

Support for the Levy and Grant Report

October 2017



Employer & Stakeholder Research (2017)

Survey of non-represented employers liable to pay Levy

These are the results of the Employer and Stakeholder Research (ESR) survey of non-represented employers' views on support for the Levy and Grant system (Consensus) undertaken by IFF Research Ltd. (IFF) on behalf of CITB.

The work took place between July and September 2017 with 4,000 telephone interview responses being achieved.

The interviews covered two sets of questions:

1. **General awareness and understanding of CITB**

This first section looked at awareness of CITB, what it does and what companies may be entitled to access from CITB for free. It also asked for views on the major skills issue the industry may face in the near future, the importance of a number of CITB's stated objectives and CITB's performance against these.

2. **Levy and Grant support**

This section looked at the respondent's view of the importance of the Levy and Grant system in maintaining the level and quality of training undertaken. It also asked about the potential impact if there were no statutory training body such as CITB to collect Levy and pay grants, and whether the Levy and Grant system should continue. Finally, we outlined the proposed rates and thresholds for 2018-2020, and asked the respondents whether they supported these proposals.

The survey was carried out with Levy-registered employers, identified by their 2016 Levy Returns as being liable to make Levy payments but not members of Prescribed Organisations (Consensus Federations) who reported their members' views direct to CITB. .

Where possible, named individuals identified by employers as either their main Levy contact, or main CITB business contact, were approached for their views. When there was not a named contact, IFF took steps to ensure the call was directed to an appropriate person to respond on behalf of the company.

This report sets out:

- Main Findings
- Question results
- Questionnaire
- Data Tables

Main Findings

The survey showed strong support for the 2018-2020 Levy proposal.

This support is strong when reported by either the number of companies liable to pay Levy (72%) or when reported by total Levy-assessed value (66%). Analysis of support both by number and value was carried out looking at different company sizes and nation, again with clear support indicated across the board.

When looking at knowledge of CITB, most employers believe they have either a fairly good or good understanding on the role and objectives of CITB. However, there is work to do to improve this with micro-sized business who account for over half the number of potential levy payers. Even though a minority of employers claim to have a limited understanding of CITB, further questioning demonstrates a good understanding of at least some of the services that CITB undertakes, particularly those that deliver a direct benefit to the employer,

Employers see CITB as being set up to train for the construction industry, which extends to training young people and apprenticeships. After training, CITB is associated with providing grants to support training and collecting a Levy.

Employers have a high level of awareness for services CITB provides. These include the Grants Scheme, advice on Levy and Grants, CITB Advisor and Apprenticeships support. However, there is lower awareness for work that CITB carries out on future skills needs and careers information and advice. The lower awareness of the work being carried out in both of these areas is a clear area for CITB to improve upon. This is particularly true, given that skills shortages and a lack of young people coming into the industry are the two main concerns for employers in the next year or so.

Employers see it as either important or very important for CITB to act across the range of areas identified, from helping employers to access the right training, through to inspiring people to join the sector. When it comes to judging CITB's success in these areas, views are more balanced. However, employers are less inclined to see CITB as being successful when it comes to inspiring people to join the sector or helping employers to recruit talent.

When asked about the importance of the Levy and Grant system in maintaining the level and quality of training, employers make a distinction between the importance to the industry and to their firm. Three out of five (59%) back the system as being important for the industry, but only two out of five (43%) think it is important for their individual firm.

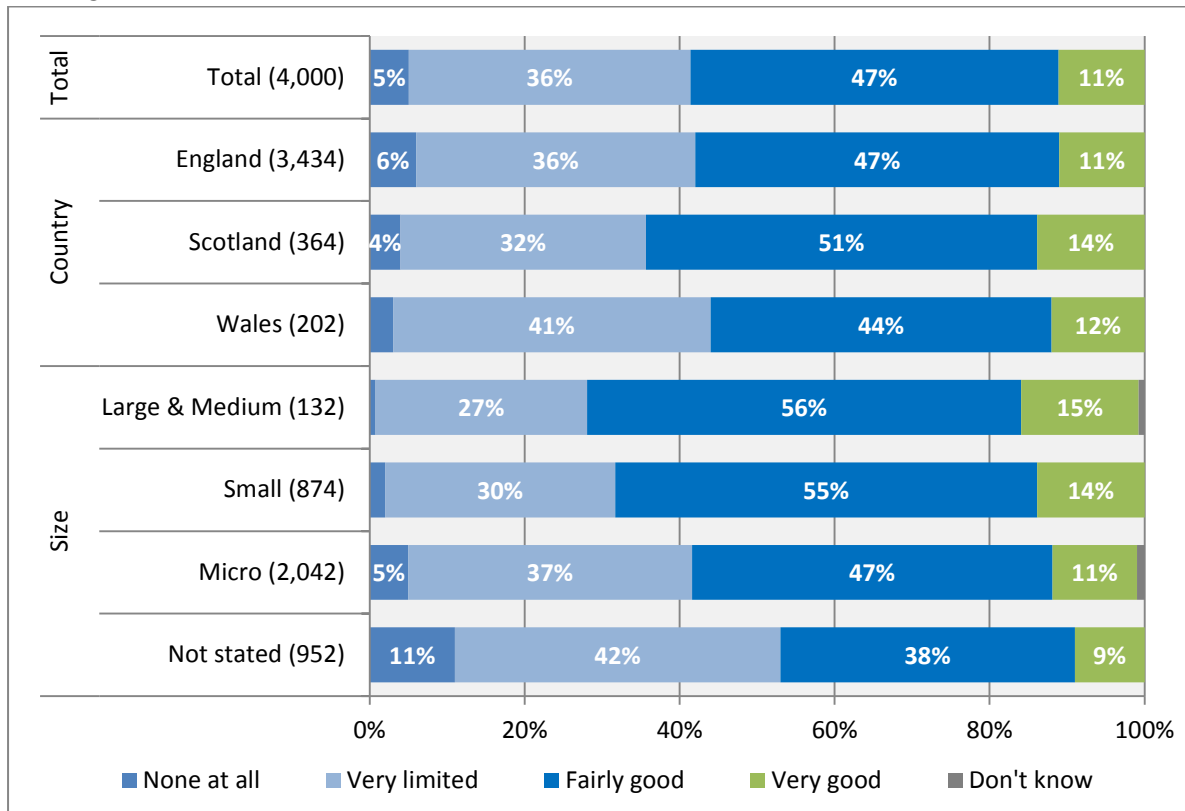
If there were no statutory training body like CITB to collect levy and distribute grant, the majority of employers believe progress in the industry would worsen when it comes to:

- having a qualified workforce
- recruiting apprenticeships
- levels of training
- and 57% of employers thought that the Levy and Grant system should continue.

