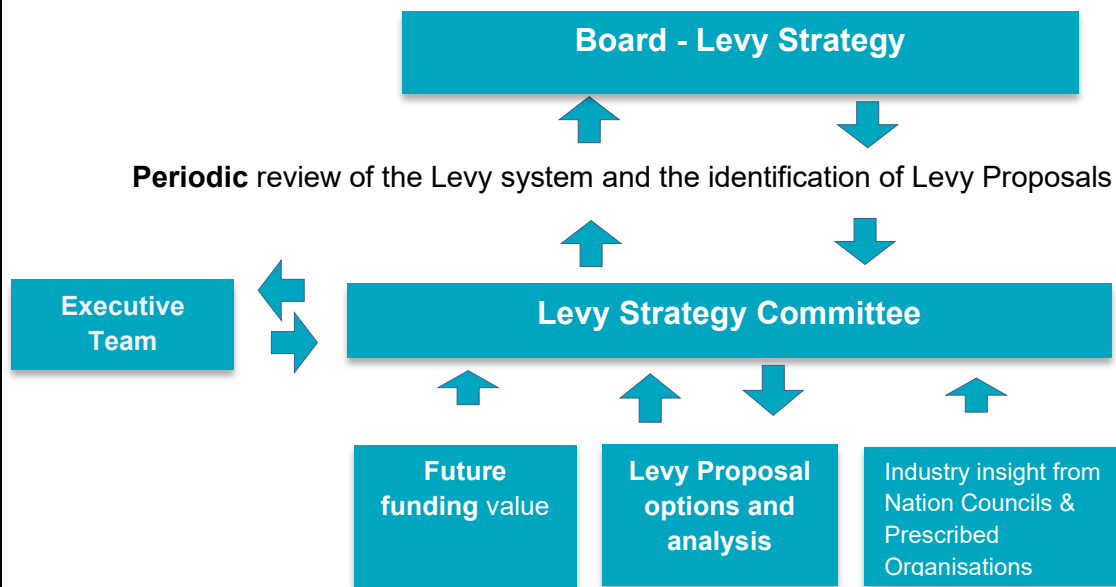


Terms of Reference	CITB LEVY STRATEGY COMMITTEE		
<b>Section I: Committee Identification</b>			
<b>Lead staff member</b>	Colin Chaplin (Head of Levy Strategy, Consensus and Reviews)	<b>Executive Director</b>	Adrian Beckingham – Policy and Strategy Director
<b>Members: (name, organisation, position)</b>	<ol style="list-style-type: none"> <li>1. TBC (Chair and Board Trustee Member)</li> <li>2. Vacant (Board Trustee Member)</li> <li>3. Steve Anderson (Independent Member)</li> <li>4. Neil Rogers (Independent Member)</li> <li>5. Rob Tansey (Independent Member)</li> <li>6. Gareth Davies (Employer / Employer Representative Member)</li> <li>7. Vikki Skene (Employer / Employer Representative Member)</li> <li>8. James Butcher (Employer / Employer Representative Member)</li> <li>9. Ken Millar (Nation Council Representative Member)</li> <li>10. Annette Jones (Nation Council Representative Member)</li> <li>11. Vacant (Nation Council Representative Member)</li> </ol>		<p>+ CITB Legal Team representative</p> <p>+ CITB Corporate Governance Team representative</p> <p>+ Department of Education (DfE) representative</p> <p>+ ECITB representative</p> <p>+ Other Invitees as required</p>
<b>Start date:</b>	November 2023	<b>Performance review date:</b>	March 2024
<b>Section II: Authority</b>			
<p>This Committee is established by the CITB Board pursuant to Section 2(1)(a) of the Industrial Training Act 1982 with delegated authority to exercise any functions and duties described in these Terms of Reference or otherwise act in an advisory capacity.</p>			
<b>Section III: Purpose and Performance</b>			
<b>A. General Purpose</b>			
<ol style="list-style-type: none"> <li>1. To provide strategic advice and guidance on the determination of Levy proposals and the operation of the Levy system, making recommendations to the Board, with specific reference to supporting the industry to have a skilled, competent, and inclusive workforce now and in the future;</li> <li>2. To periodically review the Levy system to ensure CITB can raise sufficient funds in an equitable manner to meet the skills challenges of the industry, by ensuring future Levy Proposals are appropriate, effective and mean the Levy system remains fit for purpose now and in the future;</li> <li>3. To deliver initial and final Levy Proposal recommendations to the Board in respect of each pending Levy Order.</li> </ol>			

