1,028	(1,028)	-	-
Closing balance	**54,243**	**-**	**54,243**	**64,823**

The accumulated unrestricted fund is available for use at the discretion of the Board in furtherance of the general objectives of the charity.

15. Gross cash flows by category

	2020-21 £'000	2019-20 restated £'000
Returns on investment and servicing of finance		
Interest received on investments	175	1,001
Capital expenditure		
Receipts from sales of tangible fixed assets	1,102	1,117
Management of liquid resources		
Placed on deposit and purchase of externally managed investments	(1,258)	(37,307)
Deposit withdrawals and sale of externally managed investments	31,847	26,142
	30,589	**(11,165)**

In the prior year, amounts placed on deposit and purchase of externally managed investments should have been recorded as £37,307 to give a gross cash flow for management of liquid resources of (£11,165).

16. ITB Pension Fund

CITB is a participating employer in the ITB Pension Fund Scheme, which has two sections: first, a multi-employer defined benefit section (closed to future accrual on 31 December 2016): and second, a defined contribution section for all staff who joined after 1 January 2013. Being a multi-employer scheme, FRS 102 states that the defined benefit scheme must be accounted for as a defined contribution scheme, as the proportion of assets and funding level attributable to CITB cannot be separately identified.

The two sections are:
1. The '2007 Section', a defined benefit scheme for staff who joined before 1 January 2013. As at 31 December 2016, all current members of the defined benefit scheme became deferred members of the scheme and were transferred across to the 'Defined Contribution Section' as at 1 January 2017 and the scheme closed to future accrual.

The most recent triennial valuation of the scheme was performed as at 31 March 2019. The principal future assumptions used are:

- A discount rate being gilt yield curve +0.15%
- A dual discount rate reverted back in 2019 to same pre-post retirement rate being gilt yield curve +0.15%
- Real rate of return (net of Consumer Prices Index, CPI) would be -0.9% p.a.
- Nominal rate of investment return on assets would be 1.4% p.a.
    - Rate of future pension increases for the 2007 section would be in line with the CPI, assumed to be 0.9% lower than the Retail Prices Index (RPI)
    - Rate of future pension increases for the new and 2007 sections would be in line with the RPI, subject to a cap of 5% for benefits accrued before 6 April 2005 and 2.5% for benefits accrued on and after 5 April 2005. RPI inflation is implied by a gilt curve and rates of increase are assumed to be on average 0.9% a year less than RPI.

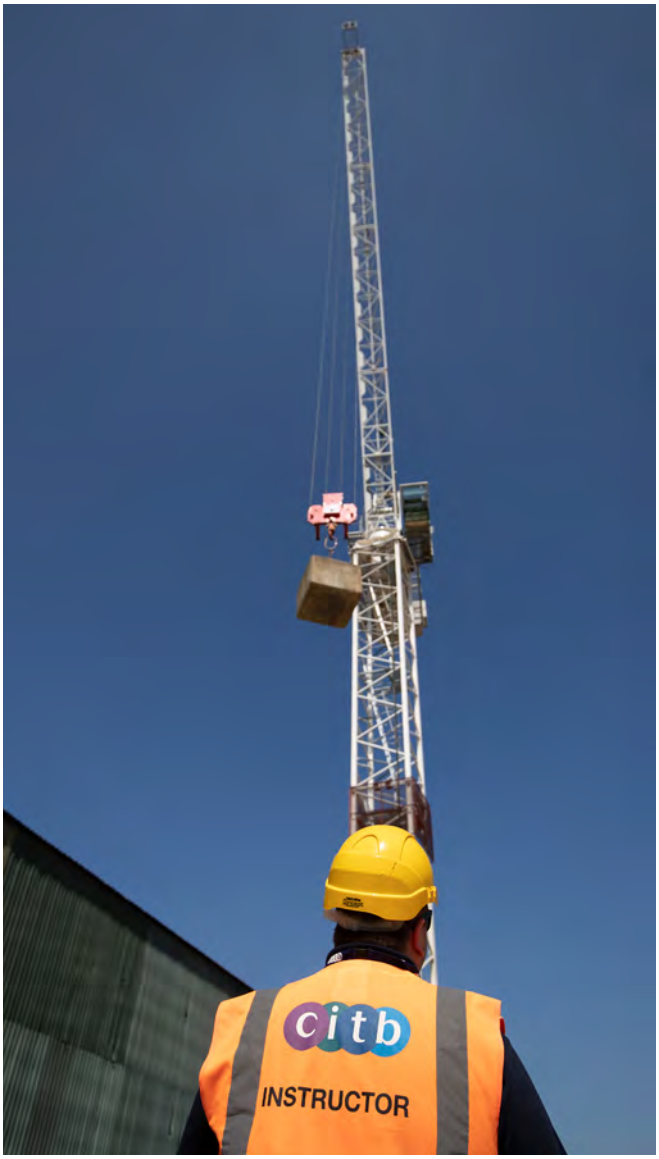
The 2019 triennial valuation indicated that the actuarial value of the assets helped by the scheme in total showed a surplus of £21m against the scheme liabilities on a statutory funding basis. There were no deficit funding contributions paid to the scheme in the 12-month period (2019-20: £Nil).

2. The 'Defined Contribution Section' is a defined contribution scheme for staff who joined on or after 1 January 2013.

From 1 January 2017, employee and employer contribution rates changed as a result of the closure of the defined benefit section and staff joining the defined contribution section. The range for employee contributions is 4%-7% (2019-20: 4%-7%), and the employer contributions will match the employee contribution plus 2% but are capped at 9% (2019-20: 9%). The amount recognised as an expense for the defined contribution is included in the table in Note 19.