This large-scale survey shows that a significant majority of non-represented companies support CITB's role in helping employers find training, developing standards and helping to attract talent into the industry. CITB's ongoing reform programme will allow the organisation to focus on these strategic priorities, in order to provide industry with the skills it needs over the next three years.

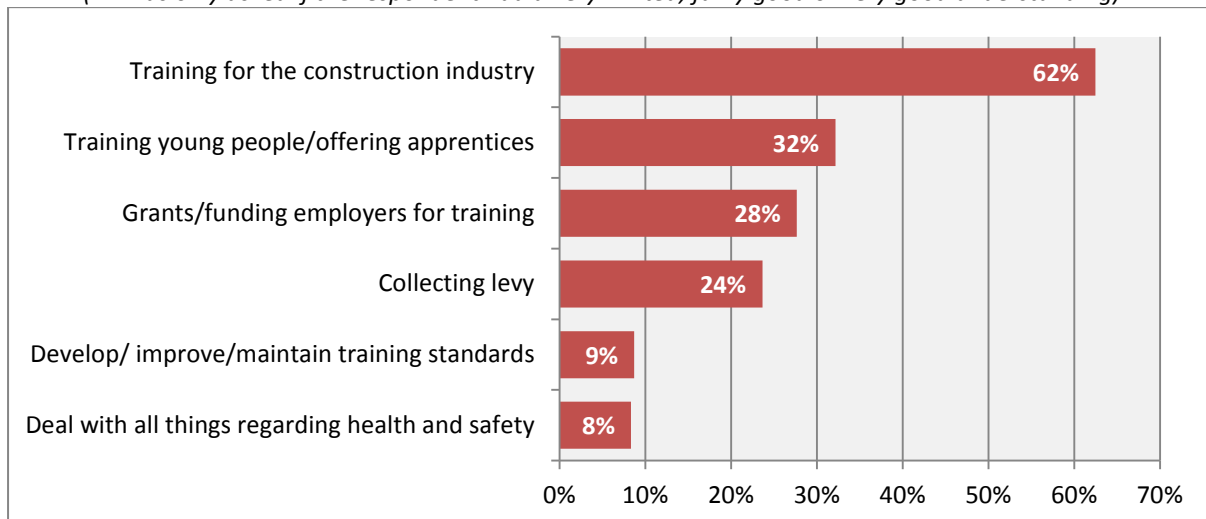
General awareness and understanding

A1 How good an understanding would you say that you have of the role and objectives of CITB?



Total base size: 4,000

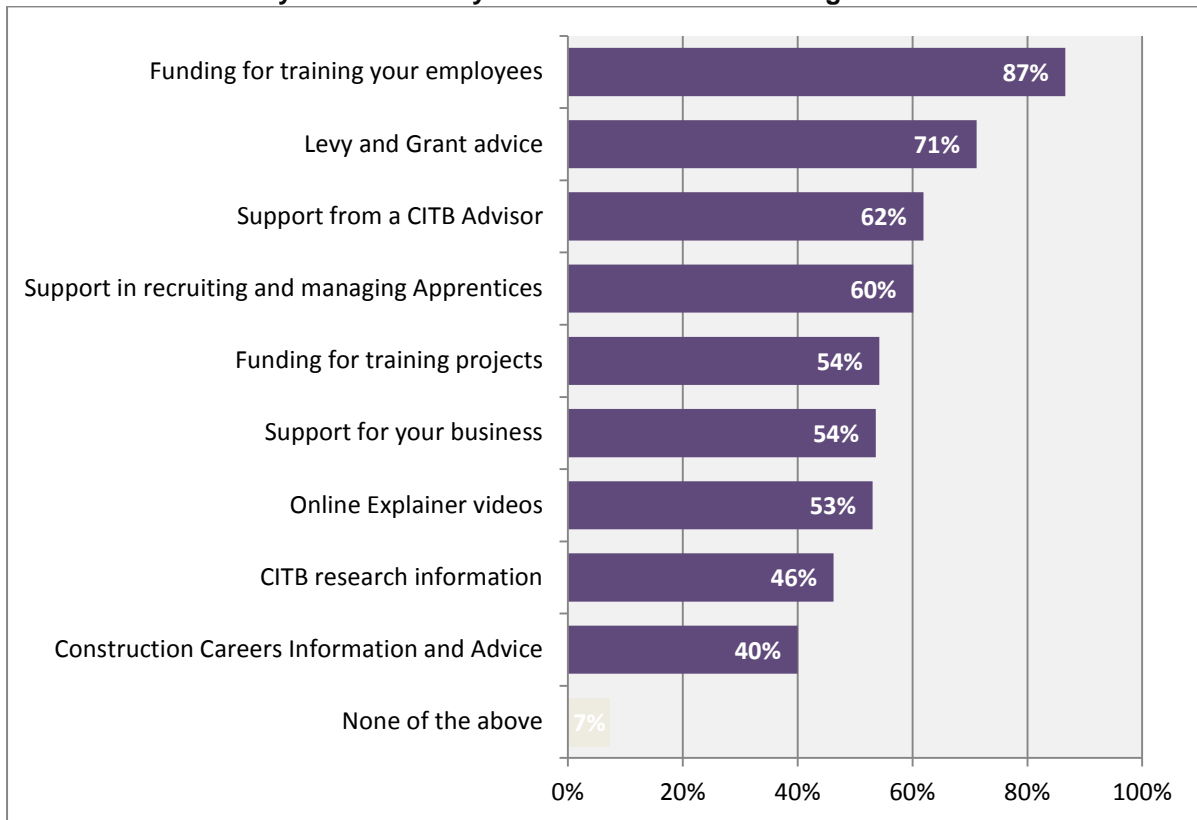
A2 On the basis of your understanding, can you tell me what CITB has been set up to do? (A2 was only asked if the respondent had a very limited, fairly good or very good understanding)



Total base size: 3,767 (respondents could cite multiple answers)

