



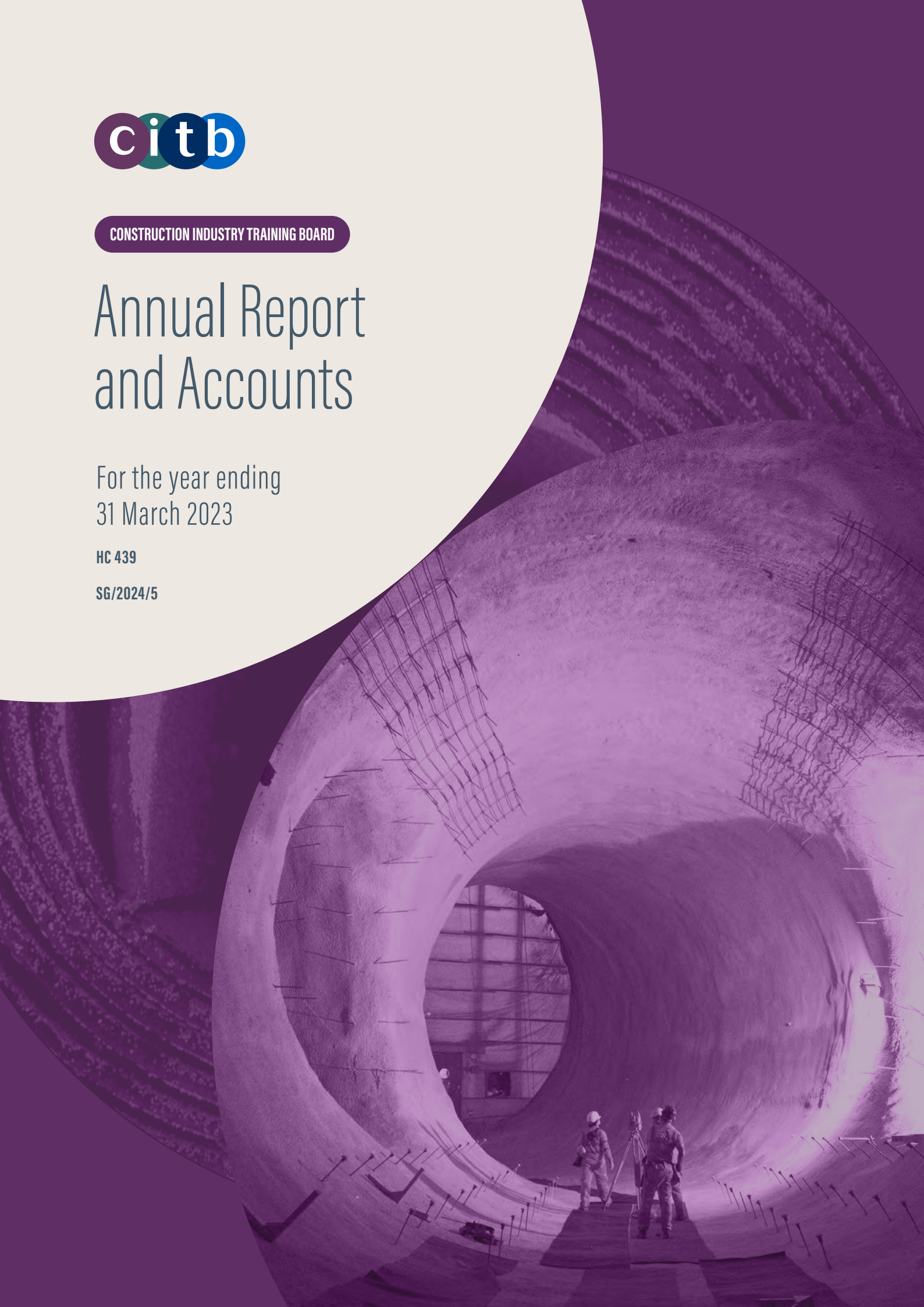
CONSTRUCTION INDUSTRY TRAINING BOARD

# 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  
Ordered by the House of Commons to be printed on 31 January 2024**



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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.

ISBN 978-1-5286-4160-9  
E02921409: 01/24

Printed on paper containing 40% recycled fibre content minimum.  
Printed in the UK by HH Associates Ltd. on behalf of the Controller of His Majesty's Stationery Office.