Expenses related to the CITB defined contribution scheme are attached to individual employees and allocated across activities on the same basis as total employee costs. These expenses are funded from unrestricted reserves, with the exception of those that are supported through the Coronavirus Job Retention Scheme (CJRS).

As shown in Note 19, employer's pension contributions totalled £2,477k for 2020-21 (2019-20: £2,427k).



17. Lease commitments

CITB is committed to the following annual payments under non-cancellable operating lease agreements:

	2020-21 Land and buildings £'000	Other £'000	2019-20 Land and buildings £'000	Other £'000
Operating leases				
Leases expiring within 1 year	**492**	**485**	697	763
Leases expiring within 2-5 years	**164**	**133**	554	545
Leases expiring after 5 years	**-**	**-**	-	-
As at 31 March	**656**	**618**	**1,251**	**1,308**

18. Board members' remuneration

Remuneration of the Board members was as follows:

	2020-21 £	2019-20 £
Chairman – Peter Lauener	20,250	22,500

The authority under which payments were made to the Chairman is contained within the Industrial Training Act 1982.

No expenses were paid to Board members during 2020-21 and no material expenses were waived by Board members during this period.



19. Particulars of staff

During the period, the average number (across the year) of staff directly and temporarily employed by CITB (expressed in full-time equivalents) was as follows:

	Directly employed	Temporary	2020-21 total	2019-20 total
Total	**756**	**8**	**764**	**915**

During the period, the following costs were incurred in respect of the above:

	2020-21 £'000	2019-20 £'000
Salaries of directly employed staff	29,011	34,194
Temporary staff costs	1,525	5,058
Redundancy cost	1,259	(1,198)
Social security costs	3,154	3,441
Pension costs	2,477	2,427
Total	**37,426**	**43,922**

The remuneration, pension entitlements and pension transfer values of the most senior members of CITB's staff can be found in the Remuneration Report on pages 72 to 76.

A £4.2m redundancy provision was made at the end of 2019-20, therefore the above redundancy cost in 2020-21 represents the net release of this provision following reassessment of estimated redundancy costs in 2020-21.

Under the Government's Coronavirus Job Retention Scheme (CJRS), 612 staff were placed on furlough during the period April 2020 to March 2021. The total value of grants claimed during this period was £4,393k. The CJRS enabled the retention of staff when the Levy income had been suspended. CITB employees are not civil servants and therefore could not be redeployed to other areas of the public sector.

The number of employees whose emoluments exceeded £60,000, including benefits in kind but excluding pension contributions, are outlined within the ranges shown below.

	2020-21	2019-20
£60,001 - £70,000	43	55
£70,001 - £80,000	16	15
£80,001 - £90,000	7	16
£90,001 - £100,000	3	7
£100,001 - £110,000	1	2
£110,001 - £120,000	-	9
£120,001 - £130,000	-	2
£160,000 - £170,000	-	1

The reason for the decrease in the number earning over £60,000 is due to the prior year including a larger number of Vision 2020 redundancy payments.

The total employer contributions paid in 2020-21 to the defined contribution section of the ITB Pension Fund in respect of those employees earning over £60,000 was £428,350 (2019-20: £444,251).

Details of staff headcount by grade and gender as at period end are:

	2020-21			2019-20		
Grade	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
Chief Executive	-	1	1	-	1	1
Director	3	-	3	4	-	4
Grade A	10	11	21	12	9	21
Grade B	26	16	42	35	27	62
Grade C	43	41	84	51	57	108
Grade D	57	49	106	69	62	131
Grade E	102	64	166	124	67	191
Grade F	74	120	194	97	158	255
Grade G	7	38	45	8	51	59
Grade H	8	5	13	8	7	15
Apprentice	-	-	-	2	1	3
Total	**330**	**345**	**675**	**410**	**440**	**850**

Details of staff sickness absence is as follows:

2020-21		2019-20	
Days lost	**Absence rate**	**Days lost**	**Absence rate**
3,659	**1.87%**	11,387	5.12%

The absence rate is calculated as a percentage of those staff available to work.

Details of staff leaving the organisation during 2019-20 for whom contractual redundancy exit packages were payable are:

Exit package cost band	**Number of compulsory redundancies**		**Number of other agreed departures**		**Total number of exit packages by cost band**	
	2020-21	**2019-20**	**2020-21**	**2019-20**	**2020-21**	**2019-20**
<£10,000	22	17	-	-	22	17
£10,001 - £25,000	17	38	1	-	18	38
£25,001 - £50,000	38	46	-	-	38	46
£50,001 - £100,000	4	13	-	-	4	13
Total number of exit packages	**81**	**114**	**1**	**-**	**82**	**114**
Total cost	**1,888,232**	**3,166,446**	**11,800**	**-**	**1,900,032**	**3,166,446**

20. Taxation

As a registered charity, CITB is exempt from corporation tax on its charitable activities under section 505 of the Income and Corporation Taxes Act 1988. However, incoming resources include income that is deemed to be of a non-charitable nature, resulting in a loss of £33,131 (2019-20: loss of £52,147). This has given rise to a corporation tax liability of £Nil (2019-20: £Nil).

21. Related party transactions

The sponsoring department for CITB is Department for Education (DfE). During 2020-21, there were some material transactions with other entities for which DfE is regarded as the parent department, namely the Education and Skills Funding Agency. There have also been material transactions with DfE themselves.