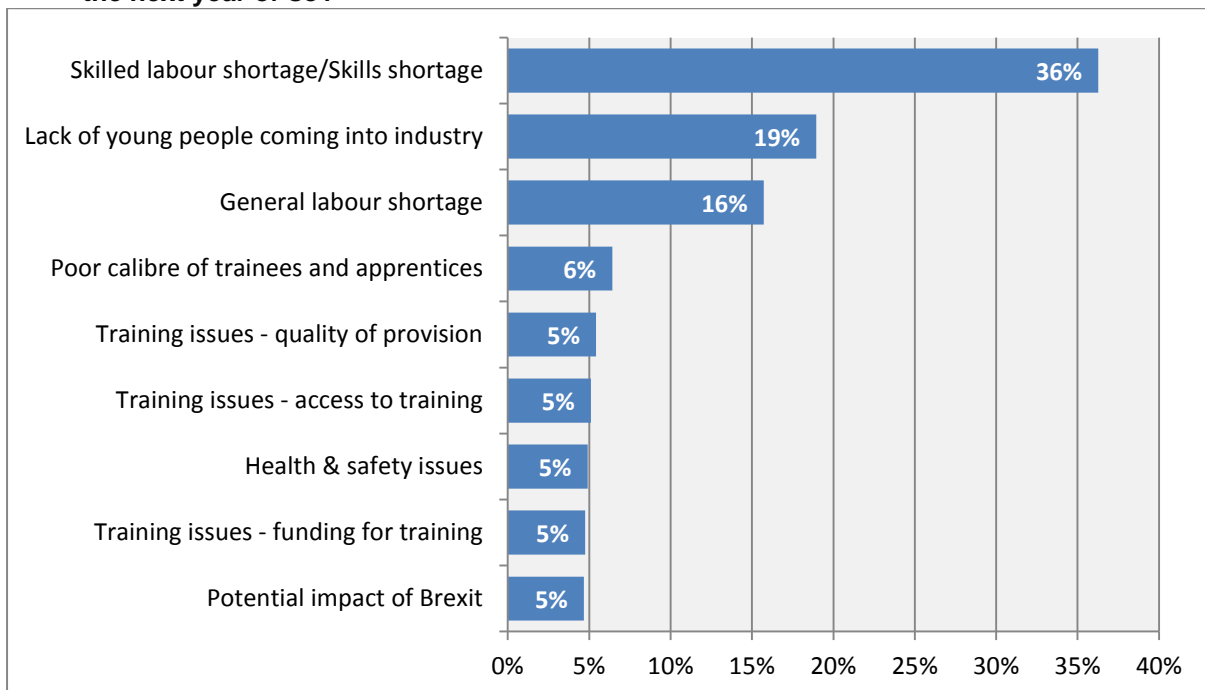
Note: answers with 300+ responses included only

A3 Levy registered employers are entitled to receive a number of products and services from CITB. Are you aware that you can access the following for free?



Total base size: 4,000

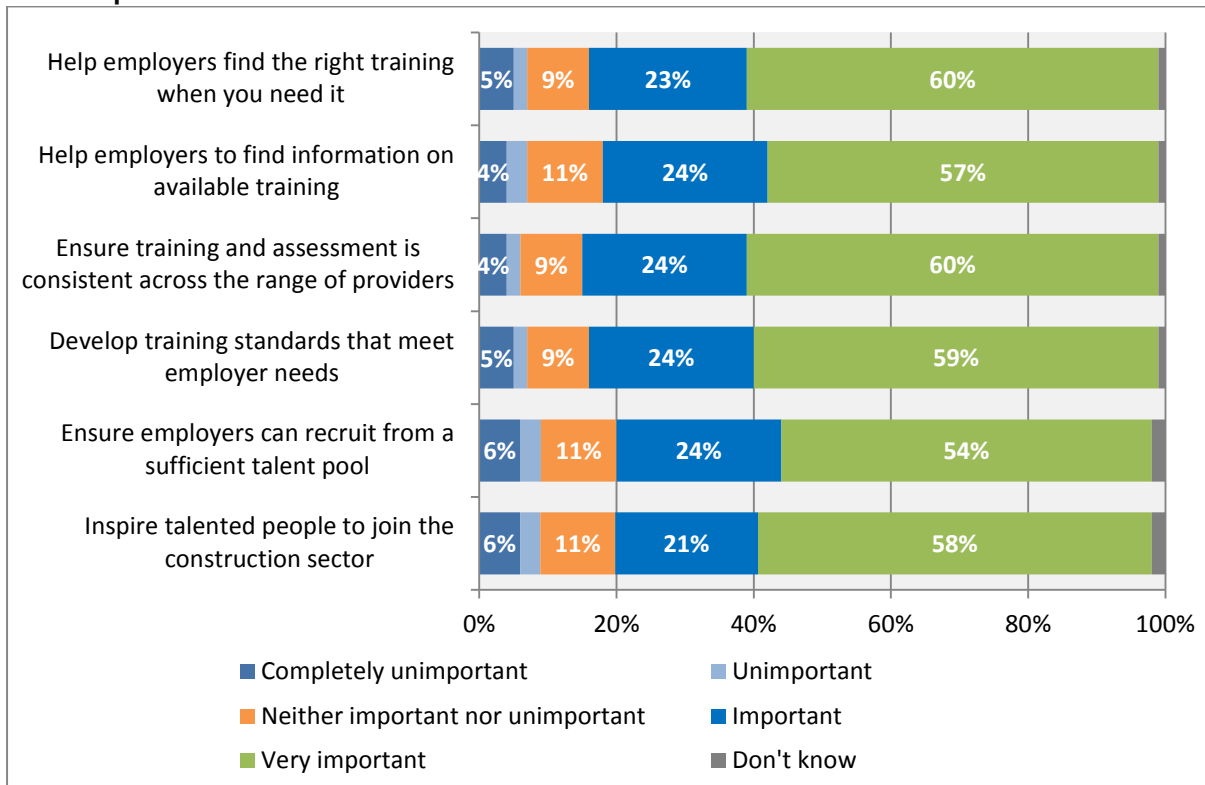
A4 What do you think are the important SKILLS issues the construction industry will face in the next year or so?