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jump direct to  
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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 employer 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](http://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)<sup>1</sup>. 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. →

### 2022-23 in numbers

**80%**  
...of employers reported high, or rising, prices of materials were a challenge

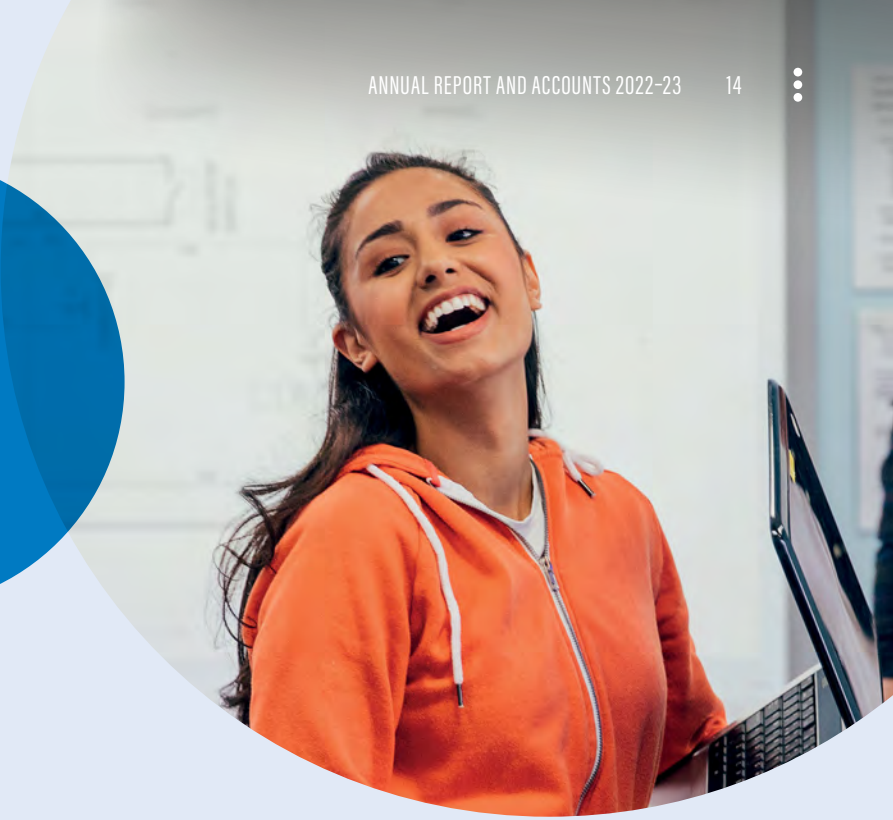
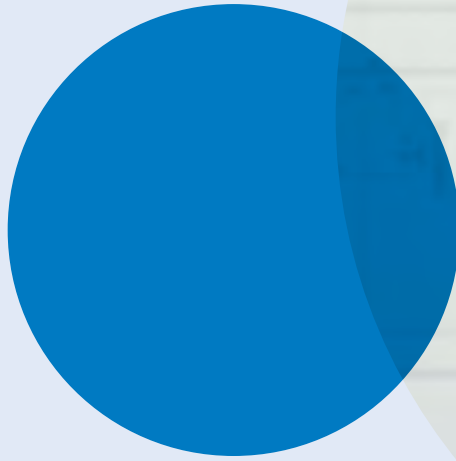
**60%**  
...of employers were challenged by high labour costs or wage inflation

**8%**  
...decrease in workforce compared to pre-pandemic level

**40%**  
...of employers found recruiting suitably skilled staff had become more difficult.



<sup>1</sup> Year on Year growth: CVM SA %  
Office for National Statistics ([ons.gov.uk](https://ons.gov.uk))



→ 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. ●





# 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



**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

## 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.

**"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**

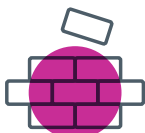
ISSUED IN APPRENTICESHIP GRANTS

**173,000**

SHORT DURATION TRAINING COURSES RECEIVED GRANT SUPPORT

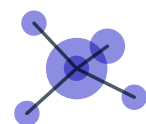
**£2.5m**

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

# 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." ●**



# 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.

# 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.



**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

“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.”**



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.

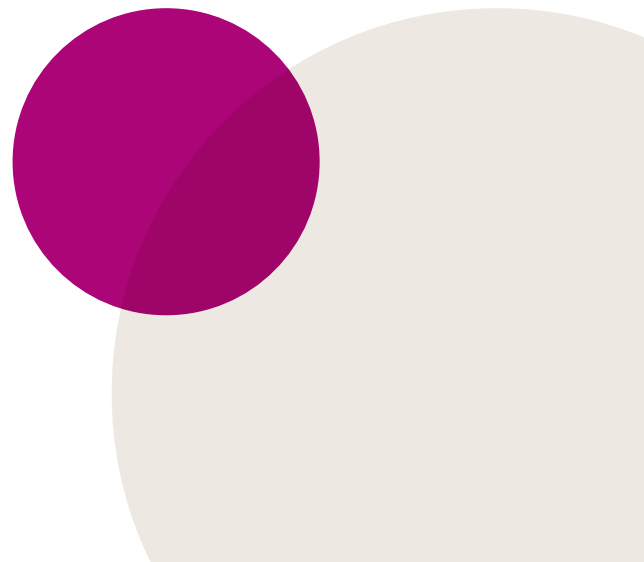
Substantial increases in the number of learners trained at NCC and NSAC, alongside high levels of engagement in core skills, including our suite of Health, Safety and Environment and Site Safety Plus courses, contributed to the number of individuals trained or supported exceeding expectations by a large 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](http://www.citb.co.uk) 🔍 net zero