	Income recognised by CITB		Owing to CITB	
	2020-21 £'000	2019-20 £'000	2020-21 £'000	2019-20 £'000
Education and Skills Funding Agency	13,443	15,471	2,082	5,150
Skills Development Scotland	10,083	8,538	1,568	334
Welsh Assembly Government	4,954	5,850	424	531
Department for Education	4,108	9,284	-	-

	Expenditure recognised by CITB		Owed by CITB	
	2020-21 £'000	2019-20 £'000	2020-21 £'000	2019-20 £'000
Education and Skills Funding Agency	-	-	-	-
Skills Development Scotland	2,139	-	2,139	1
Welsh Assembly Government	-	213	-	-
Department for Education	2,562	-	15,404	7,343

In addition, some members of the Board hold positions of influence and decision-making with organisations with which CITB has transacted during the year. Details of such positions and employments are declared in the following appendices to this report:

- Appendix A (pages 78 to 80) lists the members of the Board and its Committees, also giving the names of their employers
- Appendix B (pages 81 to 82) shows the register of interests of Board members.

The transactions in the following tables comprise the receipt of Levy and income from the sale of training-related products and services, and the payment of grants and payments for the purchase of materials and services to the organisations classified as related parties.

	Income recognised by CITB		Amounts owing to CITB as at period end	
	2020-21 £'000	2019-20 £'000	2020-21 £'000	2019-20 £'000
Levy	949	1,449	414	129
Sale of training-related products and services	1	94	-	7
Total	**950**	**1,543**	**414**	**136**

	Expenditure recognised by CITB		Amounts owed by CITB as at period end	
	2020-21 £'000	2019-20 £'000	2020-21 £'000	2019-20 £'000
Payment of grants	32	2,882	17	21
Purchase of materials and services	-	390	-	102
Total	**32**	**3,272**	**17**	**123**

During the year, no key manager, employee or other related party has undertaken any material transactions with CITB other than remuneration, as disclosed in the Remuneration Report and staff costs notes. All of the transactions were under normal terms and carried out at arm's length. No funds were held as an agent.

22. Losses and special payments

During the year, no special payments were made and there were no reportable losses over £300,000. Total bad debts written off during the year amounted to £2,717,336 (2019-20: £3,777,806).

In addition, the ongoing legal case with two businesses over the eligibility of their Levy Assessment progressed such that £17m debt, that we had previously fully provided in the reassessment provision, was written off.

23. Remote contingent liabilities

As part of our ten-year contract with SSCL, CITB has agreed to compensate SSCL should we exit early. As at 31 March 2021, in the unlikely event that CITB were to cancel the contract, there would be a maximum liability of £1.8m to compensate SSCL for investment in systems and people due to be used over the life of the contract to 2029. SSCL has a duty to mitigate any losses and, in the normal course of events, CITB will be paying SSCL this money as part of the contract delivery. As at the following year end, 31 March 2022, the maximum liability remains £1.8m.

24. Events after the balance sheet date

There have been no events after the balance sheet date requiring an adjustment to the financial statements. As referenced in Note 9, NOCN raised a legal claim against CITB during the year. The legal claim is ongoing. On 7 September 2021, the parties attended a mediation in this matter with no resolution reached at this time. The financial reporting judgements set out in Note 9 continue to reflect management's best estimate of the outcome and is consistent with the updated legal advice. As the mediation was established after the year end, this is considered a non-adjusting event. The financial statements were authorised for issue on the date the Comptroller and Auditor General signed. Events after this date have not been considered and the charity's Trustees do not have the power to amend the financial statements after issue.



Section 7

Remuneration Report

Membership

The Nomination, Appointments and Remuneration Committee is a Committee of the Board. Its terms of reference provide, among other matters, that the Committee will advise and provide assurance to the Board on senior appointments, the remuneration policy, succession planning of the Executive and Leadership Teams, and the monitoring of people-based key performance indicators against the 2021-25 Strategic Plan.

The Committee normally has three Board Trustees, one of whom is appointed as Chair. The CEO, Corporate Performance Director and People Director provide information to the Committee to inform its decisions.

Policy on the remuneration of directors

Individual remuneration for directors is reviewed annually with regard to external market changes and an assessment of individual performance, evidenced by the performance management process. Individual performance payments, which are not consolidated into annual salaries, are set within a range from 0%-10% of basic pay for the directors, excluding the CEO, for whom the range is 0%-15%.

During the height of the pandemic (May to September 2020), the directors took a voluntary pay cut of 20%.

All employees, including directors, are eligible for membership of the ITB Pension Fund Scheme.

Performance bonuses may be paid annually to all staff, including directors. Any bonuses are paid after the financial year-end but relate to performance in the preceding financial year, therefore are recognised on an accruals basis within the financial statements. In light of COVID-19 and financial pressures, no directors were awarded performance bonuses relating to 2020-21.

Policy on contracts, notice periods and termination payments

All the directors are permanent employees of the organisation and have a notice period of six months.

Termination payments, if applicable, are paid in accordance with CITB contractual terms and conditions. No additional or discretionary payments are made outside of contractual terms.

Non-cash remuneration

With the exception of company cars, health insurance, dental insurance and critical illness cover (the last two are not provided as a right of office), no non-cash remuneration is provided. The provision of company cars and health screening are part of the standard terms and conditions of employment for senior grades of staff. As alternatives, a cash option for cars and a business mileage allowance are paid.

