



18 February 2020

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Email: [information.governance@citb.co.uk](mailto:information.governance@citb.co.uk)  
[www.citb.co.uk](http://www.citb.co.uk)

Dear [REDACTED]

**Freedom of Information Request: 362019**

Thank you for contacting CITB requesting information under the Freedom of Information Act (FOIA). Your email, dated 21 January 2020, asked for the following information:

1. Please provide details of the selection process for this group, in other words was the group selected by CITB, did they apply for advertised positions or other?
2. Please provide the terms of reference and details of conflicts of interest?
3. Please provide minutes of meetings, emails and any other direct reference to the selection of the LWP?
4. Please provide the details of the amount of levy paid by the employers of each member of the LWP split between PAYE and net CIS?
5. Please provide details of levy and any other funding paid from CITB to each of the employees of each member of the LWP?
6. Why has the CITB chosen not to form a Levy Reference Group this time, when it deemed it necessary in previous consensus years?
7. Please provide minutes of meetings, emails and any other direct reference to the decision not to form an LRG?
8. Please provide the details of whom each member of the LWP purports to represent? Please note, as a member of the NFB I am aware that some of the LWP may be members yet the NFB management and wider membership were unaware of this and have not been consulted. Also, Liz Bridge does not represent the NFB on the LWP and her work as tax adviser to federations does not give her the right to say she represents them on the LWP.
9. Please provide the minutes of the LWP meetings held to date which are scheduled on your website?
10. Please provide details of the rates that are being considered?
11. Please provide levy saving projections by group (Micro employers, Small, Medium and Large) using the base figures reported in the last published annual report 2018/2019.
12. Please provide details of the levy savings each of the employees of the members LWP would achieve using their 2018/2019 levy as the base?

My response is as follows:

1. The Levy Working party (LWP) comprises of a group of industry representatives and external specialists, none of whom are employed by CITB. The members of the LWP did not apply for advertised positions. Members were, and are, selected based on experience, skills, knowledge and objectivity; primarily from
  - a) one of the three National Councils for England, Scotland and Wales; or
  - b) the CITB Investment Funding Committee



This approach to member selection was used to align with the current Governance arrangements which means we work primarily with the Nations Councils to help inform our strategic direction.

There was also a drive to increase the representation of independent members on the group hence the increase of Independent Trustees in the group from one to two compared to the previous incarnation.

2. The Levy Working Party's Terms of Reference are attached at Appendix A. CITB has not been advised of any conflicts of interest.
3. Attached at Appendix B are the relevant extracts of the correspondence relating to the selection of the LWP.
4. Under Section 44 of the Freedom of Information Act we are not required to provide information which is prohibited from disclosure by another piece of legislation. In this case, CITB is unable to provide details of Levy as it is prohibited by the Industrial Training Act 1982.
5. We have the information for this and it will follow. We are advising the relevant companies that their information is being made public before it is released.
6. The reference group was only used in the last consensus round (2017). A reference group was not used in any years prior to that.

This time round the wider group of employers used to sense check the work of the LWP has been the three Nations Councils. The LWP has a number of Council members on it, and their work, direction and recommendations have periodically been sent to all Council members for comment, views and feedback.

The Councils are a more representative group of employers than the previous reference group and the use of the Councils for this purpose fits with CITB's Governance approach to use the Councils to help inform strategic direction.

7. This was not discussed prior to the first Levy Working Party meeting. The minutes of the first meeting do reference this, although not explicitly.

Paragraphs 2.3 and 2.4 refer to sharing outputs with the Councils. This followed a conversation within the group as to how the work of the group would be sense checked, but this actual discussion is not captured in the minutes.

There are therefore no other documents to demonstrate how it was decided to use the Councils, but again it does naturally fit within the Strategic Governance arrangements.

8. No members of the LWP are in the group due to their membership of any Prescribed Organisation (PO). Whilst some LWP members' employers maybe members of a PO this has no bearing on their position within the group. They are either a Nations Council Member, a member of the Investment Funding Committee or Independent.

- Diana Garnham: Independent CITB Trustee
- Yvonne Kelly: Barking and Dagenham College and Independent CITB Trustee
- Alison Lamplough: Laing O'Rourke and member of CITB's Investment Funding Committee
- Tony Elliott: Robertson Group and Chair of Nation Council – Scotland
- Craig Bruce: Pert Bruce Construction and member of Nation Council – Scotland
- Craig Davies: Knox and Wells and member of Nation Council – Cymru Wales
- Seamus Keogh: formally Clancy Group and Chair of Nation Council - England



- Julie White: D-Drill (Master Drillers) Ltd and Nation Council - England (only attended the first meeting so no longer an LWP member)
  - Liz Bridge: Joint Taxation Committee
9. Please find enclosed at Appendices C – E redacted final minutes of the meetings held June, July and September and the draft minutes of the October meeting.
  10. The rates are being withheld under Section 22 of the Freedom of Information act as they are planned for future publication.
  11. It is intended that the information will be shared when the proposed levy rates are shared and therefore we are withholding under Section 22 of the Freedom of Information Act.
  12. Under Section 44 of the Freedom of Information Act we are not required to provide information which is prohibited from disclosure by another piece of legislation. In this case, CITB is unable to provide details of levy savings by employer as it is prohibited by the Industrial Training Act 1982.

If you are unhappy with this response, or you wish to complain about any aspect of the handling of your request, then you should contact me in the first instance. If informal resolution is not possible and you are still dissatisfied, then you may apply for an independent internal review by contacting Adrian Beckingham, Corporate Performance Director, CITB, Sand Martin House, Bittern Way, Peterborough, PB2 8TY or email [adrian.beckingham@citb.co.uk](mailto:adrian.beckingham@citb.co.uk).

If you remain unhappy following an internal review, you may take your complaint to the Information Commissioner under the provisions of Section 50 of the Freedom of Information Act. Further details of the role and powers of the Information Commissioner can be found on the Commissioners website: <https://ico.org.uk/>

Yours sincerely

Jonathan Francis  
Information Risk & Data Governance Manager

<b>Terms of Reference</b>	<b>Levy Working Party</b>		
<b>Section I: Committee Identification</b>			
<b>Lead staff member</b>	/	<b>Executive Director</b>	Steve Radley
<b>Chair:</b>	1. Diana Garnham, CITB Trustee		
<b>Members: (name, organisation, position)</b>	Yvonne Kelly, CITB Trustee Craig Bruce, Pert Bruce Construction Gareth Davies, Knox & Wells Tony Elliott, Robertson Group Seamus Keogh, Clancy Group Alison Lamplough, Laing O'Rourke Julie White D- Drill (Master Drillers) Ltd Liz Bridge, Joint Taxation Committee	+ CITB Legal Team representative  + CITB Partnership Team representative	
<b>Start date</b>	June 2019	<b>Performance review date</b>	June 2020
<b>Section II: Purpose and Performance</b>			
<b>A. General Purpose</b>			
<p>1. To represent the views of Industry across all three Nations on the development of the 2020 Levy proposals with specific reference to the anticipated cost of the Funding Strategy against the impact on all industry employers with a view to achieving a fair and sustainable outcome.</p> <p>2. To deliver an initial recommendation to the Board in November 2019 with further and final recommendation to the Board in May 2020 on the Levy proposal to present to industry for consensus in 2020.</p>			
<b>B. Specific Purpose Overview</b>			
<pre> graph TD     Board[Board - 2020 Consensus strategy] --&gt; Selection[Selection of 2020 Levy proposal]     Selection --&gt; Board     Selection --&gt; Levy[Levy Working Party]     Levy --&gt; Selection     Levy --&gt; Future[Future funding strategy]     Levy --&gt; Options[Levy options design]     Levy --&gt; Insight[Industry insight]     </pre>			