TABLE 1: SUMMARY OF BOARD KPIS - RESULTS AND STATUS

CHALLENGE	KPIs	TARGET	PERFORMANCE
<b>Responding to the skills demand</b>	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
<b>Developing the capacity and capability of training provision</b>	Increase in the number of employers accessing CITB training support	3%	15%
	Increase in the number of individuals trained or supported	3%	7%
<b>Addressing the future skills needs</b>	Competence Frameworks agreed with industry	5	2
	Net zero action plan agreed	September 2022	September 2022

# 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
<b>Levy Income</b>	<b>£170.6m (2021-22 £108.3m)</b>
<b>Grants Scheme</b>	<b>£85.3m (2021-22 £78.8m)</b>
Apprenticeship grants	£61.5m
Qualification grants	£8m
Short duration grants	£15.8m
<b>Programme-based Funding</b>	<b>£20.2m (2021-22 £18.4m)</b>
Skills and Training Fund	£8.9m
Employer and industry support funding	£11.3m

SECTION 4

# Structure, Management and Governance

Pages 28-51

# 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](https://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](https://www.citb.co.uk/trustees)

Government Public Appointments:  
[apply-for-public-appointment.service.gov.uk/roles](https://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, FCIQB



**Holly Price**



**Sophie Seddon**

**Steve Fox**  
CBE (left on 31/05/22)

**Yvonne Kelly**  
(left on 17/02/23)

# 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 its 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. ●



# 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

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**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. ●





# 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.

# 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. ●



# 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. ●

# 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. ●



# 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](http://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. →




**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 Britain 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

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# 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
<p><b>Meeting the needs of industry</b> 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.</p>	<p>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</p> <p>Industry involvement in decisions about the allocation of funds through the Industry Funding Council</p> <p>Strategy subject to ongoing review through assessment of impact, ongoing engagement activities, industry and other stakeholder feedback and support.</p>
<p><b>Sustainability</b> 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.</p>	<p>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</p> <p>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)</p> <p>CITB engages with relevant industry and Government groups where combined influence and action can support positive change and mitigate risks</p> <p>Diversity action plan, with actions monitored through our Performance Hub.</p>
<p><b>Restrictions on our ability to deliver industry needs</b> Our ability to deliver what industry needs may be restricted if we fail to effectively communicate our purpose and functions and the corresponding benefits.</p>	<p>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</p> <p>Monitoring of Government's forward agenda and policy development and engaging to address any emerging issues and opportunities</p> <p>CITB's response to the Government Priorities Letter identifies how CITB will respond to the priorities in the coming year</p> <p>Clear process of engagement with employers and industry to understand emerging issues that informs our engagement with Government.</p>
<p><b>Reliance on others to be able to deliver our strategy</b> Commitments in the strategy to support industry do not achieve the expected impact because delivery is dependent on the support and action of others.</p>	<p>In developing the Strategic Plan, a full review of the key industry priorities is tested with employers and Prescribed Organisations</p> <p>Strategy team sets KPIs that CITB has the ability to deliver and/or influence, and identifies the inputs required of others</p> <p>Engagement and relationship strategy with key bodies.</p>
<p><b>Training quality and supply</b> We are unable to develop and implement quality standards into the industry to improve safety and performance levels.</p>	<p>Engagement and relationships strategy for working with and influencing key organisations including standards setters, e.g. the Institute for Apprenticeships and Technical Education</p> <p>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</p> <p>CITB maintains standards which underpin qualifications</p> <p>Grant funding supports and encourages access to approved training, qualifications and Competence Frameworks.</p>

RISK MANAGEMENT

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TABLE 3: RISK MITIGATIONS (CONTINUED)