Salary and pension entitlements (audited)

The sections on the following pages provide details of the remuneration for the year and the pension benefits of the most senior members of CITB staff.

Board members' remuneration

The Nomination, Appointments and Remuneration Committee is not responsible for considering Board members' remuneration. Of the Board members, only the Chairman receives remuneration, which is determined by the Department for Education in line with the Industrial Training Act 1982.

Members of the team



Sarah Beale
Chief Executive
Sarah Beale became Chief Executive of CITB in January 2017, having held a number of roles within the business prior to that appointment. She launched and delivered a three-year Vision 2020 programme of reform, which resulted in a more focused and efficient organisation. She also introduced impact reporting and greater insight and representation from employers across all three nations. Sarah continues to promote the value of inclusivity and diversity within the construction industry and beyond.



Adrian Beckingham
Corporate Performance Director
Adrian became CITB's Corporate Performance Director in January 2019. Adrian has enjoyed a variety of senior roles during his 20 years at CITB. Posts include: Head of IT, Head of Business Improvement and, most recently, Change Director, leading the delivery of the Vision 2020 programme. Accountable for driving effectiveness and efficiency, he leads our corporate services, including communications, contracts and commissioning, HR, change and technology, and finance. Adrian is committed to driving improvements in customer experience and operational efficiency.



Emma Black
Legal, Governance and Compliance Director
Emma joined CITB in 2017 as General Counsel and Board Secretary and was appointed to the Executive Team in January 2021 as Legal, Governance and Compliance Director. As well as her executive responsibilities, Emma's accountabilities include key liaison with the Department for Education sponsorship team, oversight of all legal matters and corporate governance. This covers delivery of Board and Committee activity and the internal audit and risk function. Emma is passionate about driving continuous improvement across the business, good governance and investment in people.



Braden Connolly
Products and Customer Services Director
Braden left CITB on 31 July 2021.



Stephen Radley
Strategy and Policy Director
Steve is responsible for working with industry partners to invest in the skills they need. This involves using CITB's research and engaging with employers to agree the priority outcomes and the most effective approach for meeting them. As well as strategy, he also oversees engagement with Government across Great Britain to help shape policy in key areas such as apprenticeships, further education and emerging skills needs presented by challenges like net zero. Steve is driven by using evidence to target the Levy where it's needed most and to fully understand the impact of CITB's investments in the industry.

The information comprising the remainder of the Remuneration Report has been subject to audit.

Payments to the Chair are authorised under Schedule 1(4) of the Industrial Training Act 1982. No other Board members are remunerated. Note 18 – Board members' remuneration (page 67) provides the Chairman's Remuneration as well as Board members' expenses.

The aggregate total of employee benefits received by the Trustees and key management personnel for their services to CITB during the year was £566,915.

2020-21 Remuneration	Salary £'000	Benefits in kind £'000	Bonus £'000	Pension benefits £'000	2020-21 total £'000
Sarah Beale Chief Executive	135-140	5.3	-	12.4	155-160
Stephen Radley Strategy and Policy Director	105-110	2.1	-	6.0	115-120
Mark Noonan Industry Relations Director	40-45	0.1	-	2.5	40-45
Braden Connolly Director of Products and Services	105-110	1.4	-	8.7	115-120
Adrian Beckingham Corporate Performance Director	100-105	0.2	-	8.7	110-115
Emma Black Legal, Governance and Compliance Director	25-30	-	-	2.1	25-30

The full-year equivalent annual salary bandings (£'000) of those who left during 2020-21 were:
Mark Noonan: 110-115

The full-year equivalent annual salary bandings (£'000) of those who joined during 2020-21 were:
Emma Black: 100-105



2019-20 Remuneration	Salary £'000	Benefits in kind £'000	Bonus £'000	Pension benefits £'000	2019-20 total £'000
Sarah Beale Chief Executive	155-160	8.7	-	13.8	180-185
Stephen Radley Strategy and Policy Director	115-120	1.9	-	6.7	125-130
Mark Noonan Industry Relations Director	115-120	0.2	-	7.5	120-125
Braden Connolly Director of Products and Services	115-120	1.3	-	9.6	130-135
Steve Hearty Director of Apprenticeships and Standards	5-10	0.6	-	0.7	5-10
Craig Pemberton Interim Chief Financial Officer and Corporate Performance Director	20-25	0.1	-	1.1	20-25
Adrian Beckingham Corporate Performance Director (From 1 January 2019)	110-115	0.1	-	9.0	120-125
Kathryn Bell Interim Communications Director (13 May 2019 to 5 November 2019)	70-75	0.2		2.8	75-80

Steve Hearty was paid a redundancy payment of £84,000 in May 2019.

The full-year equivalent annual salary bandings (£'000) of those who left during 2019-20 were:
Steve Hearty: 95-100
Kathryn Bell: 100-105
Craig Pemberton: 125-130

Salary includes gross pay, payments in lieu of car and luncheon allowance. Benefits in kind includes the use of allocated cars, flexible benefits (including critical illness cover and dental insurance) and medical insurance. For members who accrue only defined contribution pension benefits, the value represents the total of employer contributions paid in respect of the individual.



Comparison of median pay to highest earner's remuneration

CITB is required to disclose the relationship between the remuneration of its highest-paid director and the median remuneration of the organisation's workforce (based on full-time equivalents). CITB is also required to disclose the range of remuneration received by all employees. Comparison is given for annualised figures for consistency.