### C. Specific scope and objectives

1. To form part of the representation of industry employers across the three Nations.
2. To work collaboratively to ensure the effective development of the Levy proposal/s.
3. To assist in assessing and informing industry's view of any proposed changes to Levy legislation in advance of making final submissions to the Board and DfE concerning such changes.
4. To support CITB in testing the future funding strategy options for wider industry consultation.
5. To assess the implications of different Levy rate models against CITB's strategic objectives.
6. To consider the impact and potential impact on the CITB Levy of factors within the external environment and make appropriate recommendations to address or mitigate those factors.
7. To consider the options for and effects of adjusting Levy rates and thresholds and make recommendations accordingly.
8. To model options for the 2021 Levy Order to ensure fairness and proportionality across all stakeholders.
9. To capture the views of wider stakeholders through the existing Member networks including the Nation Councils.

### D. Committee performance

The Board is committed to following a performance excellence framework and governance best practice.

Adopting a similar approach, CITB will review the effectiveness of the Levy Working Party on completion of its activities relating to 2020 Consensus, with particular reference to the extent to which the LWP has discharged its roles and responsibilities and has the right skills set to work effectively and collaboratively. Recommendations for any improvements will be developed as part of the lessons learnt activities which will be conducted once the 2021 Levy Order is in place.

## Section III: Membership and Committee working

### A. Membership Criteria

**Criteria 1: Board Accountability:** The Chair of the Levy Working Party (LWP) will be a Board Trustee who will be supported by a second Trustee.

**Criteria 2: Membership, Independence, Objectivity and Understanding:** Members of the LWP must put the interests of industry employers first, independent of any affiliation to their companies or other associated bodies, being objective in their contributions and decision-making. Members will conduct themselves in line with CITB's Code of Conduct for Board and Committee members (attached), including making appropriate disclosure of interests.

**Criteria 3: Skills:** The LWP will have an appropriate mix of skills and experience amongst its members to allow it to carry out its overall function. Each member should have a good understanding of the Levy system, CITB's objectives and priorities, and of their role as an LWP member. Members must have the skills and experience to assess the appropriateness of the Levy and Funding options under consideration.

**Criteria 4: Appointment and Tenure:** Appointments to the Levy Working Party will be confirmed by the Board, following recommendations from relevant CITB staff, including the Director of Strategy and Policy, and Director of Industry Relations.

Terms of office will be as follows:

The tenure of all members will end on completion of the activities of the LWP, and by the end of December 2020.

**Criteria 5: Levy obligations:** Members who are also employers in their own right must be compliant with all Levy obligations, including payment of Levy and completion of Levy Returns.

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

### **Committee working**

1. Any member who fails to attend two consecutive meetings, without the permission of the Chair, may be deemed to have resigned and a replacement will be sought by CITB.
2. The use of substitutes to attend meetings is not permitted.
3. The LWP may ask any other officials of CITB or other organisations to attend to assist it with its discussions on any particular matter.
4. The LWP may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of particular matters.
5. Members may consult, individually and collectively, with the Chair on any matters of a confidential nature.

### **Meeting arrangements**

1. The Levy Working Party will be convened periodically in 2019 and 2020 as required.
2. Additional/extraordinary meetings may be convened by the Chair when deemed necessary.
3. The Board may ask the LWP to convene further meetings to discuss particular issues on which it wants to have the LWP's advice.
4. Members may as an exception and with the permission of the Chair, participate in a meeting by means of a conference telephone, video conferencing or similar method.
5. CITB lead staff shall provide advice, guidance services to the LWP.
6. CITB will provide administration services to the LWP
7. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the LWP, and any other person required to attend no later than five working days before the date of the meeting.
8. Supporting papers and minutes shall be sent digitally to LWP members and to other attendees.
9. No Levy Working Party meeting will proceed without at least one of the Trustee members in

attendance. If neither are available the meeting will be rearranged.

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

### A. Decision-Making Methodologies

1. In line with the remit of the group, agreed recommendations will be arrived at by a consensus of the majority of those Members present and in accordance with the Chair having the final decision.

### B. Reporting and Accountability

#### Chair

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

#### Quorum

2. Meetings will be quorate when a minimum of one Trustee and one third of member(s) shall be present (excluding CITB staff).

3. A duly convened meeting of the LWP at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the LWP.

#### Communication and reporting

4. Terms of reference should be publicly available

5. The LWP should ensure that it has effective communication with appropriate key stakeholders.

6. Minutes of LWP meetings will be made available to the Board and CITB Executive. The Chair may, as appropriate, present an oral summary of key discussions, decisions and outcomes.

7. The LWP is accountable to the Board.

### C. Declarations and conflict of interest

1. Levy Working Party members are required to make a declaration of interests to the Chair in accordance with the CITB Code of Practice on the Declaration of Interests.

2. During the course of a meeting, if a conflict of interest arises in relation to matters under consideration, the member concerned must withdraw from the meeting, or part thereof, as appropriate. This will be recorded in the minutes.

### D. Code of Conduct

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

2. The Chair shall be responsible for ensuring that the business of a meeting is conducted in a courteous and professional manner and shall, taking the advice of the senior CITB staff in attendance, have the right to adjourn a meeting or temporarily exclude any individual or individuals whose conduct falls below acceptable standards.

**Section V: Good Governance**

1. **Agenda:** Unless otherwise agreed, notice of each meeting with an agenda of items to be discussed, shall be forwarded to each member of the Levy Working Party, and any other person required to attend no later than five working days before the date of the meeting.
2. **Minutes:** The proceedings of all meetings of the LWP, including recording the names of those in attendance, will be recorded and distributed to LWP members and the Board.
3. **Terms of Reference:** CITB will review the Terms of Reference as part of the Committee Performance Review under Section D above.

<b>ToR approved by Board</b>		<b>Copy sent to Board Secretary</b>	
<ol style="list-style-type: none"> <li>1. <b>Date for review of TOR /outcomes evaluation within 12 months of inception (as appropriate to remit)</b></li> <li>2. <b>Board decision on renewal/revision of ToR</b></li> </ol>	June 2020		





[REDACTED]

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**From:** Stephen Radley  
**Sent:** 13 May 2019 16:07  
**To:** Mark Noonan  
**Cc:** [REDACTED]  
**Subject:** Levy Working Party

Mark

I picked this up with Colin today. We've all agreed that this should be an employer group and should be drawn from the Councils. We'd also use this to test our emerging funding strategy ideas – this would be a real plus to get Councils plugged into funding ideas now and thinking about funding and levy at the same time.

Ideally, we would like 10-12 members drawn from the Councils with a good mix of sizes and sectors. For continuity, we might want to look at Craig Bruce and Gareth Davies who were both in the LWP and are Council members.

We'd also like to suggest we include Alison Lamplough as a member both because she was on the previous LWP and because she is on the Investment Funding Committee.

We would like to fit in two meetings between now and the August Board meeting

Is there one of your team we should pick this up with or should we leave this with you?