RISK DESCRIPTION	KEY MITIGATIONS
<p><b>NCC and CITB Apprenticeships</b> 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.</p>	<p>New strategy approved in August 2022</p> <p>Revised governance structure under Education and Training sub-committee of the Board</p> <p>Recruitment to additional leadership roles and updated Quality Development Plan</p> <p>Recruitment campaign for instructors with improved progression opportunities and use of highly qualified contractors when required</p> <p>Estates investment approved, to be informed by a detailed Estates Plan for each site</p> <p>Equipment investment plan</p> <p>Progress tracking against apprenticeship delivery controls improvement plans.</p>
<p><b>Economic downturn</b> 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.</p>	<p>Monitoring of the economy and gathering insights to horizon scan the impact of the recession and trigger responses as impacts materialise</p> <p>Work to identify the risks that a downturn poses to the impact of planned interventions and to identify the reactive interventions to possible scenarios</p> <p>Forecasts of income, credit monitoring and rolling cash flow forecasts, with cash reserves providing a level of contingency.</p>
<p><b>Health and safety</b> 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.</p>	<p>BSI standards and auditing for health and safety (H&amp;S) management</p> <p>Comprehensive system of risk identification, assessment and mitigation with clear procedures</p> <p>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</p> <p>H&amp;S managers carry out regular site audit inspections</p> <p>Standing agenda item at Executive and Board meetings.</p>
<p><b>People</b> We are unable to attract, recruit and retain the right people to develop and deliver our strategy and services.</p>	<p>CITB Vision and Purpose reflected in our updated People Strategy</p> <p>Implementation Plan for the updated Strategy</p> <p>Reward benchmarking completed in 2022-23</p> <p>Implemented enhanced training and development offer and updated performance management framework.</p>
<p><b>Cyber Security</b> Risk of significant harm from a cyber attack, e.g. theft of sensitive data, denial of service or ransomware.</p>	<p>Updated Information Security Policy</p> <p>Mandatory annual training for all colleagues supported by phishing simulation and targeted training</p> <p>Adopted the National Cyber Security Centre early warning system. Architecture and environment including firewalls, VPN using multi-factor authentication and web filtering</p> <p>Ongoing process of monitoring and reporting to assess effectiveness and programme to achieve Cyber Essentials Plus.</p>
<p><b>ITB Review</b> 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).</p>	<p>Dedicated project manager and team established to prepare for the Review</p> <p>Ongoing dialogue with DfE and subsequently Lead Reviewer to discuss timing of findings and recommendations</p> <p>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</p> <p>Project Team supporting the Review, which commenced in June 2023 and is ongoing.</p>

## RISK MANAGEMENT

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→ 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.**

# 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.**



# 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<sup>1</sup> (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<sup>2</sup> 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. →

<sup>1</sup> Greening Government Commitments 2021 to 2025 ([www.gov.uk](http://www.gov.uk))

<sup>2</sup> HM Treasury 22-23 Sustainability Reporting Guidance ([bit.ly/hmtrsrg](http://bit.ly/hmtrsrg))

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TABLE 4: GREENHOUSE GAS EMISSIONS

			APR 22-MAR 23	APL 21-MAR 22
<b>Non-financial indicators (tCO2e)</b>	Scope 1	Fuel combustion <sup>1</sup>	1050	783
		Owned transport <sup>2</sup>	319	126
		Fugitive emissions	18	-
	Scope 2	Purchased electricity	387	519
	Scope 3	Business travel <sup>3</sup>	91	31
		Use of purchased materials (paper) <sup>4,5</sup>	192	3
		Waste disposal	5	4
Home working <sup>6</sup>		331	-	
<b>Financial indicators (£)</b>	Business travel	-	529,426	166,841
<b>tCO2e</b>	Per full-time employee (FTE) <sup>7</sup>	-	3.35	2.3

TABLE 5: WASTE

			APR 22-MAR 23	APL 21-MAR 22
<b>Non-financial indicators (tonnes)</b>	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
<b>Financial indicators (£)</b>	Main contract		57,550	42,973 <sup>1</sup>
	ICT waste		-	-
	Confidential waste service <sup>2</sup>		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.

<sup>1</sup> Now includes white diesel used for training vehicles

<sup>2</sup> 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

<sup>3</sup> 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

<sup>4</sup> 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

<sup>5</sup> The data now includes printed material by CITB's third-party printing company that includes the Levy Return and guidance notes

<sup>6</sup> 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

<sup>7</sup> 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.

<sup>1</sup> Figure revised from net £35,811 to gross

<sup>2</sup> The contract cost for confidential paper waste also includes the collection for office plastic cups and metal cans

SUSTAINABILITY

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**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
<b>Non-financial indicators</b>	Energy	Total electricity (kWh)	1,971,380	2,443,197
		Electricity: standard (kWh)	1,929,981	1,734,670
		Electricity: green (kWh) <sup>1</sup>	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) <sup>2</sup>	743	567
Finite	Water (m3)	23,736	20,504	
	Paper (reams) <sup>3</sup>	83,655	1,277	
<b>Financial indicators (£)</b>	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 <sup>3</sup>	6,511	4,235
		Accredited offset purchases	0	0

<sup>1</sup> 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

<sup>2</sup> 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

<sup>3</sup> The costs reflect purchases through the stationary provider. Costs related to item 2 above, hope to be extracted and reported in future

SUSTAINABILITY

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**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<sup>1</sup> (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 <sup>2</sup>	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

<sup>1</sup> Data uses payment transaction date not date of travel

<sup>2</sup> Underground, tram, bus, coach and taxi data is not included



SUSTAINABILITY

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**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

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**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 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 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. ●

## 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



**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

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→ 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

## 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

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**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

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**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. →