	2020-21	2019-20
Highest-earning executive director's total remuneration (£'000)	140-145	165-170
Median total remuneration (£)	37,993	35,042
Ratio of remuneration of highest earning executive to median remuneration	**3.8**	**4.8**

In 2020-21, no employees received remuneration in excess of the highest-paid director (2019-20: 0). Note: in line with fair pay guidance, the remuneration stated above excludes pension benefits.

Full-time equivalent remuneration ranged from £15k to £143k (2019-20: £15k to £165k).

In 2019-20, the median total remuneration excluded bonus and benefits in kind in error. When included, the 2019-20 median becomes £37,526. This is in line with the 2020-21 median, as the proportion of staff in each pay grade is comparable between the two years. Details about exit packages are disclosed in Note 19 – Particulars of staff – on pages 68 to 69.

Peter Lauener, Chairman, 8 October 2021

Sarah Beale, Accounting Officer, 8 October 2021



Section 8

Professional Advisers

Bankers
Barclays Bank Plc
17 Market Place
Fakenham
Norfolk
NR21 9BE

Investment advisers
J.P. Morgan
1 Knightsbridge
Belgravia
London
SW1X 7LX

Auditors
Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
London
SW1W 9SP

Legal advisers
CITB Legal Team
Sand Martin House
Bittern Way
Peterborough
PE2 8TY

Principal office
See Appendix E (page 86) for details of principal and registered offices.

Appendix A: Membership of the Board and its Committees

First name	Surname	Employer	CITB Board	Audit and Risk Committee	Nomination, Appointments and Remuneration Committee	Industry Funding Committee	Levy Working Party	Levy Strategy Committee	Cymru Wales Nation Council	English Nation Council	Scottish Nation Council
Zeshan	Afzal	BAM Construct UK									Y
Nicola	Barclay	Homes for Scotland									Y
Diane	Bourne	Eric Wright Civil Engineering								Y	
Mark	Bramley	Pat Munro (Alness) Ltd									Y
Liz	Bridge	Joint Taxation Committee					Y	Y			
Karen	Brookes	Sir Robert McAlpine								Y	
Craig	Bruce	Pert Bruce Construction					Y	Y			Y
Chris	Carr	Carr & Carr (Builders) Ltd								Y	
Gareth	Davies	Knox and Wells Ltd					Y	Y	Y		
Ian	Dickerson	Kier Group Plc				Y					
Maureen	Douglas	Forster Group Ltd	Y	Y							Chair
Steve	Drury	Rooff Limited and Rooff Residential Ltd				Y					
Terry	Edwards	John Weaver Construction							Y		
Tony	Elliott	Robertson Group	Y		Chair		Y				Deputy Chair
Julia	Evans	BSRIA				Y					
Nick	Evans	EvaBuild Ltd							Y		
James	Flannery	Cunard Construction Ltd								Y	
Angela	Forbes	BuildForce									Y
Marion	Forbes	Mactaggart and Mickel Homes Ltd									Y
Steve	Fox	BAM Nuttall	Y			Chair					

First name	Surname	Employer	CITB Board	Audit and Risk Committee	Nomination, Appointments and Remuneration Committee	Industry Funding Committee	Levy Working Party	Levy Strategy Committee	Cymru Wales Nation Council	English Nation Council	Scottish Nation Council
Diana	Garnham	Consultant	Y	Chair	Y		Chair	Chair			
Andrea	Green	Costain Ltd							Y		
Andrew	Harvey	Harvey Shopfitters Ltd						Y		Y	
Leigh	Hughes	Bouygues UK							Chair		
Susan	Jackson	Campion Homes Ltd									Y
Simon	Jehu	Jehu Group Ltd							Y		
Owain	Jones	T Richard Jones (Betws) Ltd							Y		
Yvonne	Kelly	Barking & Dagenham College	Y			Y	Y	Y			
Seamus	Keogh	Clancy Dowcra Ltd					Y			Chair	
Alison	Lamplough	Laing O'Rourke					Y	Y		Y	
Peter	Lauener	CITB Chairman	Chair		Y						
Sharon	Llewellyn	JPR Roofing and Flooring Ltd								Y	
Kevin	McLoughlin	McLoughlin Group	Y							Deputy Chair	
Ryan David	Miles	Miles Hire						Y			
Richard	Owen	Jones Bros							Y		
Rupert	Perkins	John Perkins Construction				Y					
Richard	Plumb	Ordnance Survey Ltd		Y							
Holly	Price	Keltbray Group	Y			Y					
Chris	Richardson	Wates		Y							
Neil	Rogers	Scottish Decorators' Federation						Y			
Sophie	Seddon	Novus Property Solutions	Y	Y	Y						
Ged	Simmonds	Mace Ltd								Y	



First name	Surname	Employer	CITB Board	Audit and Risk Committee	Nomination, Appointments and Remuneration Committee	Industry Funding Committee	Levy Working Party	Levy Strategy Committee	Cymru Wales Nation Council	English Nation Council	Scottish Nation Council
Vikki	Skene	Galliford Try						Y			
Richard	Steedman	Cameron Drywall Contractors Ltd									Y
Neal	Stephens	Willmott Dixon							Y		
Rob	Tansey	Barratt Developments Plc						Y		Y	
Paul	Tedder	Atlantic Dwellings Ltd							Y		
Julie	White	D-Drill (Master Drillers) Ltd								Y	
Robert	Williams	WRW Construction Ltd	Y						Deputy Chair		
Jim	Young	Chap Group (Aberdeen) Ltd									Y