Best wishes

Steve

Steve Radley  
Strategy and Policy Director



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Executive Assistant: [REDACTED]

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[REDACTED]

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**From:** Emma Black  
**Sent:** 24 May 2019 09:29  
**To:** [REDACTED]  
**Cc:** Corporate Governance  
**Subject:** FW: Levy Working Party and Consensus Research

Hello All – Seamus is a yes. Diana has approved Alison Lamplough so perhaps ask Steve R or Geeta to offer the invitation to join?

Kind regards  
Emma Black  
General Counsel & Board Secretary



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**From:** Seamus Keogh [REDACTED]  
**Sent:** 24 May 2019 09:10  
**To:** Emma Black  
**Subject:** Re: Levy Working Party and Consensus Research

Emma  
I will be able to be involved in the LWP and will source a member of the England Council to join me  
Best regards  
Seamus

Sent from my iPhone

On 22 May 2019, at 11:05, Emma Black <[REDACTED]> wrote:

Morning Gentlemen

A quick follow up to my email below – the Consensus Research is now scheduled for Weds 12 June, at 1pm.

[REDACTED]

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**From:** Emma Black  
**Sent:** 24 May 2019 12:18  
**To:** [REDACTED]  
**Cc:** Corporate Governance; [REDACTED]  
**Subject:** RE: Levy Working Party and Consensus Research

Hello Colin

I have asked Mark Bodger to chase up Leigh on his involvement, I fully expect that as Scotland and England and fronting their Chairs that Leigh will follow suit. Chase me again if I haven't updated you by Tues.

Feel free to prod Seamus for his nomination of a second.

Yes, re Alison – that call needs to be made. Ideally by someone who knows her well? Steve Radley for gravitas?

I am seeing Peter today and have asked him about a 'deputy' to sit on for Diana. This is most likely to be Yvonne Kelly who has no experience but I think will prove very a useful independent. If she is asked and accepts I think she will find it useful to have a brief from you.

[REDACTED]

[REDACTED]

Kind regards  
Emma Black  
General Counsel & Board Secretary



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**From:** [REDACTED]  
**Sent:** 24 May 2019 12:04  
**To:** Emma Black  
**Cc:** Corporate Governance; [REDACTED]  
**Subject:** RE: Levy Working Party and Consensus Research

Hi Emma,

[REDACTED]

In terms of the LWP, thank you for confirmation of the Scottish contingent below.

So the members as I see it currently are:

Scotland – Craig Bruce and Tony Elliott

Wales – Leigh has confirmed Gareth Davies again, so do I assume that the Welsh contingent is Gareth and Leigh or are we still awaiting a second nominee? I assume it's both so only need to respond to this if I'm wrong.

England – Seamus has confirmed and we are just awaiting a final nominee.

Diana has approved Alison Lamplough being considered as a member so we now need to contact her to see if she wishes to attend again.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



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**From:** Emma Black  
**Sent:** 22 May 2019 12:54  
**To:** [REDACTED]  
**Cc:** Ian Hughes; Corporate Governance  
**Subject:** FW: Levy Working Party and Consensus Research

Hello All

[REDACTED]

[REDACTED]

[REDACTED]

I have emailed Diana to confirm that she is happy to invite Alison Lamplough – hope to hear back from her today.

Kind regards  
Emma Black  
General Counsel & Board Secretary



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[REDACTED]

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**From:** Tony Elliott [REDACTED]  
**Sent:** 22 May 2019 12:45  
**To:** Emma Black  
**Subject:** RE: Levy Working Party and Consensus Research

Hi Emma,

I have spoken to Craig and he is willing to get involved again, so for the Scottish Council the reps for the LWP will be myself and Craig Bruce.

If you could confirm venue and timings I can get travel sorted.

Thanks,

Tony

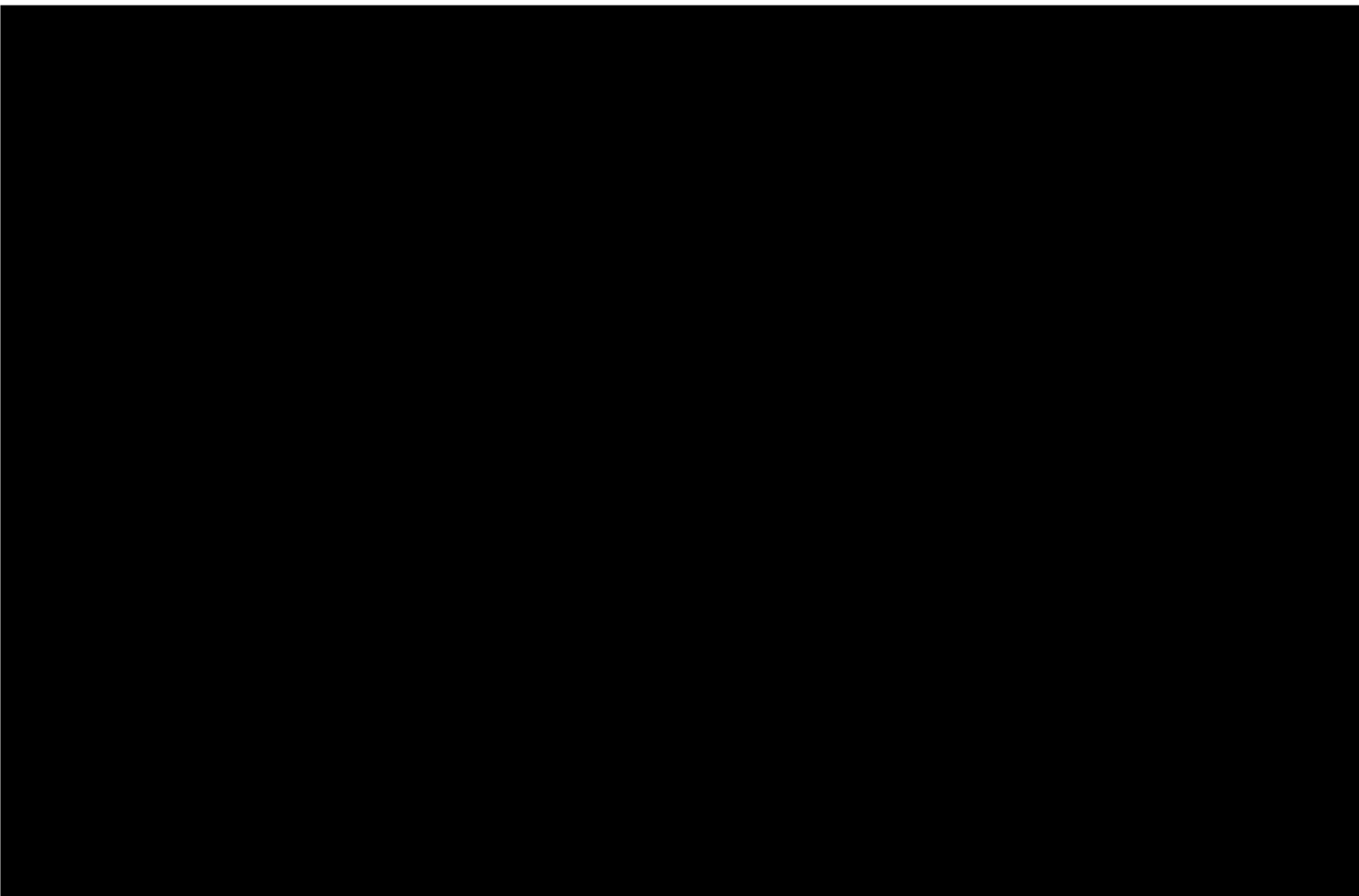
Group HR Director  
Robertson Group

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[Website](#) | [LinkedIn](#) | [Twitter](#) | [YouTube](#)



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**From:** Emma Black  
**Sent:** 20 May 2019 18:25  
**To:** Tony Elliott; ANTHONY ELLIOTT; HUGHES, Leigh; Seamus Keogh  
**Cc:** Mark Noonan; Sarah Fenton; Nick James; Mark Bodger; Ian Hughes; Corporate Governance  
**Subject:** Levy Working Party and Consensus Research

Good afternoon Gentlemen

I have been asked by the business to clarify the two separate 'asks' of your Nation Councils; one from the Board and one from the business. These are:

- Representation on the **Levy Working Party** (temporary Board Committee); and
- Participation in the independent market research to test the **Consensus Questionnaire Workshop**.