### 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](http://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

# 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
<b>Income from charitable activities</b>	2	-	-	-	-
Levy income	-	-	170,608	170,608	108,266
<b>Non-Levy income:</b>					
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)
<b>Total Non-Levy income</b>	-	<b>(707)</b>	<b>33,553</b>	<b>32,846</b>	<b>40,254</b>
Income from Government grants	-	-	-	-	(7)
Other income	-	-	883	883	29
<b>Total income</b>	-	<b>(707)</b>	<b>205,044</b>	<b>204,337</b>	<b>148,542</b>
<b>EXPENDITURE</b>					
Expenditure on raising funds	-	-	1,876	1,876	1,702
<b>Expenditure on charitable activities:</b>					
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
<b>Total Expenditure on charitable activities</b>	<b>4</b>	<b>16,067</b>	<b>178,439</b>	<b>194,506</b>	<b>173,715</b>
Expenditure on trading activities	-	-	-	-	3
Other expenditure	-	-	(242)	(242)	(398)
<b>Total expenditure</b>	-	<b>16,067</b>	<b>180,073</b>	<b>196,140</b>	<b>175,022</b>
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)
<b>Other gains and losses:</b>					
Gain on revaluation of freehold property	-	-	204	204	-
Net movement in funds	-	-	8,401	8,401	(26,480)
<b>Reconciliation of funds:</b>					
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.

# Balance sheet as at 31 March 2023

INCOME	NOTES	2023 £'000	2022 £'000
<b>Fixed assets:</b>			
Tangible assets	7	12,023	11,569
<b>Total</b>	-	<b>12,023</b>	<b>11,569</b>
<b>Current assets:</b>			
Stock	-	480	316
Debtors	8	29,322	9,821
Cash at bank	9	114,945	117,259
<b>Total</b>	-	<b>144,747</b>	<b>127,396</b>
<b>Liabilities:</b>			
Creditors: Amounts falling due within one year	10	(18,399)	(15,878)
<b>Net current assets</b>	-	<b>126,348</b>	<b>111,519</b>
Total assets less current liabilities	-	138,371	123,087
Provisions for liabilities	11	(35,717)	(28,834)
<b>Total net assets</b>		<b>102,654</b>	<b>94,253</b>
Unrestricted funds	13	102,654	94,253
<b>Total Charity Funds</b>	<b>13</b>	<b>102,654</b>	<b>94,253</b>

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

# Cash flow statement for the year ending 31 March 2023

INCOME	NOTES	2022-23 £'000	2021-22 £'000
<b>Cash flows from operating activities</b>			
Net income/(expenditure) for the year		-	8,197
Interest expense		-	-
Depreciation charges	7	588	605
Loss/(Profit) on sale of tangible fixed assets		-	(229)
Net effect of revaluation of freehold properties and other movements	7	(242)	(404)
Decrease/(increase) in debtors and stock		-	(19,665)
(Decrease)/increase in creditors and provisions		-	9,404
<b>Net cash inflow/(outflow) from operating activities</b>		<b>-</b>	<b>(1,947)</b>
<b>Cash flows from investing activities</b>			
Receipts from sales of tangible fixed assets	14	229	-
Payments to acquire tangible fixed assets	14	(596)	-
<b>Net cash inflow/(outflow) from investing activities</b>		<b>-</b>	<b>(367)</b>
<b>Cash flows from financing activities</b>			
Borrowing		-	-
Interest paid on borrowings		-	(49)
<b>Net cash inflow/(outflow) from financing activities</b>		<b>-</b>	<b>(10,049)</b>
Increase/(decrease) in cash and cash equivalents		-	(2,314)
<b>Cash and cash equivalents at period start</b>		<b>-</b>	<b>117,259</b>
<b>Cash and cash equivalents at period end</b>		<b>9</b>	<b>114,945</b>

# 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. →



## 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).

<b>Motor vehicles</b>	Ten years
<b>Plant and machinery</b>	Five to ten years
<b>Office equipment</b>	Four to ten years
<b>Computer equipment</b>	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

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→ 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).

## 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)
<b>Net value current year's Levy Assessments</b>	<b>169,062</b>	<b>100,379</b>
Reforecast of previous years' Levy receipts	1,546	7,887
<b>Net Levy income for the year</b>	<b>170,608</b>	<b>108,266</b>

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.



### 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
<b>Total paid or offset during the year</b>	<b>105,521</b>

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
<b>Total paid or offset during the year</b>	<b>97,175</b>

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.

## 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
<b>Total</b>	<b>53,811</b>	<b>105,521</b>	<b>35,174</b>	<b>194,506</b>	<b>173,715</b>

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)
<b>Total</b>	<b>30,316</b>	<b>741</b>	<b>3,328</b>	<b>789</b>	<b>35,174</b>	<b>27,357</b>

## 6. EXPENDITURE

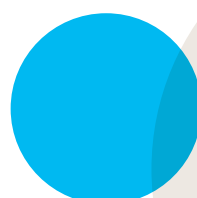
The net movement in funds for the year was arrived at after charging/(crediting):

EXPENDITURE	2022-23 £'000	2021-22 £'000
Loss/(Profit) on disposal of fixed assets	(229)	6
<b>Rentals paid under operating leases</b>		
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

## 7. TANGIBLE FIXED ASSETS

(A) SUMMARY	FREEHOLD PROPERTY £'000	PLANT AND MACHINERY £'000	VEHICLES £'000	COMPUTER AND OFFICE EQUIPMENT £'000	TOTAL £'000
<b>Cost or Valuation</b>					
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
<b>31 March 2023</b>	<b>10,880</b>	<b>7,666</b>	<b>201</b>	<b>3,332</b>	<b>22,079</b>
<b>Depreciation</b>					
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)
<b>31 March 2023</b>	<b>-</b>	<b>6,531</b>	<b>195</b>	<b>3,330</b>	<b>10,056</b>
<b>Net book value</b>					
<b>31 March 2023</b>	<b>10,880</b>	<b>1,135</b>	<b>6</b>	<b>2</b>	<b>12,023</b>
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.