Appendix B: Board and Committee attendance

Board attendance	2020-21
Peter Lauener (Chairman)	9/9
Maureen Douglas (resigned May 2020)	1/1
Tony Elliott (joined June 2020)	6/6
Steve Fox	9/9
Diana Garnham	9/9
Yvonne Kelly	7/9
Kevin McLoughlin	9/9
Holly Price	7/9
Sophie Seddon (joined June 2020)	4/6
Robert Williams	8/9
Total	**69/76**

Audit and Risk Committee attendance	2020-21
Diana Garnham (Chair)	7/7
Maureen Douglas (resigned May 2020)	1/1
Richard Plumb	5/7
Chris Richardson	5/7
Sophie Seddon (joined November 2020)	1/4
Total	**19/26**

Nomination, Appointments and Remuneration Committee attendance	2020-21
Tony Elliott (Chair) (joined August 2020)	7/7
Diana Garnham	8/8
Peter Lauener	8/8
Sophie Seddon (joined November 2020)	2/4
Total	**25/27**

Industry Funding Committee attendance	2020-21
Steve Fox (Chair)	4/4
Ian Dickerson	4/4
Steve Drury (joined July 2020)	3/3
Julia Evans	4/4
Yvonne Kelly (resigned February 2021)	3/3
Rupert Perkins	4/4
Holly Price	3/4
Total	**25/26**



Cymru Wales Nation Council attendance	2020-21
Leigh Hughes (Chair)	4/4
Robert Williams (Deputy Chair)	3/4
Gareth Davies	4/4
Terry Edwards	4/4
Nick Evans (resigned August 2020)	2/2
Andrea Green	1/4
Simon Jehu	3/4
Owain Jones	4/4
Richard Owen	4/4
Neal Stephens	4/4
Paul Tedder	4/4
Total	**37/42**

English Nation Council attendance	2020-21
Seamus Keogh (Chair)	4/4
Kevin McLoughlin (Deputy Chair)	3/4
Diane Bourne	4/4
Karen Brookes	1/4
Chris Carr	4/4
James Flannery	3/4
Andrew Harvey	4/4
Alison Lamplough (joined January 2021)	1/1
Sharon Llewellyn	4/4
Ged Simmonds	2/4
Rob Tansey (resigned December 2020)	1/3
Julie White	2/4
Total	**33/44**

Scottish Nation Council attendance	2020-21
Maureen Douglas (Chair)	4/4
Tony Elliott (Deputy Chair)	4/4
Zeshan Afzal (resigned July 2020)	0/2
Nicola Barclay	3/4
Mark Bramley	4/4
Craig Bruce	2/4
Angela Forbes (joined January 2021)	1/1
Marion Forbes	2/4
Susan Jackson (joined January 2021)	1/1
Richard Steedman	3/4
Jim Young	4/4
Total	**28/36**

Levy Working Party attendance (ended July 2020)	2020-21
Diana Garnham (Chair)	4/4
Liz Bridge	4/4
Craig Bruce	2/4
Gareth Davies	4/4
Tony Elliott	4/4
Yvonne Kelly	4/4
Seamus Keogh	4/4
Alison Lamplough	4/4
Total	**30/32**

Levy Strategy Committee attendance (launched October 2020)	2020-21
Diana Garnham (Chair)	4/4
Liz Bridge	3/4
Craig Bruce	2/4
Gareth Davies	4/4
Andrew Harvey	4/4
Yvonne Kelly	4/4
Alison Lamplough	3/4
Ryan David Miles	3/4
Neil Rogers	4/4
Vikki Skene	4/4
Rob Tansey (joined January 2021)	2/2
Total	**37/42**



Appendix C: Register of Board members' interests

Related party transactions

Employer Board Trustees must be concerned in the management of the activities of an employer engaging in the construction industry in order for their appointment by the Secretary of State to be valid. Therefore, with the exception of the two independent members, all Trustees would have had business interests, as Levy payers or potential grant recipients, at the date of their appointment, which may be perceived to conflict with their responsibilities as Board members. The following Board members who served for the period ended 31 March 2021 have, in addition, declared other personal or business interests.

Peter Lauener
CITB Chairman
Peter Lauener was appointed as CITB Chairman in May 2018. Peter came to CITB with a wealth of experience in the education and skills sector, having previously held the roles of Chief Executive of the Education and Skills Funding Agency, interim Chief Executive of the Institute for Apprenticeships, and interim Chief Executive of the Student Loans Company (SLC).

Along with his work on the CITB Board, Peter currently holds a number of non-executive roles in the education, skills and health sectors. Since March 2020, Peter has been Chair of the SLC, a Government-owned non-profit-making company, which is also an executive non-departmental public body (NDPB). This organisation administers loans and grants to students in universities and colleges in the UK.

Peter continues in his role as a Non-Executive Director of Newcastle College Group, a corporation in the further education sector comprising a group of seven colleges across England, a position he has held since March 2018. He is also the Chair of Orchard Hill College, which is an independent special needs college based in Sutton, with sites across London and the South East. This college is a sponsor of a special needs academy trust with a number of academies in the same area.

In addition to his interests in the education and skills sector, Peter also has an interest in the health sector as a Non-Executive Director of Sheffield Children's NHS Foundation Trust, one of a small number of specialist children's trusts in the NHS, providing clinical and community services.

Contractual relationship: None.

Maureen Douglas (resigned May 2020)
Organisational Development Director, Forster Group
Maureen is a member of the Scottish Apprenticeship Advisory Board (SAAB), representing industry in the Employer Equalities Group and the Scottish Government Gender Commission.