I am aware that Ian Hill from the research team has already sent out an email to you in relation to the Consensus Questionnaire but for your ease of reference I have provided below a summary of what is involved with each 'ask' and the Nation Council involvement we hope to secure:

#### **Levy Working Party ('LWP')**

The LWP is established as a temporary Board Committee to deal specifically with matters relating to the 2020 Levy Proposal. It is currently proposed that the LWP will meet between 6-8 times over the course of 2019/20. The LWP membership will represent the views of industry through the consideration and development of the 2020 Levy proposal; will make an initial recommendation to the Board in December 2019 and following this make further and final recommendations on the agreed Levy proposal to present to industry for Consensus in 2020.

It is hoped that the initial 'scene setting' meeting will take place on the 25<sup>th</sup> June with a further follow up meeting in late July to begin to explore the funding strategy ahead of the August Board meeting. Whilst it is hoped that the meetings will accommodate participants to attend in person, in recognition of geography we will ensure that there are options to participate via video or telephone conference.

#### **Nation Council Involvement**

In terms of Council involvement we are hoping to secure two Council Members (need not be the same two) from each Nation to participate in both the LWP and the Consensus Questionnaire research. I am very conscious of the commitment you already make to CITB however the hope is that each of you and one other Council Member (of your selection and having regard to representation) would accept positions on the LWP. Tony, Leigh, I am advised that you each have Members on your Councils (Craig Bruce and Gareth Davies) who have previously sat on the LWP. Whilst not essential, were these two gentlemen willing to do so there is obviously some advantage in having their experience on the LWP.

## Consensus Questionnaire

As part of the preparations for the 2020 Consensus CITB has commissioned IFF Research Ltd, an independent market research company to 'stress test' the questions CITB present to Industry in order to ascertain support (or otherwise) for the Levy proposal. IFF will hold a single workshop discussion to reflect on the questions used in previous years and to consider the structure of questions proposed for 2020.

It is anticipated that the workshop will be held at a venue in London w/c 3rd June with 6-10 participants from across GB. Again, we will ensure that there are options to participate via video or telephone conference for those unable to attend in person.

## Nation Council Involvement

The research for the Consensus Questionnaire is much less of a commitment with only a few hours on one day.

In order that CITB can assure itself of being non-partisan in the selection we would be grateful if, as Chairs, you could either invite expressions of interests from your Councils and select an additional Member for the LWP and two Council Members for the Consensus research or, if appropriate you could select those Members whom you think would be most suitable/have availability.

I appreciate that this is quite a lengthy email so please feel free to give me a call, otherwise I look forward to receiving your thoughts.

Kind regards

Emma Black  
General Counsel & Board Secretary



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**From:** Corporate Governance  
**Sent:** 24 May 2019 08:54  
**To:** [REDACTED]  
**Cc:** [REDACTED] Emma Black  
**Subject:** FW: Levy Working Party and Consensus Research - Wales

Good morning

Please see response below from Leigh Hughes (Chair of Cymru Wales Nation Council). Contact details are:

Gareth Davies

[gareth.davies](mailto:gareth.davies)

Tel: [REDACTED]

[REDACTED]

Kind regards

[REDACTED]

Corporate Governance Assistant



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**From:** HUGHES, Leigh [REDACTED]  
**Sent:** 23 May 2019 23:12  
**To:** Emma Black; [REDACTED] Tony Elliott  
**Cc:** Nick James; Mark Bodger; Sarah Fenton; Ian Hughes; Corporate Governance  
**Subject:** RE: Levy Working Party and Consensus Research

Emma

Update from Wales Council;

- LWP – Gareth Davies is happy to take part once again

- [REDACTED]

Regards

Leigh HUGHES  
CSR Director  
Bouygues Construction UK

[Redacted]  
[Redacted]

www.bouygues-uk.com [x] [x] [x] [x]

[x] [Redacted]

[x] [Redacted]

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**From:** Emma Black [Redacted]  
**Sent:** 22 May 2019 11:06  
**To:** HUGHES, Leigh [Redacted]; [Redacted]; Tony Elliott  
[Redacted]  
**Cc:** Nick James [Redacted]; Mark Bodger [Redacted]; Sarah Fenton  
[Redacted]; Ian Hughes [Redacted]; Corporate Governance  
[Redacted]  
**Subject:** FW: Levy Working Party and Consensus Research

Morning Gentlemen

A quick follow up to my email below – the Consensus Research is now scheduled for Weds 12 June, at 1pm.

I appreciate you are all extremely busy but if you are able to get back to me on the LWP particularly that would be very helpful.

Kind regards

Emma Black  
General Counsel & Board Secretary



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[Redacted]



---

**From:** Emma Black  
**Sent:** 20 May 2019 18:25  
**To:** Tony Elliott; ANTHONY ELLIOTT; HUGHES, Leigh; Seamus Keogh  
**Cc:** Mark Noonan; Sarah Fenton; Nick James; Mark Bodger; Ian Hughes; Corporate Governance  
**Subject:** Levy Working Party and Consensus Research

Good afternoon Gentlemen

I have been asked by the business to clarify the two separate 'asks' of your Nation Councils; one from the Board and one from the business. These are:

- Representation on the **Levy Working Party** (temporary Board Committee); and
- Participation in the independent market research to test the **Consensus Questionnaire Workshop**.

I am aware that Ian Hill from the research team has already sent out an email to you in relation to the Consensus Questionnaire but for your ease of reference I have provided below a summary of what is involved with each 'ask' and the Nation Council involvement we hope to secure:

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I appreciate that this is quite a lengthy email so please feel free to give me a call, otherwise I look forward to receiving your thoughts.

Kind regards

Emma Black  
General Counsel & Board Secretary



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[REDACTED]

---

**From:** Stephen Radley  
**Sent:** 13 May 2019 16:07  
**To:** Mark Noonan  
**Cc:** [REDACTED]  
**Subject:** Levy Working Party

Mark

I picked this up with Colin today. We've all agreed that this should be an employer group and should be drawn from the Councils. We'd also use this to test our emerging funding strategy ideas – this would be a real plus to get Councils plugged into funding ideas now and thinking about funding and levy at the same time.

Ideally, we would like 10-12 members drawn from the Councils with a good mix of sizes and sectors. For continuity, we might want to look at Craig Bruce and Gareth Davies who were both in the LWP and are Council members.

We'd also like to suggest we include Alison Lamplough as a member both because she was on the previous LWP and because she is on the Investment Funding Committee.

We would like to fit in two meetings between now and the August Board meeting

Is there one of your team we should pick this up with or should we leave this with you?