## B. Specific Purpose Overview



## C. Specific scope and objectives

1. To assess the implications of different Levy-calculation models against different employers and the funding requirements of the Strategic Plan, and to make recommendations that ensure equitability and proportionality accordingly;
2. To work collaboratively with stakeholders and the Executive team to ensure the effective development of Levy Proposals;
3. To capture the views of all categories of employers across the three nations and to test the thinking and direction with the three Nation Councils, Prescribed Organisations, and other industry stakeholders as required;
4. To capture and inform the Board of the views of employers to any proposed changes to Levy Order in advance of making final submissions to the Secretary of State concerning such proposed changes;
5. To consider the impact and potential impact of factors within the external environment on the Levy system and Levy Proposals and ensure recommendations address those factors where appropriate;
6. To periodically carry out reviews of the Levy system for consideration by the Board for changes to future Levy Orders. To consider and if appropriate recommend that the Board seek amendments to the purpose, structure, and basis of the Levy system to ensure it remains fit for purpose to enable the Board to support the industry to have skilled, competent, and inclusive workforce now and in the future. Areas subject to periodic review include but are not restricted to:
  - The appropriateness of the emoluments based Levy;
  - The benefits, disbenefits and feasibility of HMRC collecting the CITB Levy;
  - The benefits, disbenefits and feasibility of CITB Levy being generated in, or close to, "Real Time";
  - Confirmation that the sources of the Levy calculation (currently PAYE and Net CIS) and the Levy differential, are still appropriate and recommending changes as appropriate;

- Levy exemption and reduction thresholds; considering alternative approaches and recommending changes as appropriate;
- Identifying routes to Levy avoidance and exploring ways to mitigate avoidance activity; and
- Consideration of whether the current Scope Order reflects the current and future make-up of the construction industry, and is still appropriate for identifying Levy employers.

7. To consider recommendations from ITB reviews (and other government and stakeholder reviews) relating to Levy Strategy as appropriate.

#### **D. Committee performance**

The Board is committed to following a performance excellence framework and governance best practice and so the Committee will participate in the Board's annual effectiveness review.

All activities either completed or to be carried out by the Committee shall be captured on a tracker (Appendix A) and regular progress updates shall be given to the Committee.

The Committee will also participate in an effectiveness review upon completion of its activities relating to any Levy Proposals and completion of the fundamental review of the Levy system, with particular reference to the extent to which the Committee has discharged its roles and responsibilities.

### **Section IV: Membership and Committee working**

#### **A. Composition of Committee, Membership and Appointment**

**Composition:** The Committee will comprise of a maximum 11 Members; at least two of whom (including the Committee Chair) are required to be non-executive Board Members (Trustees). At the Committee Chair's discretion (after consultation with existing Committee Members) and with their formal approval, additional Members may be co-opted onto the Committee where this will address short-term skills or knowledge gaps. The number of Co-opted Committee Members recruited shall be no greater than one-third of the total membership of the Committee.

**The rest should be a combination based on the following criteria:**

- At least one representative from each of the three Nations Councils;
- Three employers or employer representatives from each nation; and
- Three independent members who have significant experience and knowledge of the industry or a specialist skill as required by the Committee.

**Recruitment and Appointment of Committee Chair and Members**

The Board Chair will select two Board Trustees to become Members of this Committee, one of whom will be appointed Committee Chair.

The nine non-Board Trustee Members will be recruited and appointed in accordance with the process set out in the Schedule A. The Board reserves the right to amend the process set out in the Schedule to best reflect and deliver the objectives of the Committee.

Co-opted Members will be recruited and appointed in accordance with the process set out in Schedule B. The Board reserves the right to amend the process set out in Schedule B to best reflect and deliver the objectives of the Committee.

### **Board Accountability**

The Committee Terms of Reference, Committee Chair and Member recruitment and terms of appointment are matters for the Board. The membership of Board Committees is not transferable, and substitutions are not permitted without the express authority of the Board Chair. Attendance is published in the Annual Report and Accounts.

The Board delegates the recruitment and selection process of non-Board Trustee Members to the Committee Chair and the Committee Chair will make recommendations for appointment to the Board for approval before any appointment can be offered and confirmed.

### **Membership, Independence, Objectivity and Understanding**

Members of the Committee must prioritise the interests of the construction industry, independent of any affiliation to their own business interests or other associated bodies, being objective in their contributions and decision-making. Members will conduct themselves in line with CITB's Code of Conduct for Board and Committee Members, including making appropriate declarations of interests and any actual or perceived conflicts in accordance with Section C below.

Members who are directors, officers or employees of Levy-registered employers must be compliant with all Levy obligations, including (but not limited to) payment of the Levy and completion of Levy Returns.