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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:

	2022-23 £'000	2021-22 £'000
Cost	19,302	19,302
Prior year adjustment to cost	(447)	-
Accumulated depreciation	(5,602)	(5,386)
<b>Total</b>	<b>13,253</b>	<b>13,916</b>

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	-	-
<b>Total</b>	<b>10,880</b>	<b>10,650</b>

**(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:

<b>Rental Values</b>	£0.50-£5.50 per sq ft
<b>Yield</b>	8.75%-20%
<b>Land Values</b>	£4,250 per acre-£1m per acre.

**(E) CAPITAL COMMITMENTS**

There were £Nil capital commitments as at 31 March 2023 (2021-22: £Nil).

**F) TANGIBLE FIXED ASSETS 2021-22  
(COMPARATIVE TABLE)**

	FREEHOLD PROPERTY £'000	PLANT AND MACHINERY £'000	VEHICLES £'000	COMPUTER AND OFFICE EQUIPMENT £'000	TOTAL £'000
<b>Cost or Valuation</b>					
1 April 2021	10,450	8,120	322	7,111	26,003
Additions	-	-	-	-	-
Disposals	-	(233)	(69)	(3,149)	(3,451)
Transfers	-	-	-	-	-
Revaluation	200	-	-	-	200
<b>31 March 2022</b>	<b>10,650</b>	<b>7,887</b>	<b>253</b>	<b>3,962</b>	<b>22,752</b>
<b>Depreciation</b>					
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)
<b>31 March 2022</b>	<b>-</b>	<b>6,980</b>	<b>253</b>	<b>3,950</b>	<b>11,183</b>
<b>Net book value</b>					
<b>31 March 2022</b>	<b>10,650</b>	<b>907</b>	<b>-</b>	<b>12</b>	<b>11,569</b>
31 March 2021	10,450	1,286	-	40	11,776





## 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)	-
<b>Total Levy debtors</b>	<b>-</b>	<b>24,474</b>	<b>-</b>	<b>5,535</b>
Trade debtors	2,214	-	1,690	-
Other debtors	265	-	387	-
Less: provision for bad debts	(66)	-	(273)	-
<b>Total trade and other debtors</b>	<b>-</b>	<b>2,413</b>	<b>-</b>	<b>1,804</b>
Accrued income	-	1,105	-	1,590
Prepayments	-	1,330	-	892
<b>Total debtors</b>	<b>-</b>	<b>29,322</b>	<b>-</b>	<b>9,821</b>
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.

## 9. CASH AND CASH EQUIVALENTS

	2023 £'000	2022 £'000
Cash at bank and in hand	114,945	117,259
Cash equivalents	-	-
<b>Total cash and cash equivalents</b>	<b>114,945</b>	<b>117,259</b>

## 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
<b>Accruals</b>		
Grant funding	4,722	2,997
Other	9,328	8,527
<b>Total creditors</b>	<b>18,399</b>	<b>15,878</b>

### 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)
<b>Closing balance</b>	<b>1,949</b>	<b>1,674</b>

# 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
<b>Balance as at period end</b>	<b>18,003</b>	<b>-</b>	<b>2,512</b>	<b>15,202</b>	<b>35,717</b>	<b>28,834</b>

## 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.

## 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
<b>Income from charitable activities</b>			
Levy income	-	108,266	108,266
<b>Non-Levy income</b>			
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
<b>Total income</b>	<b>10,226</b>	<b>138,316</b>	<b>148,542</b>
<b>EXPENDITURE</b>			
Expenditure on raising funds	-	1,702	1,702
<b>Expenditure on charitable activities</b>			
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)
<b>Total expenditure</b>	<b>19,870</b>	<b>155,152</b>	<b>175,022</b>
Net loss/(gain) on revaluation of investments	-	-	-
Net income/(expenditure)	(9,644)	(16,836)	(26,480)
Transfer from unrestricted fund	9,644	(9,644)	-
<b>Net movement in funds</b>	<b>-</b>	<b>(26,480)</b>	<b>(26,480)</b>

## 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)
<b>Closing balance</b>	<b>102,450</b>	<b>204</b>	<b>102,654</b>	<b>94,253</b>

### 2021-22 (COMPARATIVE TABLE)

Opening balance	120,733	-	120,733	54,243
Net movement in funds	(26,480)	-	(26,480)	66,490
<b>Closing balance</b>	<b>94,253</b>	<b>-</b>	<b>94,253</b>	<b>120,733</b>

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)
		<b>(367)</b>

## 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.

## 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
<b>Operating leases</b>				
Leases expiring within 1 year	44	286	128	239
Leases expiring within 2-5 years	1	343	-	179
Leases expiring after 5 years	-	-	-	-
<b>As at 31 March</b>	<b>45</b>	<b>629</b>	<b>128</b>	<b>418</b>

## 17. BOARD MEMBERS' REMUNERATION

Remuneration of Board members was as follows:

	2022-23 (£)	2021-22 (£)
<b>Chairman - Peter Lauener</b>	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.