Best wishes

Steve

Steve Radley  
Strategy and Policy Director



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Executive Assistant: [REDACTED]

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[REDACTED]

---

**From:** Emma Black  
**Sent:** 24 May 2019 09:29  
**To:** [REDACTED]  
**Cc:** Corporate Governance  
**Subject:** FW: Levy Working Party and Consensus Research

Hello All – Seamus is a yes. Diana has approved Alison Lamplough so perhaps ask Steve R or Geeta to offer the invitation to join?

Kind regards  
Emma Black  
General Counsel & Board Secretary



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**From:** Seamus Keogh [REDACTED]  
**Sent:** 24 May 2019 09:10  
**To:** Emma Black  
**Subject:** Re: Levy Working Party and Consensus Research

Emma  
I will be able to be involved in the LWP and will source a member of the England Council to join me  
Best regards  
Seamus

Sent from my iPhone

On 22 May 2019, at 11:05, Emma Black <[REDACTED]> wrote:

Morning Gentlemen

A quick follow up to my email below – the Consensus Research is now scheduled for Weds 12 June, at 1pm.



[REDACTED]

---

**From:** Emma Black  
**Sent:** 24 May 2019 12:18  
**To:** [REDACTED]  
**Cc:** Corporate Governance; [REDACTED]  
**Subject:** RE: Levy Working Party and Consensus Research

Hello Colin

I have asked Mark Bodger to chase up Leigh on his involvement, I fully expect that as Scotland and England and fronting their Chairs that Leigh will follow suit. Chase me again if I haven't updated you by Tues.

Feel free to prod Seamus for his nomination of a second.

Yes, re Alison – that call needs to be made. Ideally by someone who knows her well? Steve Radley for gravitas?

I am seeing Peter today and have asked him about a 'deputy' to sit on for Diana. This is most likely to be Yvonne Kelly who has no experience but I think will prove very a useful independent. If she is asked and accepts I think she will find it useful to have a brief from you.

[REDACTED]

[REDACTED]

Kind regards  
Emma Black  
General Counsel & Board Secretary



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**From:** [REDACTED]  
**Sent:** 24 May 2019 12:04  
**To:** Emma Black  
**Cc:** Corporate Governance; [REDACTED]  
**Subject:** RE: Levy Working Party and Consensus Research

Hi Emma,

[REDACTED]

In terms of the LWP, thank you for confirmation of the Scottish contingent below.

So the members as I see it currently are:

- Scotland – Craig Bruce and Tony Elliott
- Wales – Leigh has confirmed Gareth Davies again, so do I assume that the Welsh contingent is Gareth and Leigh or are we still awaiting a second nominee? I assume it's both so only need to respond to this if I'm wrong.
- England – Seamus has confirmed and we are just awaiting a final nominee.

Diana has approved Alison Lamplough being considered as a member so we now need to contact her to see if she wishes to attend again.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



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---

**From:** Emma Black  
**Sent:** 22 May 2019 12:54  
**To:** [REDACTED]  
**Cc:** Ian Hughes; Corporate Governance  
**Subject:** FW: Levy Working Party and Consensus Research

Hello All

[REDACTED]

[REDACTED]

[REDACTED]

I have emailed Diana to confirm that she is happy to invite Alison Lamplough – hope to hear back from her today.

Kind regards  
Emma Black  
General Counsel & Board Secretary



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**From:** Tony Elliott [REDACTED]  
**Sent:** 22 May 2019 12:45  
**To:** Emma Black  
**Subject:** RE: Levy Working Party and Consensus Research

Hi Emma,

I have spoken to Craig and he is willing to get involved again, so for the Scottish Council the reps for the LWP will be myself and Craig Bruce.

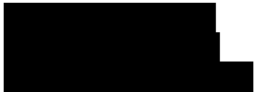
If you could confirm venue and timings I can get travel sorted.

Thanks,

**Tony**

Group HR Director  
Robertson Group

Office: 01786 431600



Robertson House, Castle Business Park, Stirling FK9 4TZ

[Website](#) | [LinkedIn](#) | [Twitter](#) | [YouTube](#)



---

**From:** Emma Black  
**Sent:** 20 May 2019 18:25  
**To:** Tony Elliott; ANTHONY ELLIOTT; HUGHES, Leigh; Seamus Keogh  
**Cc:** Mark Noonan; Sarah Fenton; Nick James; Mark Bodger; Ian Hughes; Corporate Governance  
**Subject:** Levy Working Party and Consensus Research

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I appreciate that this is quite a lengthy email so please feel free to give me a call, otherwise I look forward to receiving your thoughts.

Kind regards

Emma Black  
General Counsel & Board Secretary



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**From:** Corporate Governance  
**Sent:** 24 May 2019 08:54  
**To:** [REDACTED]  
**Cc:** [REDACTED] Emma Black  
**Subject:** FW: Levy Working Party and Consensus Research - Wales

Good morning

Please see response below from Leigh Hughes (Chair of Cymru Wales Nation Council). Contact details are:

Gareth Davies

[gareth.davies](mailto:gareth.davies)

Tel: [REDACTED]

[REDACTED]

Kind regards

[REDACTED]  
Corporate Governance Assistant



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---

**From:** HUGHES, Leigh [REDACTED]  
**Sent:** 23 May 2019 23:12  
**To:** Emma Black; [REDACTED] Tony Elliott  
**Cc:** Nick James; Mark Bodger; Sarah Fenton; Ian Hughes; Corporate Governance  
**Subject:** RE: Levy Working Party and Consensus Research

Emma

Update from Wales Council;

- LWP – Gareth Davies is happy to take part once again

- [REDACTED]



Regards

Leigh HUGHES  
CSR Director  
Bouygues Construction UK

[Redacted]  
[Redacted]

www.bouygues-uk.com [x] [x] [x] [x]

[x] [Redacted]

[x] [Redacted]

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**From:** Emma Black [Redacted]  
**Sent:** 22 May 2019 11:06  
**To:** HUGHES, Leigh [Redacted]; [Redacted]; Tony Elliott  
[Redacted]  
**Cc:** Nick James [Redacted]; Mark Bodger [Redacted]; Sarah Fenton  
[Redacted]; Ian Hughes [Redacted]; Corporate Governance  
[Redacted]  
**Subject:** FW: Levy Working Party and Consensus Research

Morning Gentlemen

A quick follow up to my email below – the Consensus Research is now scheduled for Weds 12 June, at 1pm.

I appreciate you are all extremely busy but if you are able to get back to me on the LWP particularly that would be very helpful.

Kind regards

Emma Black  
General Counsel & Board Secretary



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[Redacted]



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**Sent:** 20 May 2019 18:25  
**To:** Tony Elliott; ANTHONY ELLIOTT; HUGHES, Leigh; Seamus Keogh  
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Emma Black  
General Counsel & Board Secretary



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## PRESENT

### ITEM 5: Levy Working Party (24 June 2019 & 25 July 2019)

5.3. Within the meeting pack for today's meeting there were minutes from two recent Levy Working Party (LWP) meetings and a LWP summary paper from Steve Radley (SR). DG highlighted the importance of having all the appropriate representation at these LWP meetings so that the Board can hear everything that people have to say regarding the Levy. YK thanked SR and his team for the support they have given these meetings, and also stressed the need for transparency of information given to attendees and having research-led evidence to support decision-making.