### **Skills**

The Committee aims to have an appropriate mix of skills and experience amongst its Members to allow it to carry out its overall function. Members must have a good understanding of the Levy system, CITB's objectives and priorities, and of their role as a Committee Member. Members must also be able to demonstrate that they have the requisite skills and experience to assess the appropriateness of the Levy options under consideration.

### **Tenure**

Terms of office will be as follows:

- **Board Trustee Members:** the remaining period of their tenure as Trustee, unless directed otherwise by the Board;
- **Independent Members:** up to four years, renewable for a second period of up to four years at the Board's discretion
- **Nation Council Representative Member:** for the period of their tenure as Nation Council member with an option to be Co-opted until the end of the calendar year.
- **Co-opt Members:** no longer than one year.

In the event that a Committee Member no longer satisfies the eligibility requirements, they will have an option to be appointed as a Co-opt Member of the Committee until the end of the calendar year in which eligibility lapses.

### **Training**

Members should continue to develop their skills and knowledge and be able to work collaboratively to ensure that they are able to fulfil the requirements of their role.

## **B. Committee working and meeting arrangements**

### **Committee working**

1. Any Independent or Co-opted member who fails to attend two consecutive meetings, without the permission of the Committee Chair, may be deemed to have resigned and a

replacement will be sought by the Committee in conjunction with the Board and the Corporate Governance Team.

2. The Committee Chair may ask any other officials of CITB or other organisations to attend to assist it with its discussions on any particular matter.
3. The Committee Chair may ask any or all of those in attendance at a meeting who are not Members to withdraw from part or all of the meeting if the Committee Chair considers it appropriate to facilitate open and frank discussion of particular matters.
4. Members may consult, individually and collectively, with the Committee Chair on any matters of a confidential nature.
5. The use of alternates or proxies to attend meetings on behalf of Committee members is prohibited.

### Meeting arrangements

1. The Committee meetings and workshops will be convened periodically as required, but not less than three times per year. The Board may also ask the Committee to convene further meetings to discuss particular issues upon which it wants the Committee's advice.
2. Meetings and workshops will be conducted via a mixture of in-person and remote gatherings, as deemed appropriate by the Committee Chair, and agreed no less than three months in advance. In exceptional circumstances, the Committee Chair may give short notice on how the meeting will be conducted. Where meetings or workshops are held in-person Members may, as an exception and with the permission of the Committee Chair, participate in a meeting or workshop by means of a conference telephone, video conferencing facility or other similar communication equipment.
3. CITB Lead staff shall provide advice and guidance to the Committee as appropriate.
4. CITB's Corporate Governance Team shall provide advice, guidance, and secretariat services. Unless otherwise agreed, notice of each meeting confirming the venue, time, and date together with an agenda of items to be discussed, shall be issued to each Member of the Committee, and any other person required to attend, no later than five working days before the date of the meeting. The meeting agenda will be produced collaboratively by the Committee Chair, Lead staff member and Corporate Governance Team. Supporting papers and minutes shall be sent digitally to LSC Members and to other attendees.

## Section V: Rules of Engagement and Code of Conduct

### A. Methodologies

In line with the remit of the Committee, all meetings will be of a suitable format to enable collaborative and strategic debate. Recommendations will normally be arrived at by consensus of those Members present. **The Committee is not a decision-making body.**

### B. Reporting and Accountability

#### Committee Chair

1. The Committee Chair shall preside at all meetings of the Committee at which he/she shall be present, but if at any meeting the Committee Chair is not present within ten minutes of the appointed start time, the second Trustee Member shall chair the meeting.

### **Quorum**

2. Meetings will be quorate when one third of the current members (rounded up to the nearest whole number), including at least one Board Trustee Member, shall be present.
3. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

### **Communication and reporting**

4. Terms of Reference should be publicly available upon request.
5. Minutes of Committee meetings will be made available to the Board and CITB Executive. The Committee Chair will, as appropriate, present an oral summary of key discussions, decisions and outcomes to the Board.
6. The Committee's recommendations to the Board will be majority based.
7. The Committee is accountable to the Board.

### **C. Declarations and conflict of interest**

Committee Members are required to make an annual declaration of interests in accordance with the CITB Code of Practice on the Declaration of Interests.

During the course of a meeting, if a conflict of interest arises in relation to matters under consideration, dependent upon the nature of the interest, the Member(s) concerned may be asked to withdraw from any discussion that has the potential to be affected by the declared conflict of interest, at the Committee Chair's request, as appropriate. Any declaration of interest will be recorded in the minutes.

### **D. Code of Conduct**

Committee Members and others in attendance at meetings shall be bound by CITB policies relating to information designated as confidential, subject only to the organisation's compliance with statutory obligations.