Total base size: 4,000

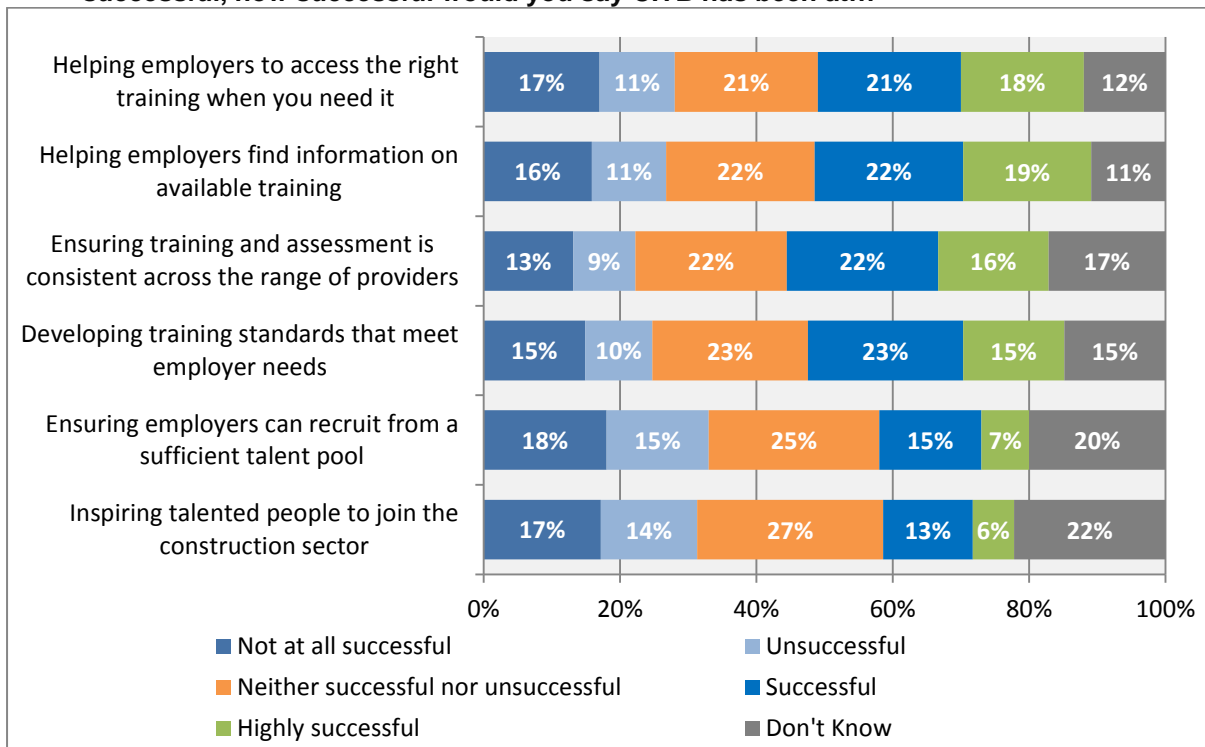
Note: answers mentioned by 5%+ of respondents included

A5 On a scale from 1 to 5 where 1 is completely unimportant and 5 is very important, how important is it for CITB to...



Total base size: 4,000

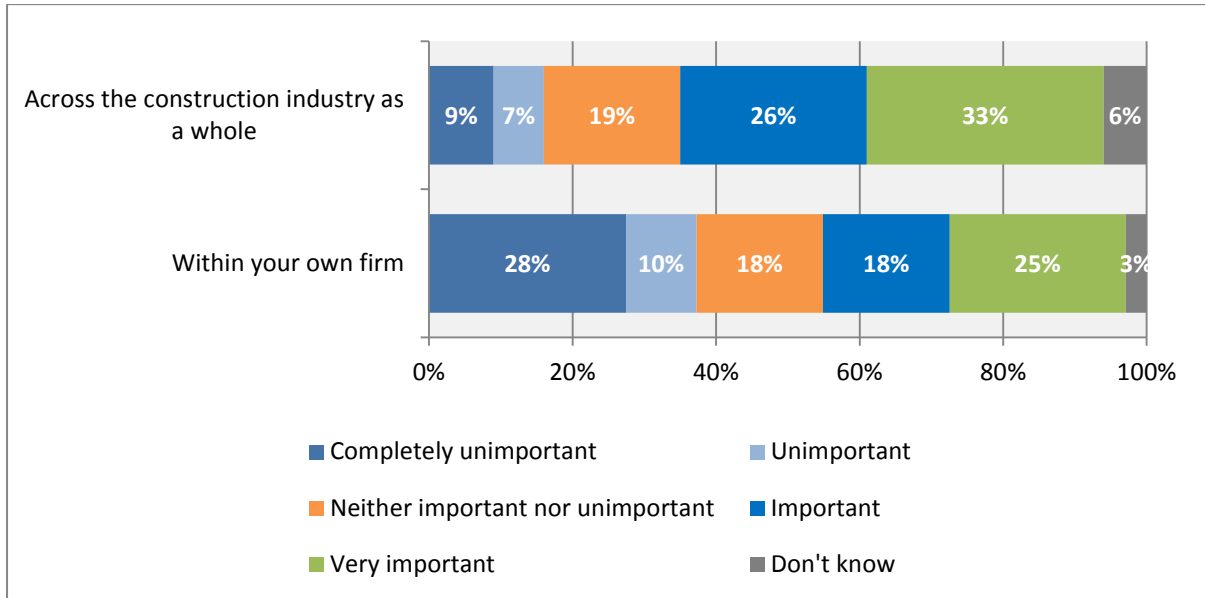
A6 And on a scale from 1 to 5 where 1 is not at all successful and 5 means highly successful, how successful would you say CITB has been at...