5.4. KM raised the issue of IR35 and the potential impact on the employment status of many subcontractors in industry. If the full impact of IR35 is felt then the tax benefit of being a self-employed subcontractor will disappear, as will the tax benefit to employers using self-employed subcontractors. Both KM and SF warned that CITB needs to be mindful of how this additional tax burden could affect CITB levy payers, and KM stressed the need for CITB to understand the impact of this on industry. SR assured them that there is an independent tax expert on the LWP.

5.5. There was discussion regarding the current membership of the LWP, during which it was clarified that there is only one representative from the Wales Nation Council and not two (as had been incorrectly implied by one set of meeting minutes). KM requested that there be greater visibility of who sits on what committees, and so DG suggested that mini profiles of all members of the LWP could be displayed on CITB's website.

**5.6. ACTION: Governance Team to gather profiles of all LWP and Nation Council members and display them on CITB's website.**

A meeting of the CITB Levy Working Party was held at 10:30 on 24 June 2019 at  
CITB Offices, Carthusian Court, 12 Carthusian Street, London EC1M 6EZ.

#### PRESENT:

Yvonne	Kelly (Chair)	Barking & Dagenham College
Liz	Bridge	Joint Taxation Committee
Craig	Bruce	Pert Bruce Construction
Gareth	Davies	Knox & Wells
Alison	Lamplough	Laing O'Rourke
Julie	White	D-Drill (Master Drillers) Ltd (via phone/conference call)
[REDACTED]	[REDACTED]	(CITB) Appeals Manager
[REDACTED]	[REDACTED]	(CITB) Strategic Grant & Levy Fund Manager
[REDACTED]	[REDACTED]	(CITB) Assistant Funding Manager, Levy/Grant Strategy
Sarah	Fenton	(CITB) Strategic Partnerships Director
Steve	Radley	(CITB) Strategy and Policy Director

#### CORPORATE GOVERNANCE:

[REDACTED] (CITB) Corporate Governance Team  
[REDACTED] (CITB) Corporate Governance Team

#### APOLOGIES:

Dian [REDACTED]	Carnham (Chair)	(CITB) Trustee
Tony [REDACTED]	Elliott	Robertson Group
Leigh [REDACTED]	Hughes	Bouygues UK
[REDACTED]	[REDACTED]	(CITB) Solicitor
Seamus	Keogh	Clancy Group

#### ITEM 1: WELCOME AND INTRODUCTIONS

1.1 The Chair opened the meeting at 10:30am and welcomed all in attendance.

1.2. Everyone present introduced themselves.

#### ITEM 2: ROLE AND PURPOSE OF THE LEVY WORKING PARTY

2.1. YK gave a brief explanation of the role and purpose of the Levy Working Party (LWP) and went through the Terms of Reference for the committee.

2.2. Amendments were made to the Terms of Reference as follows:

- Page 1 item B Specific Purpose Overview, Future Funding Strategy was changed to Future Investment Strategy.
- Page 2, item C Specific Scope and Objectives, point 4 funding was changed to investment.

2.3. GD raised a query on reporting back to the Nations Councils, asking how it was going to be

achieved. Would it be CITB or the committee members that represent the various councils or CITB? CC confirmed that it would be CITB that would report back to the various Councils with the support of the committee member. LB suggested that if anything that was discussed in the meeting was to be confidential, it should be made clear that it is confidential.

2.4. GD suggested that a formal briefing paper be circulated to the Nation Council members at the end of each LWP meeting. For July a holding statement would be issued because this LWP meeting is just before the next round of the Nations Council meetings.

2.5. GD emphasised the importance of making the benefits of CITB levy far more visible to the employer population and pointed out that it is easier to positively engage employers on the levy proposals if information on how levy is being spent is provided.

2.6. The committee members agreed to canvass their Nation member's views on items discussed and bring feedback to the next meeting.

2.7. YK ran through the aims and objectives of the committee and everyone present was agreeable.

2.8. YK went on to present the timeline for the committee; CC highlighted that the timeline would be flexible based on what will be happening.

2.9. CC highlighted that there was only one representative of the Wales Council. There was need to appoint a second representative if possible.

#### **2.10. ACTIONS:**

- Nation Members that are committee members of the LWP to bring back feedback from their respective Nation
- CC to circulate a briefing paper at the end of each LWP meeting to the LWP Nation Council representatives.
- If possible appointment of a second Wales Nation Council representative for the LWP committee.

### **ITEM 3: INTRODUCTION TO LEVY AND NATURE OF LEVY CALCULATION**

3.1. RC presented a brief legal background of the Acts that govern CITB Levy and an overview of the number of employers registered for Levy, and Levy income raised in 2017/2018.

3.2. Levy calculation section was led by CC; he recommended to the committee that the current calculation method should not be changed as it was introduced recently. All present agreed that the employment-based levy was still appropriate.

3.3. LB commented that using payroll was a good basis for the levy calculation as it is relatively easy for employers to understand the Levy they will have to pay.

3.4. AL pointed out the need to provide evidence on the assumption that employers that use PAYE are more likely to train staff compared to those that use sub-contractors. SR confirmed that research was carried out recently and he would be able to share the evidence in a future meeting.

3.5. A discussion took place on the use of differential levy rates and the provisional agreement amongst members present was that differential rates still seemed appropriate. However, the breadth of the differential could be considered further during the consideration of the levy options.

3.6. The distribution of the Levy collected was discussed; GD and CB felt that Scotland and Wales are currently disadvantaged when it comes to the effect of the Government's Apprentice Levy. They highlighted that the Scottish and Welsh governments collect Apprentice Levy but the SMEs who train the majority of apprentices in those nations do not receive the funding which employers in England receive either via the digital voucher scheme or funded provision. GD also noted that the CITB grants that employers could claim were capped.

3.7. LB wanted to know if CITB was collecting enough based on the estimate and the actual collection, AL highlighted again the need for evidence of what was expected against what was actually collected.

3.8. YK highlighted the changes in government funding which will affect apprentice training in the industry so there may be a need to consider it when coming up with new Levy proposals.

3.9. LB suggested that the Levy mechanism be left as it was but to focus on how collected levy is spent. She also went on to bring to light the upcoming changes to IR35 for companies with less than fifty employees which will mostly likely increase the number of employees on PAYE and in turn could impact levy collected by CITB.

3.10 LB asked if there was any evidence that proved that those that are paying the levy are actually training.

#### 3.11 ACTIONS:

- SR/CC to provide evidence on research carried out on staff training.
- CC to provide analysis of the number of employers and grants claimed within levy exemption reduction and full levy bands.

#### ITEM 4: KEY EXTERNAL AND INDUSTRY FACTORS AFFECTING LEVY PROPOSAL

4.1. [redacted] presented a session on the key external and industry factors that could affect the levy proposal. GD emphasised that the sectors mentioned in the presentation that were affected by the introduction of Levy on Net CIS were not an exhaustive list as he knew of many companies that were negatively affected that do not fall under the categories mentioned.

4.2. CB pointed out that there was need for care to be taken with CIS as many organisations in the industry use subcontractors to protect their businesses as they aim to minimise overheads and due to the itinerant nature of the workforce.

4.3. Members present agreed to retain a levy on net CIS but were open minded about flexibility of rates when considering levy options. LB commented that continuity of the basis of the levy calculation would be beneficial to industry as many employers are now accustomed to it.