The Committee Chair shall be responsible for ensuring that the business of a meeting is conducted in a courteous and professional manner and shall, upon taking advice from the Corporate Governance Team, have the right to adjourn a meeting or temporarily exclude any individual or individuals whose conduct falls below acceptable standards.

Failure to adhere to CITB's Code of Conduct may damage the reputation of the CITB and the Committee; any Member in breach of the Code will be required to resign their membership of the Committee.

### **E. Evaluation**

The Corporate Governance Team will support the Board and Committee in undertaking an annual review of the membership, operation and functioning of the Committee, with particular reference to the extent to which the Committee has discharged its roles and responsibilities and has the right skills set to work effectively and collaboratively. Where appropriate the review

should make recommendations for improvements. A copy of the review report will be provided to the Board and Committee.

## Section VI: Good Governance

1. **Agenda:** There will be a Standing Agenda which shall meet the requirements of the Terms of Reference. This agenda will be produced collaboratively with the Committee Chair, lead staff member and the Corporate Governance Team. Committee Members can submit agenda items, through the Corporate Governance Team, up to one month ahead of the meeting date for consideration by the Committee Chair. Any Other Business should be used for emergency items, notifiable to the Committee Chair and the Corporate Governance Team in advance of the meeting.

Notice of each meeting with an agenda of items to be discussed, shall be forwarded to each Member of the Committee and any other person required to attend, no later than five working days before the date of the meeting.

2. **Papers:**  
Meeting papers will be collated into a meeting pack and sent electronically to Members and other attendees no later than five working days before the respective meeting date.
3. **Minutes:** Minutes will include concise summaries of discussions, together with clear records of recommendations and actions and will be distributed to Committee Members, the CITB Board and the CITB Executive Team.

Supporting papers and minutes shall be sent digitally, via Convene, to Committee Members and to other attendees.

4. **Terms of Reference:** These Terms of Reference will be reviewed annually by the Committee and recommended to the Board for approval.

ToR approved by Board		Copy sent to Corporate Governance	
<ol style="list-style-type: none"> <li>1. <b>Date for review of ToR/outcomes evaluation within 12 months of inception</b> (as appropriate to remit)</li> <li>2. <b>Board decision on renewal/revision of ToR</b></li> </ol>		<p>June 2024</p> <p>December 2024</p>	

## **Schedule A**

### **Recruitment and Appointment of Levy Strategy Committee Members**

1. Expressions of Interest from interested individuals, who have the requisite skills and experience as set out in the Committee's Terms of Reference, may be submitted to the Board Secretary.
2. Expressions of Interest will be considered by a Panel comprising of both Board Trustee Members of the Committee (one of whom will be the Committee Chair), the CITB Legal, Governance and Compliance Director, and the CITB Levy Strategy Manager.
3. Applicants considered by the Panel to satisfy the requisite skills and experience will be selected for interview. Current Nation Council Members will not have to be interviewed.
4. Interviews will be conducted by the Committee Chair and one other member of the Panel.
5. At the conclusion of this selection process, the Committee Chair will make a recommendation to the Board to appoint all successful applicants to the Committee. Upon Board approval, the Board Secretary will present a formal offer of Committee membership to each successful applicant.
6. Once a Committee Member has completed their four year term, the Committee Chair can make a recommendation to the CITB Board of Trustees to re-appoint the Member for another and final four year term, provided the Member still meets the criteria for membership of the Committee. Approvals can be given within a Board meeting or via email. Upon Board approval, the Board Secretary will present a formal renewal of Committee membership to the continuing Member.



## **Schedule B**

### **Recruitment and Appointment of Levy Strategy Committee Co-opted Members**

At the Committee Chair's discretion (after consultation with existing Committee Members) and with their formal approval, additional Members may be co-opted onto the Committee where this will address short-term skills or knowledge gaps. Such Members will be known as Co-opted Members, and they will have full contribution rights at meetings, but no voting rights, which will only be assigned to Board-appointed Committee Members. The number of Co-opted Committee Members recruited shall be no greater than one-third of the total membership of the Committee.

1. At the Committee Chair's discretion, potential candidates should be considered by the Committee Chair and the Corporate Governance Team.
2. The Committee Chair should consult with the existing Committee Members to agree to Co-opt a specific additional Member to the Committee who satisfies the requisite skills and knowledge.
3. The Committee Chair should approach the potential candidate and invite them to become a Co-opted Member of the Committee.
4. If the candidate accepts, the Board Secretary will present the offer of a Co-opted Member post to the candidate. The letter should identify the start and end dates for the tenure of the Membership (no longer than one year) and record the reasons as to why they have been recruited into role (i.e., the skills and knowledge that the Member brings for a particular purpose).