Total base size: 4,000

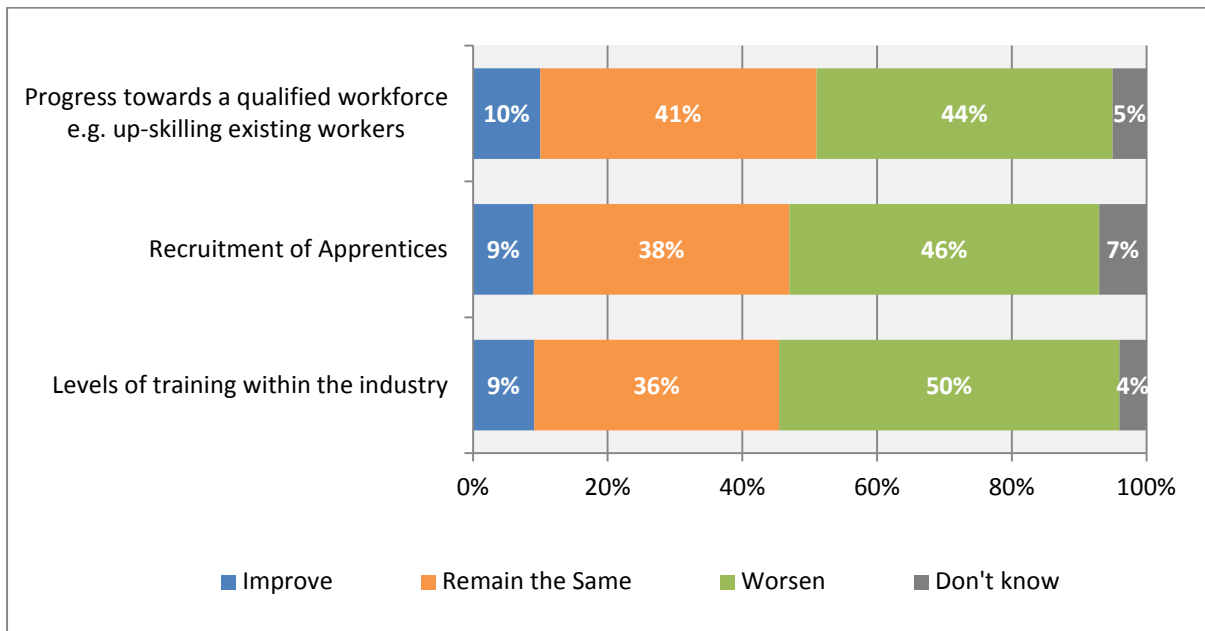
Levy and Grant Support

A7 **How important do you feel the levy and grant system is in maintaining the level and quality of training?**



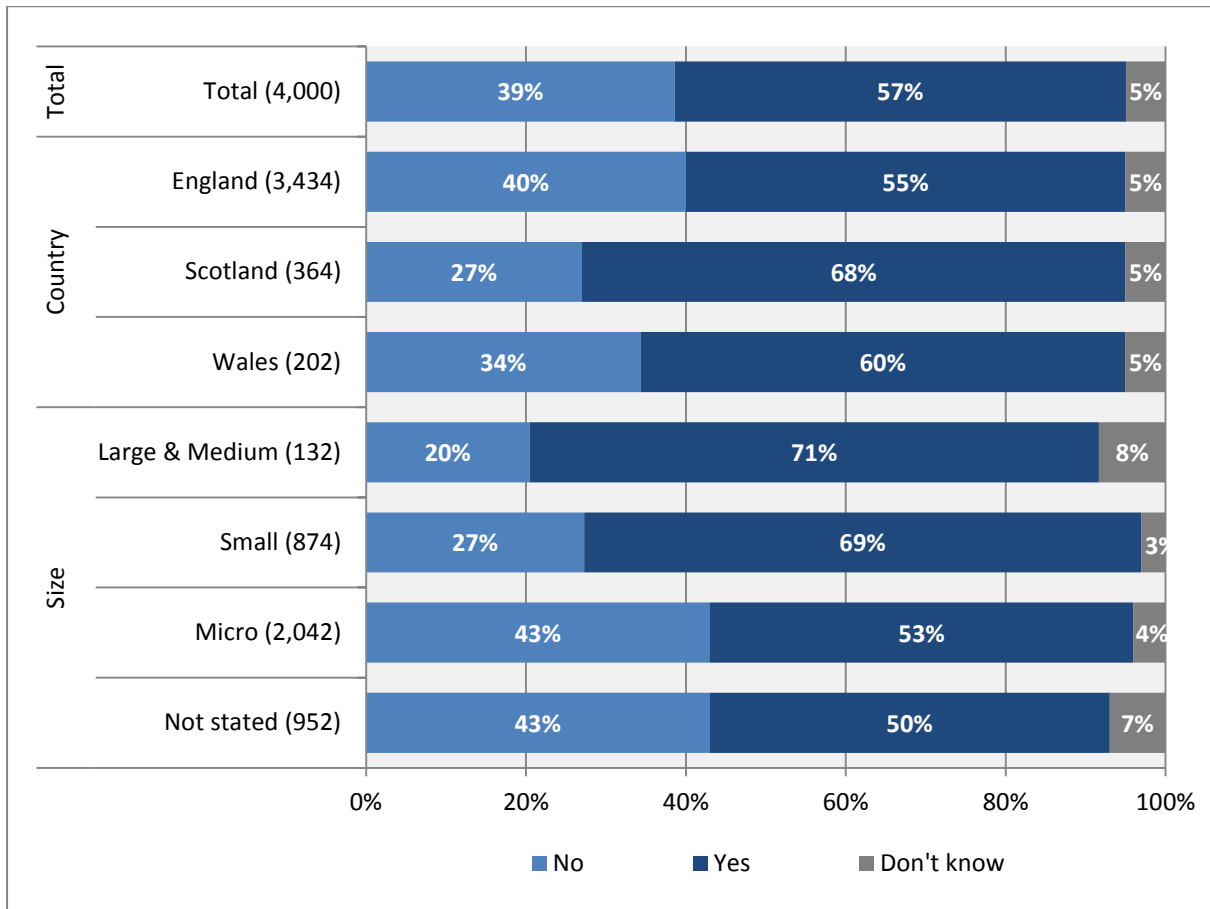
Total base size: 4,000

A8 **If there were no statutory training body such as CITB to collect levy and pay grants for training, what impact do you think this would have on the industry as a whole in terms of each of the following. Would the following improve, worsen or remain the same?**



Total base size: 4,000

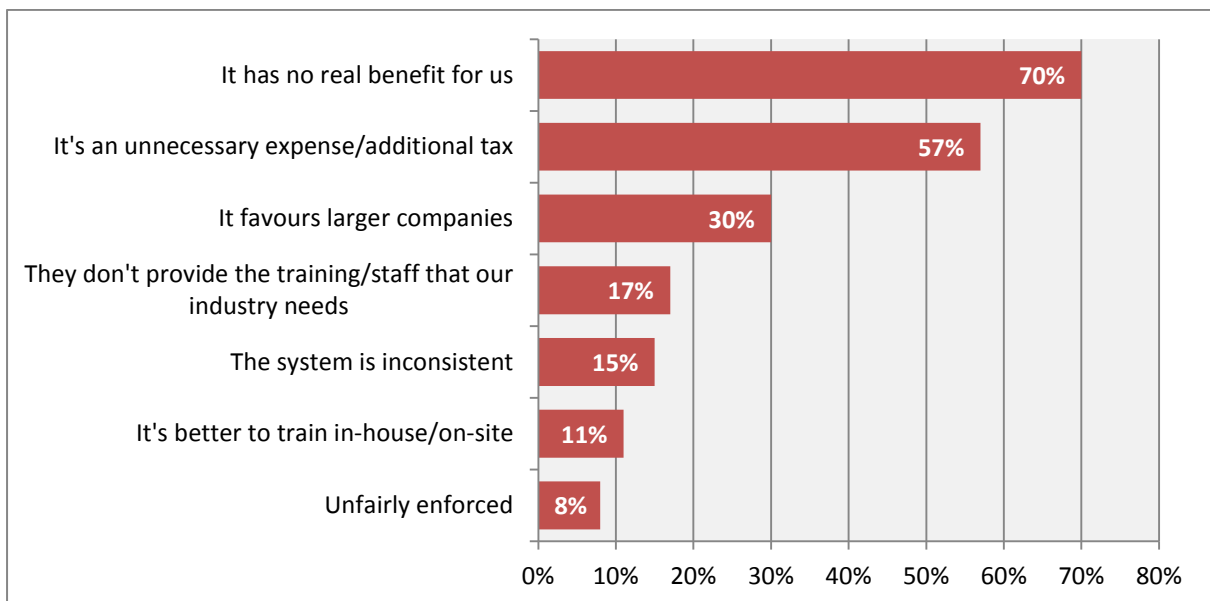
A9 Do you think the statutory Levy Grant System should continue?