4.4. A discussion took place around the fact that grants generally only support construction-related training, but levy is paid on the entire workforce. Members agreed that this was not a levy issue, this was a grants and funding issue and no further action was required by the LWP. SR suggested that there may be a need to relook at the distribution channels, and agreed to refer this to the Investment Funding Committee

4.5. LB highlighted that the current system gives a measure of assurance to those paying PAYE she also went on to inform the group of the changes in VAT payments from October 2019. The new VAT system is going to significantly affect business cash flows and this needed to be kept in mind when reviewing the levy. LB will circulate guidance notes on the changes.



4.6. The committee discussed the various possible actions to take if the government changed the Apprenticeship Levy. GD suggested that there should be no change for now and an appropriate response considered if significant changes to the Government Levy materialise. AL agreed with GD but went on to say that there was a need to monitor developments closely so that the LWP could react to changes.

#### 4.7. ACTION:

- LB to circulate guidance notes on the VAT payment 'Reverse Charge'

### ITEM 5: OVERVIEW OF CONSENSUS AND TIMELINE

5.1. SR went through the proposed timeline for consensus and everyone present was in agreement with it. No changes were made.

### ITEM 6: FUTURE INVESTMENT STRATEGY

6.1. SR presented an overview of the Future Investment Strategy, highlighting the different channels that were available, the benefits that have been achieved and access to the benefits. A more comprehensive overview with the ability to provide feedback will be given at the next meeting.

6.2. [REDACTED] saw the overview from SR but needed to see figures as evidence of the current position. SR will provide the numerical evidence in the next meeting.

6.3. CC noted that the strategy will define the required funds to achieve CITB strategic objectives and will seek input from industry representatives on how to prioritise the investment of those funds.

6.4. GD asked what was defined as mandatory training as it should not be immediately overlooked as being less of an investment priority than other training.

#### 6.5. ACTION:

- SR to provide further details of Future Investment Strategy and a position of statement on how funding is currently utilised at the next meeting.

### ITEM 7: FLEXIBLE LEVY ORDER

7.1. CC presented a flexible Levy Order proposal with the aim of getting members thoughts on Levy Order flexibility. A flexible Order Levy would allow for a reduction in the levy rates should the economy enter recession.

7.2. LB raised a point on why the Board think that they need a flexible Levy Order and if at the point the flexibility was triggered, those that had already paid would get a refund. LB went on to emphasise the need for a mechanism that would ensure that CITB had the ability to support individual employers in financial difficulties. CC confirmed flexible payment terms and the ability to withdraw assessments already exists. LB felt this was sufficient contingency.

7.3. CB commented that a reduction in CITB levy would not significant consideration for a business when economy is in a recession; Business owners tend to reduce their workforce during this time.

7.4. The imbalance caused by Levy assessment timing was raised and the need for Real Time Levy collection suggested as a more relevant change to consider.

## ITEM 8: INTRODUCTION TO POTENTIAL LONGER-TERM LEVY STRATEGIES

8.1. RC presented an overview of Potential Longer Term Levy Strategies namely extending future Levy Orders beyond their current three year lifespans and the possibility a Real Time Levy.

8.2. The members present agreed that the current three year cycles was too short and were favourable towards an increase, possibly to a five year cycle.

8.3. LB highlighted that the real time collection of Levy would align well with the other mechanisms such as CIS and PAYE which employees are already familiar with. Members agreed that there was appetite to explore this concept further.

8.4. CB expressed his concern that he had been attending CITB meetings for more than 10 years and at times he feels that there needs to be an increased focus on assessing achievements against plans as well as putting future plans in place. CB requested that CITB provide more quantitative evidence of the results of strategy, particularly as many of the people we wish to engage are receptive to figures and financial results.

### 8.4 ACTION:

ITE [REDACTED]

9.1. [REDACTED] raised concerns about the potential divergence in strategy across the three nations going forward, suggesting that CITB do all it could to ensure employers continue to be treated equally, whilst recognising regional and national differences.

### 9.4 ACTION:

The next meeting of the LWP will be held at 10:30 on Thursday 25 July 2019 at CITB Offices, Carthusian Court, 12 Carthusian Street, London EC1M 6EZ.

The meeting closed at 15:15

A meeting of the CITB Levy Working Party was held at 10:30 on 25 July 2019 at  
CITB Offices, Carthusian Court, 12 Carthusian Street, London EC1M 6EZ.

#### **PRESENT:**

Diana Garnham (DG), (CITB) Trustee  
Yvonne Kelly (YK), CITB Trustee Barking & Dagenham College  
Liz Bridge (LB), Joint Taxation Committee  
Craig Bruce (CB), Pert Bruce Construction  
Tony Elliott (TE), Robertson Group  
Seamus Keogh (SK), England Nation Chair  
[REDACTED] (JB), (CITB) Appeals Manager  
[REDACTED] (CC), (CITB) Strategic Grant & Levy Fund Manager  
[REDACTED] (RC), (CITB) Assistant Funding Manager, Levy/Grant Strategy  
Sarah Fenton (SF), (CITB) Strategic Partnerships Director (Via Skype)  
Steve Radley (SR), (CITB) Strategy and Policy Director

#### **CORPORATE GOVERNANCE:**

[REDACTED] (CITB) Corporate Governance Team

#### **APOLOGIES:**

[REDACTED] (PJ), (CITB) Solicitor  
Gareth Davies (GD), Knox & Wells  
Alison Lamplough (AL), Laing O'Rourke  
Julie White (JW), [REDACTED] Drill (Master Drillers) Ltd

#### **ITEM 1: PREVIOUS MINUTES AND ACTIONS**

- 1.1 The Chair opened the meeting at 10:30am and welcomed all in attendance. SK and TE gave a brief introduction of themselves.
- 1.2. The minutes of the previous meeting were confirmed to be correct and actions were updated.
- 1.3 DG emphasised the importance of getting information to the Nation Council (NC) meetings on time as their input was vital in papers to be presented to the Board. The need to bear in mind when NC meeting would be held was emphasised, if feedback could not be collected from NCs, alternative ways would have to be considered. The aim is to get feedback from at least 80% of each NC to give a fair representation of the industry.

#### **ITEM 2: FUTURE STRATEGY**

- 2.1. SR presented the Future Investment Strategy section.
- 2.2. SR clarified that the Grants Scheme, Commissioning and Interventions were currently available, while the Medium-size Employers Fund would be available in April 2020 and the Skills and Training

Fund updated version would also be available in April 2020 in response to SK enquiry. DG suggested that foot notes be included to highlight the changes.

2.3. CB emphasised the need to ensure that when CITB hand over projects, there should be no dilution and they should be ready to step in when required.

2.4. CB could relate to the training behaviour presentations. He confirmed that he was unable to pass work load down because of the lack of training in the Micro sector that were reluctant to train because they felt they would be losing income if they took time off to train. From a large employer perspective, TE could also relate with the training behaviours.

2.5. SK queried the use of 600 employers, which is 1%, as representative of the sector to come up with a model. CC responded by informing everyone that that the sample was representative as it incorporated all the segments, he pointed out that statically it was acceptable.

2.6. SK highlighted that the sector had not been investing in areas that were impactful like management and it was worrying, a lot of the industry was training employees only for them to obtain a card.

2.7. YK highlighted that employees and individuals need to know what is available and this would drive them to pursue careers in construction. The industry would need to retain young people by training them in high level courses like HND, Degrees and Post grad qualification. YK also went on to say that the Industry does not attract high flier students who prefer going into engineering or medicine.

2.8. YK informed the committee that if an SME is not registered, they would not be able to access the Apprentice Levy from April next year.