## 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
<b>Total</b>	<b>660</b>	<b>6</b>	<b>666</b>	<b>644</b>

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
<b>Total</b>	<b>37,025</b>	<b>32,961</b>

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).



## 18. PARTICULARS OF STAFF (CONTINUED)

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

GRADE	2022-23			2021-22		
	MALE	FEMALE	TOTAL	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
<b>Total</b>	<b>329</b>	<b>382</b>	<b>711</b>	<b>313</b>	<b>332</b>	<b>645</b>

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		NUMBER OF OTHER AGREED DEPARTURES		TOTAL NUMBER OF EXIT PACKAGES BY COST BAND	
	2022-23	2021-22	2022-23	2021-22	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
<b>Total number of exit packages</b>	<b>19</b>	<b>26</b>	<b>1</b>	<b>-</b>	<b>20</b>	<b>26</b>
<b>Total cost £</b>	<b>558,233</b>	<b>667,934</b>	<b>15,875</b>	<b>-</b>	<b>574,108</b>	<b>667,934</b>

## 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).

## 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	-
<b>Total</b>	<b>1,127</b>	<b>417</b>	<b>328</b>	<b>-</b>

	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	-	-	-
<b>Total</b>	<b>2,477</b>	<b>7</b>	<b>11</b>	<b>10</b>

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.

## 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.



**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.



**Jackie Ducker**

Customer and Product Director

Jackie left CITB on 21 April 2023.



**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.



**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.

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
<b>Tim Balcon</b> Chief Executive	165-170	1,100	0-5	9.5	180-185
<b>Adrian Beckingham</b> Strategy and Policy Director	110-115	100	-	10.0	120-125
<b>Emma Black</b> Legal, Governance and Compliance Director	115-120	900	5-10	9.6	130-135
<b>Jackie Ducker</b> Customer and Product Director	125-130	1,200	5-10	10.6	145-150
<b>Nick Payne</b> 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
<b>Tim Balcon</b> Chief Executive	90-95	400	-	5.4	100-105
<b>Sarah Beale</b> Chief Executive	90-95	2,100	25-30	7.6	130-135
<b>Stephen Radley</b> Strategy and Policy Director	115-120	2,400	-	6.7	125-130
<b>Braden Connolly</b> Products and Customer Services Director	95-100	800	-	3.4	100-105
<b>Adrian Beckingham</b> Corporate Performance Director	105-110	200	-	9.8	115-120
<b>Emma Black</b> Legal, Governance and Compliance Director	105-110	1,800	-	9.1	115-120
<b>Jackie Ducker</b> 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		2021-22	
	TOTAL PAY AND BENEFITS £'000	SALARY £'000	TOTAL PAY AND BENEFITS £'000	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		2021-22	
DAYS LOST	ABSENCE RATE	DAYS LOST	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
<b>of which:</b>	
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
<b>of which:</b>	
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