Total base size: 4,000

(A10 was only asked if the respondent did not think the Levy Grant system should continue)

A10 Why do you think that the statutory Levy Grant System should not continue?



Total base size: 1,544

Note: answers with 100+ responses included only

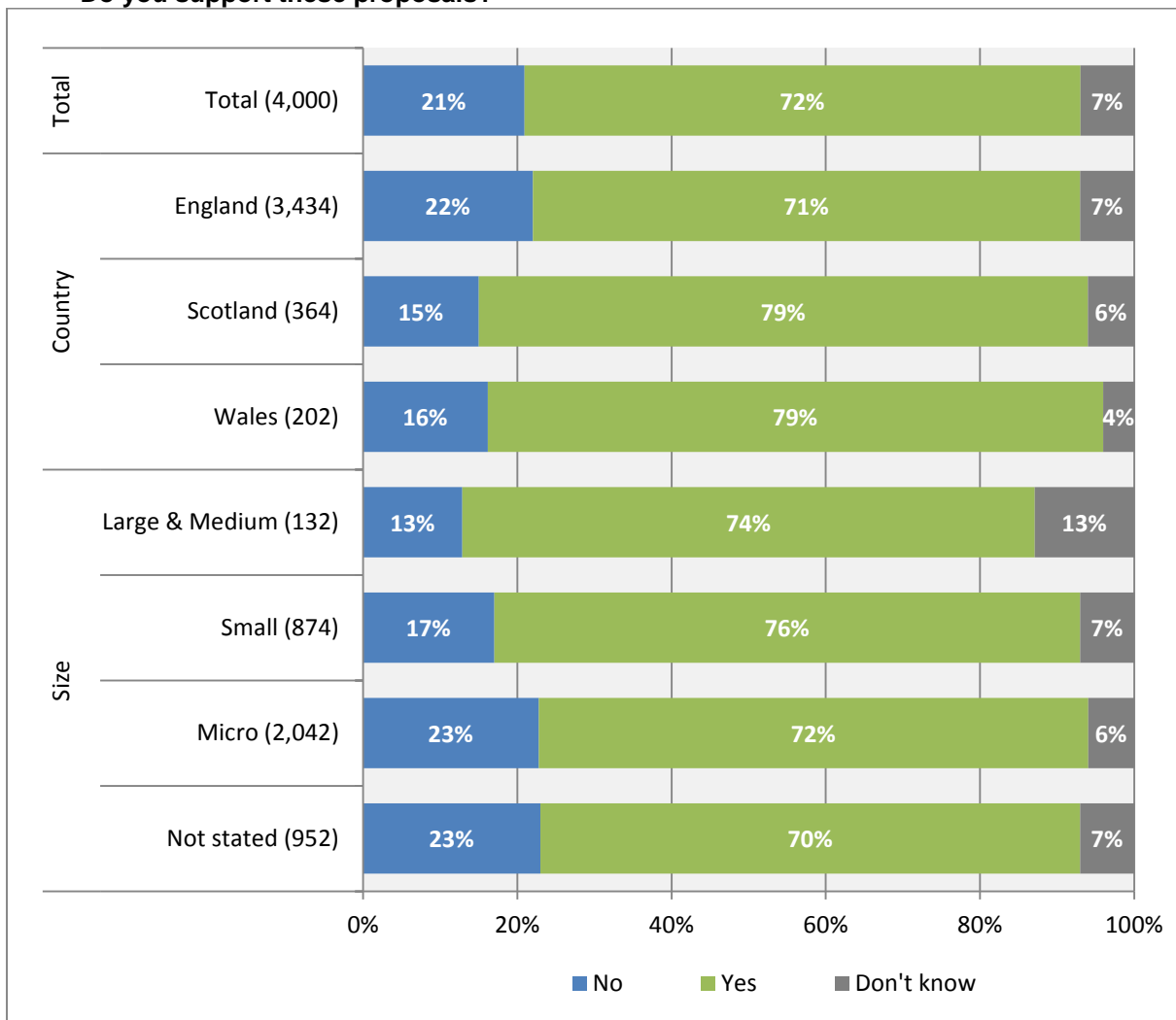
A11 CITB regularly measures the level of support from employers on how the Levy is calculated and this question is about the proposed rates and thresholds for 2018, 2019 and 2020.

The amount of CITB levy employers pay is based on the amount they pay their workers a year. This includes employees paid through PAYE and also Construction Industry Scheme (CIS) subcontractors from whom CIS tax is deducted. It is not applied to CIS subcontractors from whom CIS tax is not deducted. .

For 2018-2020 the proposal is that for all levy payers:

- The PAYE contribution will reduce from the current 0.5% to 0.35%
- Net CIS contribution will remain the same at 1.25%
- Payment thresholds will remain the same, so that:
 - Employers with a wage bill of less than £80k are exempt
 - Employers with a wage bill of between £80k and £399k receive a 50% deduction on the levy assessment
 - Employers only pay the full assessment if their wage bill is £400k or above

Do you support these proposals?



Total base size: 4,000

Questionnaire

General awareness and understanding

A1 **How good an understanding would you say that you have of the role and objectives of CITB?**

None at all
Very limited
A fairly good understanding
A very good understanding
Don't know

(A2 was only asked if the respondent had a very limited, fairly good or very good understanding)

A2 **On the basis of your understanding, can you tell me what CITB has been set up to do?**

A3 **Levy registered employers are entitled to receive a number of products and services from CITB. Are you aware that you can access the following for free?**

Funding for training your employees through the Grant scheme
Support from a CITB Advisor through training groups, advisory forums, Federations, Associations or other groups
Support for your business through CITB telephone and online services
Levy and Grant advice through CITB website, webchat or telephone lines
Online Explainer videos for help on subjects like "How to apply for a card" and "How to take on an apprentice"
CITB research – information on current and future skills needs
Construction Careers Information and Advice through Go Construct
Support in recruiting and managing Apprentices (CITB Apprenticeships/Managing Agency)
Funding for training projects through the Flexible and Structured Fund schemes
None of these

A4 **What do you think are the important SKILLS issues the construction industry will face in the next year or so?**

A5 On a scale from 1 to 5 where 1 is completely unimportant and 5 is very important, how important is it for CITB to...