Working closely with Skills Development Scotland and other critical stakeholders across a range of activities, projects and forums, Maureen is leading the development of new qualifications and pathways for learners into the workplace.

Maureen is a Fellow of the Chartered Institute of Personnel and Development.

Contractual relationship: As a Levy-registered business, Forster Group accesses grants for training its workforce and employing apprentices through the Forster Skills Academy. It also administers Angus Construction Training Group, an independent training group that receives funding from CITB.

Tony Elliott
Group HR Director, Robertson Group
Tony Elliott has over 25 years of experience in the fields of talent, people and learning, and is part of the senior team at Robertson, one of the UK's largest privately owned construction and infrastructure services companies. Tony feels strongly about the development of people and the growing of internal talent, the attraction of new talent, and ensuring skillsets are enhanced and future-proofed within construction.

Contractual relationship: As a Levy-registered business, Robertson Group accesses the CITB Grants Scheme for training its workforce and employing apprentices.

Steve Fox
Steve was appointed as a Non-Executive Director of Barhale Ltd on 29 July 2020, and he also provides advisory services to other parties. Steve was Chief Executive of BAM Nuttall from 2010 until June 2020. He had worked for the company since 1989. Steve is a Chartered Engineer and a Fellow of the Institution of Civil Engineers. He was awarded a CBE in 2015 for services to the construction industry. Steve is a strong supporter of both trade and technician apprenticeships as routes into the industry and is a member of the WISE Board. This follows Steve's commitment to championing women to work in science, technology, engineering and mathematics (STEM).

Contractual relationship: BAM Nuttall (until June 2020) and Barhale Ltd (from August 2020). Both are Levy-registered businesses which access the CITB Grants Scheme for the purpose of training and developing their workforces.

Diana Garnham
Diana is Chair of Skills East Sussex, a member of SELEP Skills Advisory Panel, a Council Member of Christ's Hospital School, President of King's College London Alumni Association, Chair of King's College London Alumni Advisory Group, and Director of Tavern Quay RTM Company. Previously, she was Chief Executive of the Science Council and a Governor of the East Sussex College Group. She has a continuing interest in the social consequences of science, in good governance and strategy, and in enabling young people to achieve their potential, particularly within the STEM environment.

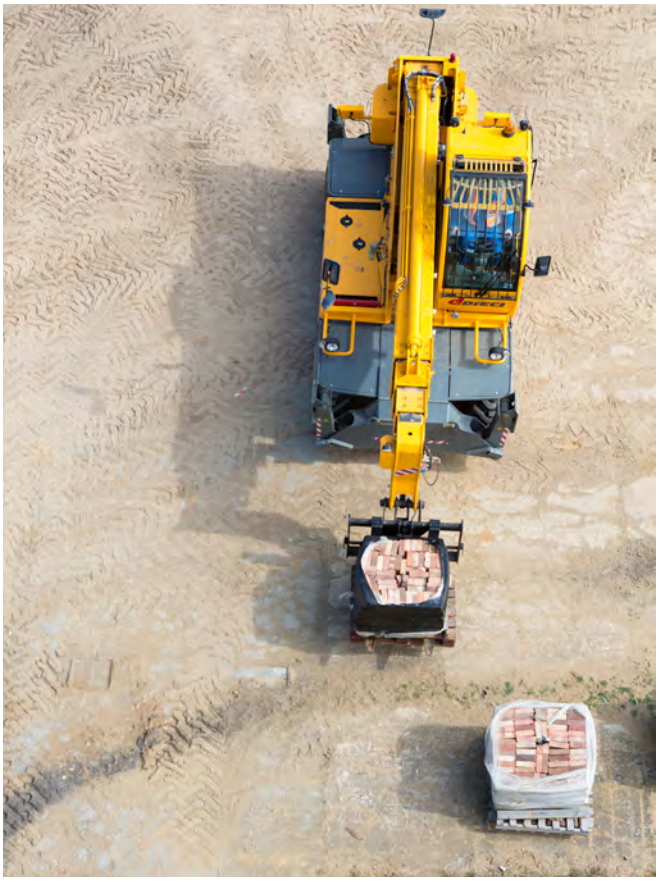
Contractual relationship: None.

Yvonne Kelly
Principal and CEO, Barking & Dagenham College
Yvonne Kelly is the Principal and CEO of Barking & Dagenham College, a national award-winning college that provides vocational, technical and professional training to over 7,000 students annually. Barking & Dagenham College is a leading provider of intermediate, advanced and higher-level training in London, with 650 learners, a third of whom are apprentices, completing qualifications in construction. The college is one of the first 12 Institutes of Technology in the country and selected as part of the World Skills Excellence Programme. Yvonne takes an active role on various Boards, including the Creative and Cultural Skills, CEME and Care City, as well as acting as an adviser on the Pearson FE Reference Group and the WorldSkills UK Diversity and Inclusion Advisory Group.

Contractual relationship: None.

Kevin McLoughlin
Managing Director, McLoughlin Group Holdings Ltd
Kevin McLoughlin MBE is the founder and Managing Director of London-based SME McLoughlin Group Holdings Ltd. Kevin started the business in 1988. The company is an avid supporter of apprenticeships. The company employs several tutors who help train apprentices in painting and decorating, and since 2012 has offered a four-week pre-employment programme for all ages. Kevin is a Route Panel Member for Construction for the Institute for Apprenticeships and Technical Education (IfATE). Kevin was awarded an MBE in 2014 for his services to skills and apprenticeships, and is a Fellow of the Chartered Institute of Building. Kevin also is a Member of GMB, Liveryman of Painters and Stainers, Freeman of the City of London, Member of the Federation of Master Builders Training Group, Member of the London Regional Construction Training Group, FIR Steering Group, Islington Skills & Strategy Delivery Group and Islington Living Wage Place Action Group.