# Professional Advisers

## **BANKERS**

Barclays Bank Plc  
17 Market Place  
Fakenham  
Norfolk  
NR21 9BE

## **AUDITORS**

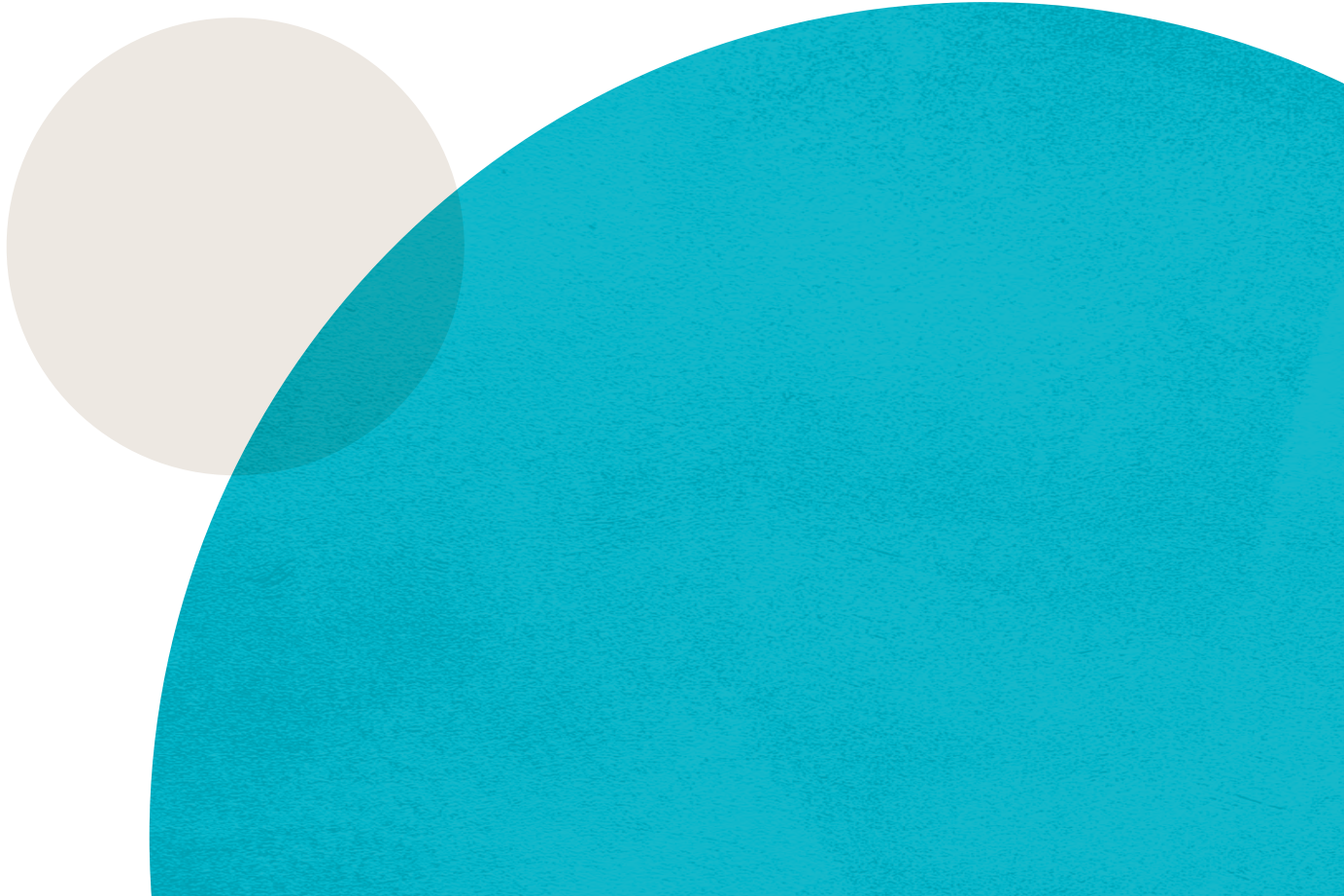
Comptroller and Auditor General  
National Audit Office  
157-197 Buckingham Palace Road  
London  
SW1W 9SP

## **LEGAL ADVISERS**

CITB Legal Team  
Sand Martin House  
Bittern Way  
Peterborough  
PE2 8TY

## **PRINCIPAL OFFICE**

See Appendix E (page 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 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
<b>Board</b>	Peter Lauener (Chairman)	5/6	Holly Price	4/6	<b>45/54</b>
	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	-	-	
<b>Audit and Risk Committee</b>	Diana Garnham (Chair)	5/5	Sophie Seddon	3/5	<b>17/21</b>
	Lee Jones	4/5	Louisa Finlay (appointed December 2022)	1/1	
	Richard Plumb	4/5	-	-	
<b>Nomination, Appointments and Remuneration Committee</b>	Tony Elliott (Chair)	5/5	Sophie Seddon	5/5	<b>13/15</b>
	Diana Garnham	3/5	-	-	
<b>Industry Funding Committee</b>	Steve Fox (Chair) (tenure ended 31 May 2022)	0/0	Kacey O'Driscoll	3/4	<b>22/27</b>
	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	
<b>Levy Strategy Committee</b>	Diana Garnham (Chair)	4/4	Vikki Skene	3/4	<b>26/32</b>
	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	
<b>Cymru Wales Nation Council</b>	Leigh Hughes (Chair)	4/4	Owain Jones (Deputy Chair)	3/4	<b>25/32</b>
	Gareth Davies	4/4	Paul Tedder	4/4	
	Terry Edwards	3/4	Monique Jones	2/4	
	Andrea Green	3/4	Andrew Dobbs	2/4	
<b>England Nation Council</b>	Sharon Llewellyn (Chair)	4/4	James Flannery	1/4	<b>27/36</b>
	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	
<b>Scotland Nation Council</b>	Angela Forbes (Chair)	4/4	Karen McGahan	2/4	<b>27/32</b>
	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	-	-	
<b>National Construction College and Apprenticeships</b>	Peter Lauener (Chair)	1/1	Tony Elliott	1/1	<b>3/3</b>
	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 Contractors							●		

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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**

### WALES

Welsh Office  
Companies House  
Crown Way  
Maindy  
Cardiff  
CF14 3UZ  
**Tel: 0303 123 4500**

### SCOTLAND

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

## Appendix F: Glossary

ABBREVIATION	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

ABBREVIATION	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