	Completely unimportant	Unimportant	Neither important nor unimportant	Important	Very important	Don't Know
Inspire talented people to join the construction sector						
Ensure employers can recruit from a sufficient talent pool						
Develop training standards that meet employer needs						
Ensure training and assessment is consistent across the range of providers						
Help employers to find information on available training						
Help employers to access the right training when you need it						

A6 And on a scale from 1 to 5 where 1 is not at all successful and 5 means highly successful, how successful would you say CITB has been at...

	Not at all successful	Unsuccessful	Neither successful nor unsuccessful	Successful	Highly successful	Don't Know
Inspiring talented people to join the construction sector						
Ensuring employers can recruit from a sufficient talent pool						
Developing training standards that meet employer needs						
Ensuring training and assessment is consistent across the range of providers						
Helping employers to find information on available training						
Helping employers to access the right training when you need it						

Levy and Grant Support

To help ensure that the construction industry has a trained and skilled workforce, CITB collects a statutory levy from liable employers which is then reinvested to support training and skills development. Examples of what the Levy system supported in 2016 include:

- Over 24,600 construction apprentices with £63.1m of funding
- 62,800 training qualification and NVQ achievements
- Funding of £17.7 million to support industry-led projects, including £2 million for small and micro companies for specific skills needs through the Skills & Training Fund.

The following questions ask your views on the Levy and Grant system.

A7 How important do you feel the levy and grant system is in maintaining the level and quality of training. Please answer on a scale from 1 to 5 where 1 is completely unimportant and 5 is very important.

	Completely unimportant	Unimportant	Neither important nor unimportant	Important	Very important	Don't know
Within your own firm						
Across the construction industry as a whole						

A8 If there were no statutory training body such as CITB to collect levy and pay grants for training, what impact do you think this would have on the industry as a whole in terms of each of the following. Would the following improve, worsen or remain the same?

	Improve	Worsen	Remain the Same	Don't know
Levels of training within the industry				
Recruitment of Apprentices				
Progress towards a qualified workforce e.g. up-skilling existing workers				

A9 **Do you think the statutory Levy Grant System should continue?**

Yes
No
Don't know

(A10 was only asked if the respondent did not think the Levy Grant system should continue)

A10 **Why do you think that the statutory Levy Grant System should not continue?**

A11 CITB regularly measures the level of support from employers on how the Levy is calculated and this question is about the proposed rates and thresholds for 2018, 2019 and 2020.

The amount of CITB levy employers pay is based on the amount they pay their workers a year. This includes employees paid through PAYE and also Construction Industry Scheme (CIS) subcontractors who you deduct CIS tax from. It is not applied to CIS subcontractors who you don't deduct CIS tax from.

For 2018-2020 the proposal is that for all levy payers:

- The PAYE contribution will reduce from the current 0.5% to 0.35%
- Net CIS contribution will remain the same at 1.25%
- Payment thresholds will remain the same, so that:
 - Employers with a wage bill of less than £80k are exempt
 - Employers with a wage bill of between £80k and £399k receive a 50% deduction on the levy assessment
 - Employers only pay the full assessment if their wage bill is £400k or above

Do you support these proposals?

Yes
No
Don't know

Data Tables

General awareness and understanding

A1 How good an understanding would you say that you have of the role and objectives of CITB?

	Size					Country		
	Total	Micro	Small	Medium + Large	Not stated	England	Scotland	Wales
Total	4,000	2,042	874	132	952	3,434	364	202
None at all	218	97	16	1	104	198	13	7
	5%	5%	2%	<1%	11%	6%	4%	3%
Very limited	1,447	750	260	36	401	1,249	115	83
	36%	37%	30%	27%	42%	36%	32%	41%
Fairly good	1,880	966	478	74	362	1,608	184	88
	47%	47%	55%	56%	38%	47%	51%	44%
Very good	440	218	119	20	83	365	51	24
	11%	11%	14%	15%	9%	11%	14%	12%
Don't know	15	11	1	1	2	14	1	0
	<1%	<1%	<1%	<1%	<1%	<1%	<1%	0%

A2 On the basis of your understanding, can you tell me what CITB has been set up to do?

	Total
Total	3,767
Training for the construction industry	2,353
	62%
Training young people/offering apprentices	1,211
	32%
Grants/funding employers for training	1,042
	28%
Collecting levy	891
	24%
Develop/ improve/maintain training standards	328
	9%

A2 continued.....

	Total
Deal with all things regarding health and safety	314
	8%
Help the construction industry	268
	7%
Help with training/apprentices - visit on site etc.	238
	6%
Providing/organising Training Schemes	208
	6%
Promoting training in the construction Industry	173
	5%
Offer qualifications	86
	2%
Promoting the construction Industry	82
	2%
Get people into the industry/promote construction careers	78
	2%
Regulation/monitoring of the construction industry	58
	2%
Oversee card schemes	49
	1%
Provide general information	31
	1%
Providing research/evidence on skills in construction	16
	<1%
Act as a recruitment agency/get people jobs	11
	<1%
Nothing/none	19
	1%
Other	51
	1%
Don't know	154
	4%

A3 Levy registered employers are entitled to receive a number of products and services from CITB. Are you aware that you can access the following for free?