Contractual relationship: Kevin is a Director of McLoughlin Group Holdings Ltd and McLoughlin Decorating Schools Community Interest Company, both of which are Levy-registered with CITB. He is also a Partner of Maxine and Kevin Property Business Partnership.



Holly Price
Training and Development Director, Keltbray Group
Holly Price has been the Training and Development Director at Keltbray Group since 2007, playing a crucial role in engineering sustainable and considerable growth through getting the right people in the right place at the right time. Holly started her career in the demolition industry at aged just 17, training to be an engineer, and went on to become Europe's only female explosives engineer in the sector. She is also a prominent and well-respected senior figure at the National Federation of Demolition Contractors, and currently serving in the role of Director and Honorary Life Vice President for the longest-established authority in the demolition industry. Holly actively promotes the need to widen the talent pool by embracing diversity and attracting newcomers from all backgrounds to the industry, and she tirelessly campaigns for continuous improvement of industry standards. Having witnessed the challenges that the industry was facing in terms of a potential skills shortage, she decided to move into a more people-focused role and is helping Keltbray go from strength to strength.

Contractual relationship: Holly is a Director of Keltbray Limited, a CITB Levy-registered company. She is also an Honorary Life Vice President of the National Federation of Demolition Contractors, and a Trustee of Construction Youth Trust.

Sophie Seddon
People and Culture Director,
Novus Property Solutions
Sophie Seddon has worked in construction for over 10 years, having joined her family business after graduating in Business Management. Starting her career at Seddon Property Services, Sophie was instrumental in the company's rebrand to Novus. Since then she was appointed as the Head of Client Engagement and Communication in 2018, before moving into her most recent role in 2020. Sophie understands the importance of nurturing young talent, as Novus offers numerous routes into construction for young people. She is also passionate about the use of new technology, improving sustainability issues, and encouraging inclusivity within the industry.

Contractual relationship: Sophie is a Director at Novus, a Levy-registered business. She is also a shareholder of JSSH Ltd, the group holdings of Novus Property Solutions Ltd.

Sophie is also a Director and a shareholder of Hall Estates Ltd, a property development company.

Robert Williams
Chairman, WRW Construction Ltd
Robert Williams MBE is the Chairman of WRW Construction Ltd, which he founded and started from his home in 1985. A former college lecturer, Robert has represented the sector on numerous CITB, trade federation and Government-related forums and boards. WRW continues to champion apprenticeships and professional accreditations. Robert was awarded his MBE in 2013 for services to training and skills in the construction industry.

Contractual relationship: As a Levy-registered business, WRW accesses grants for training and upskilling its workforce, and employing apprentices. WRW is a member of Carmarthenshire Construction Training Association Ltd and has been involved in the Cyfle shared apprenticeship scheme since its inception, both of which benefit from CITB financial support. WRW has been awarded National Skills Academy for Construction status across several projects and receives associated funding to lead a CITB-commissioned funded project on experiential learning in collaboration with a range of partners.

Robert resigned from the Board in July 2021.



Appendix D: Prescribed Organisations

During 2020-21, CITB maintained close contact with the following Prescribed Organisations:

- British Woodworking Federation
- Build UK
- Civil Engineering Contractors Association
- Construction Plant-hire Association
- Federation of Master Builders
- Finishes and Interiors Sector
- Hire Association Europe
- Home Builders Federation
- National Association of Shopfitters
- National Federation of Builders
- National Federation of Demolition Contractors
- Scottish Building Federation
- Scottish Decorators' Federation
- Scottish Plant Owners Association

Appendix E: Location of principal CITB offices

Head Office and Registered Office
Sand Martin House
Bittern Way
Peterborough
PE2 8TY
Tel: 0300 456 7577

Scotland
Scottish Office
4 Fountain Avenue
Inchinnan Business Park
Inchinnan
Renfrewshire
PA4 9RQ
Tel: 0344 994 8800

Wales
Welsh Office
Companies House
Crown Way
Maindy
Cardiff
CF14 3UZ
Tel: 0303 123 4500

Appendix F: Glossary

CIS	Construction Industry Scheme
CJRS	Coronavirus Job Retention Scheme
CPCS	Construction Plant Competence Scheme
CPI	Consumer Prices Index
CSF	Construction Skills Fund
DfE	Department for Education
ESFA	Education and Skills Funding Agency
FE	Further education
HE	Higher education
ICO	Information Commissioner's Office
IfATE	Institute for Apprenticeships and Technical Education
ISAs	International Standards on Auditing
ITB	Industrial Training Board
KPI	Key performance indicator
LSC	Levy Strategy Committee
LWP	Levy Working Party
NAO	National Audit Office
NCC	National Construction College
NDPB	Non-departmental public body
ONS	Office for National Statistics
RPI	Retail Prices Index
SAAB	Scottish Apprenticeship Advisory Board
SDS	Skills Development Scotland
SME	Small and medium-sized enterprise
SORP	Statement of Recommended Practice
STEM	Science, technology, engineering and mathematics
TRS	Talent Retention Scheme
WAG	Welsh Assembly Government

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