	Total
Total	4,000
Funding for training your employees through the Grants scheme	3,465
	87%
Levy and Grant advice through CITB website, webchat or telephone lines	2,846
	71%
Support from a CITB Advisor through training groups, advisory forums, Federations, Associations or other groups	2,476
	62%
Support in recruiting and managing Apprentices (CITB Apprenticeships/Managing Agency)	2,404
	60%
Funding for training projects through the Flexible & Structured Fund schemes	2,169
	54%
Support for your business through CITB telephone and online services	2,144
	54%
Online Explainer videos for help on subjects like "How to apply for a card" and "How to take on an apprentice"	2,121
	53%
CITB research information on current and future skills needs	1,850
	46%
Construction Careers Information and Advice through Go Construct	1,599
	40%
None of the above	288
	7%

A4 **What do you think are the important SKILLS issues the construction industry will face in the next year or so?**

	Total
Total	4,000
Skilled labour shortage/Skills shortage	1,451
	36%
Lack of young people coming into industry	758
	19%
General labour shortage	629
	16%
Poor calibre of trainees and apprentices	257
	6%
Training issues - quality of provision	217
	5%
Training issues - access to training	204
	5%
Health & safety issues	196
	5%
Training issues - funding for training	190
	5%
Potential impact of Brexit on the ability to employ EU workers	187
	5%
Up-skilling / re-skilling existing workforce to adapt to new ways of working, e.g. BIM	155
	4%
Lack of people coming in from other sectors e.g. military personnel or workers moving back	142
	4%
Economic uncertainty	119
	3%
Ageing workforce	109
	3%
Future work being unpredictable	77
	2%
Having enough future work to support training (strength of order book)	39
	1%
Issues with staff retention	32
	1%

	Total
Issues with red tape/bureaucracy	31
	1%
Lack of understanding/knowledge of training needs	30
	1%
Training issues - time training takes	25
	1%
Language barriers on site	21
	1%
Complying with new legislation	17
	<1%
Companies unwilling to take on apprentices	11
	<1%
No particular skills issues / none	185
	5%
Other	189
	5%
Don't know	1,034
	26%

A5 On a scale from 1 to 5 where 1 is completely unimportant and 5 is very important, how important is it for CITB to...

	Total	Completely unimportant	Unimportant	Neither important nor unimportant	Important	Very important	Don't know
Inspire talented people to join the construction sector	4,000	237	134	428	825	2,313	63
		6%	3%	11%	21%	58%	2%
Ensure employers can recruit from a sufficient talent pool	4,000	229	125	450	959	2,147	90
		6%	3%	11%	24%	54%	2%
Develop training standards that meet employer needs	4,000	186	84	376	941	2,362	51
		5%	2%	9%	24%	59%	1%
Ensure training and assessment is consistent across the range of providers	4,000	172	84	343	944	2,401	56
		4%	2%	9%	24%	60%	1%
Help employers to find information on available training	4,000	176	113	420	972	2,281	38
		4%	3%	11%	24%	57%	1%
Help employers find the right training when you need it	4,000	192	97	342	922	2,413	34
		5%	2%	9%	23%	60%	1%

A6 **And on a scale from 1 to 5 where 1 is not at all successful and 5 means highly successful, how successful would you say CITB has been at...**

	Total	Not at all successful	Unsuccessful	Neither successful nor unsuccessful	Successful	Highly successful	Don't Know
Inspiring talented people to join the construction sector	4,000	689	578	1,094	517	228	894
		17%	14%	27%	13%	6%	22%
Ensuring employers can recruit from a sufficient talent pool	4,000	719	609	1,005	598	283	786
		18%	15%	25%	15%	7%	20%
Developing training standards that meet employer needs	4,000	585	402	913	915	605	580
		15%	10%	23%	23%	15%	15%
Ensuring training and assessment is consistent across the range of providers	4,000	534	361	890	887	646	682
		13%	9%	22%	22%	16%	17%
Helping employers find information on available training	4,000	636	432	886	866	748	432
		16%	11%	22%	22%	19%	11%
Helping employers to access the right training when you need it	4,000	664	441	855	829	737	474
		17%	11%	21%	21%	18%	12%

Levy Grant Support

A7 **How important do you feel the levy and grant system is in maintaining the level and quality of training?**

	Total	Completely unimportant	Unimportant	Neither important nor unimportant	Important	Very important	Don't know
Within your own firm	4,000	1,102	386	704	714	989	105
		28%	10%	18%	18%	25%	3%
Across the construction industry as a whole	4,000	363	265	752	1,040	1,335	245
		9%	7%	19%	26%	33%	6%

A8 If there were no statutory training body such as CITB to collect levy and pay grants for training, what impact do you think this would have on the industry as a whole in terms of each of the following. Would the following improve, worsen or remain the same?

	Total	Improve	Worsen	Remain the Same	Don't know
Levels of training within the industry	4,000	361 9%	2,011 50%	1,449 36%	179 4%
Recruitment of Apprentices	4,000	377 9%	1,838 46%	1,522 38%	263 7%
Progress towards a qualified workforce e.g. up-skilling existing workers	4,000	413 10%	1,759 44%	1,631 41%	197 5%

A9 Do you think the statutory Levy Grant System should continue?

	Total	Size				Country		
		Micro	Small	Medium + Large	Not stated	England	Scotland	Wales
Total	4,000	2,042	874	132	952	3,434	364	202
Yes	2,263 57%	1,089 53%	607 69%	94 71%	473 50%	1,894 55%	247 68%	122 60%
No	1,544 39%	869 43%	238 27%	27 20%	410 43%	1,375 40%	100 27%	69 34%
Don't know	193 5%	84 4%	29 3%	11 8%	69 7%	165 5%	17 5%	11 5%

A10 Why do you think that the statutory Levy Grant System should not continue?

	Total
Total	1,544
It has no real benefit for us	1,076 70%
It's an unnecessary expense/additional tax	887 57%
It favours larger companies	459 30%
They don't provide the training/staff that our industry needs	268 17%

The system is inconsistent	235
	15%
It's better to train in-house/on-site	174
	11%
Unfairly enforced	118
	8%
CITB does not administer the Levy Grant System efficiently	97
	6%
It is too complicated/time consuming	77
	5%
Levy is too high / should be lower	66
	4%
Other training is superior / training is substandard	48
	3%
Don't like how the money is spent / want say in how it is spent	34
	2%
They won't give us a grant	6
	<1%
Other	101
	7%
Don't know	10
	1%

A11 CITB regularly measures the level of support from employers on how the Levy is calculated and this question is about the proposed rates and thresholds for 2018, 2019 and 2020.

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- The PAYE contribution will reduce from the current 0.5% to 0.35%
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- Payment thresholds will remain the same, so that:
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 - Employers with a wage bill of between £80k and £399k receive a 50% deduction on the levy assessment
 - Employers only pay the full assessment if their wage bill is £400k or above

Do you support these proposals?

		Size				Country		
	Total	Micro	Small	Medium + Large	Not stated	England	Scotland	Wales
Total	4,000	2,042	874	132	952	3,434	364	202
Yes	2,894	1,463	663	98	670	2,446	288	160
	72%	72%	76%	74%	70%	71%	79%	79%
No	844	460	147	17	220	756	55	33
	21%	23%	17%	13%	23%	22%	15%	16%
Don't know	262	119	64	17	62	232	21	9
	7%	6%	7%	13%	7%	7%	6%	4%

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