2.9. The strategy be for CITB to fund projects so they can become established, then hand them over to industry to run them if industry wishes them to continue. SK emphasised the need for a control mechanism once CITB has handed over the project to ensure that standards would be maintained.

2.10. SK asked who would own the standards when its handed over to industry, YK confirmed that training which is overseen by Awarding Bodies is already regulated.

#### **2.11. ACTIONS:**

- SR to make necessary changes to the presentation.

### **ITEM 3: LEVY CALCULATION, APPRENTICESHIP LEVY AND LEVY ORDER**

3.1. CC and RC presented the feedback on the Levy calculation, Apprenticeship Levy (AL) and Levy Order (LO) from the last LWP and subsequent conversations.

3.2. Members confirmed the rationale for retaining an employment based levy was still valid, but employment practices had changed in the last 10 years and the basis needed to be reviewed again at some time in the near future to ensure it would be still fit for purpose

3.3. The Levy differential research presented was conducted in 2014 and DG suggested that fresh data be used which would provide a more accurate view. The basis of the research was 200 interviews.

3.4. CB suggested that the survey's continued relevance be ratified by sending it to NCs.

3.5. Members discussed the two thresholds and concluded that the Exemption threshold should be left as it currently. There would be room to review the reduction threshold if required when considering levy proposals.

3.6. It was agreed that there is an appetite within the group to keep the Levy calculation as close to its current format as possible. This could be revisited if necessary once further views from the NCs had been received.

3.7 Members confirmed that they were not in favour of pursuing the introduction of a Flexible mechanism within the Levy Order to allow for a temporary decrease in Levy rates in the event of economic downturn.

3.8. A primary legislation change would be required to extend the LO so this would only be possible after the 2021 Order was established. It was agreed that currently the environment is complex and not ideal to make a decision on extending the LO.

3.9. SR reported that there was speculation that AL would increase in April just before consensus.

3.10. AL is currently not understood by the industry as it appears many employers are being “taxed” twice. CB highlighted that if the AL threshold is lowered, it would greatly affect the sector in Scotland and Wales because they do not benefit from the AL and a lot of affected employers in Scotland and Wales could withdraw support for CITB levy.

3.11 The steer to Board with regards changes to the AL however is that CITB Levy should not be aligned to changes; CITB need to maintain its income levels to maximise the support it can provide to industry. If CITB felt they needed to support employers impacted by the AL, this should be in terms of ensuring that they can maintain their training and skills development levels.

#### **3.12 ACTIONS:**

- CC to circulate the 2014 differential levy rates research to Council Members and ask them to comment on whether they feel the findings are still accurate.

#### **ITEM 4: DISTRIBUTION OF LEVY ACROSS EMPLOYER SIZE**

4.1. The group noted the distribution of levy by employer size and agreed that any disruption to the current distribution should be minimised.

#### **ITEM 5: PARAMETERS FOR LEVY MODELLING**

5.1. The group agreed that continuity was important so there should be minimal changes to the current format. CITB would present a number of modelled options to the group in September for review.

#### **ITEM 6: CONSENSUS PROCESS OVERVIEW**

6.1. The need to ensure that NC understood the Consensus process was highlighted by SK. A background paper will be issued by SR for this purpose.

#### **6.2. ACTION:**

- CITB to provide a paper to NCs to assist them to understand the Consensus processes.

#### **ITEM 7: FUTURE MEETINGS**

7.1. The next meeting will be held on 18 September and it was also agreed that the fourth meeting would be held on the 15<sup>th</sup> of October.

#### **ITEM 8: ANY OTHER BUSINESS**

8.1. There was no other business and the meeting closed at 15:05.

A meeting of the CITB Levy Working Party was held at 10:30 on 18 September 2019 at  
CITB Offices, Carthusian Court, 12 Carthusian Street, London EC1M 6EZ.

**PRESENT:**

Diana Garnham (DG), (CITB) Trustee  
Yvonne Kelly (YK), CITB Trustee Barking & Dagenham College  
Craig Bruce (CB), Pert Bruce Construction  
Gareth Davies (GD), Knox & Wells  
Alison Lamplough (AL), Laing O'Rourke  
Seamus Keogh (SK), England Nation Chair  
[REDACTED] (CC), (CITB) Strategic Grant & Levy Fund Manager  
Steve Radley (SR), (CITB) Strategy and Policy Director  
[REDACTED] (KT), (CITB) Assistant Fund Manager  
[REDACTED] (DeG), (CITB) Communication & Engagement Manager  
[REDACTED] (RG), (CITB) Consensus Delivery Manager

**CORPORATE GOVERNANCE:**

[REDACTED]  
[REDACTED] (AP), (CITB) Corporate Governance Team

**APOLOGIES:**

Tony Elliott (TE), Robertson Group  
[REDACTED] (LB), Joint Taxation Committee  
[REDACTED] (PJ), (CITB) Solicitor  
Julie White (JW), D-Drill (Master Drillers) Ltd  
[REDACTED] (IB), (CITB) Appeals Manager  
Sarah Fenton (SF), (CITB) Strategic Partnerships Director

**ITEM 1: WELCOME AND INTRODUCTIONS**

1.1 The Chair opened the meeting at 10:35 and welcomed everyone present and apologies were noted. Everyone present was given the opportunity to introduce themselves.

**ITEM 2: PREVIOUS MINUTES AND ACTIONS**

2.1. Two changes were noted from the minutes of the previous meeting; Seamus Keogh is no longer with Clancy Group and on para 2.10 Federations was removed.

2.2. Once changes were done, the minutes of the previous meeting were confirmed to be correct and actions were updated.

**ITEM 3: FEEDBACK FROM THE BOARD**

3.1. SR and DG gave a report on the Boards response on the initial strategies for the next Consensus as suggested by the LWP. In the report the Board emphasised the need to be cautious of too many change and were happy with the paper that was presented. The Board responded as following:

- Flexible Levy Order - the Board supported the recommendation not to consider the strategy further.
- Apprenticeship Levy - the Board supported the recommendation not to change CITB Levy in reaction to changes in the Apprenticeship Levy
- Real-Time Levy - the Board supported the recommendation and have requested for further investigation on the feasibility of Real-Time Levy to be conducted and brought to the February Board meeting for deliberation.
- Extended Levy Order - the Board agreed to the recommendation to consider the feasibility of extending the Levy Order but this should not commence until Consensus is completed in late 2020.

[REDACTED]

- No construction wages - the Board agreed to the LWP recommendation of no changes to Levy declaration and calculation to account for non-construction wages.

[REDACTED] Board requested more visibility of the LWP Committee members. LWP members were [REDACTED] provide brief profiles to the Governance team by the end of October.

[REDACTED] discussion on how feedback from the wider group of Nation Council members was carried out. [REDACTED] highlighted the need for clarity on what was required from the Councils. DG suggested that the discussion be covered further under the Communication and Engagement agenda item but noted that the Council role was to support the Board when making decisions. It was noted that in order to get the [REDACTED] information, there was need to have the right conversations with the right people in each organisation.

3.4. GD suggested that strategic issues need to take priority on the agenda in Council meetings as they have limited time in these meetings.

3.5. A question on the potential impact on Levy collected following changes to IR35 was tabled for discussion. It was agreed that the issue of taxation would be discussed further when LB was available as she is the tax expert. CC was tasked to investigate current trends of declarations by PAYE and net paid Sub-contractors.

3.6. On the Future Funding Approach, the Board is supportive and agreeable with what the LWP had put forward. SR noted that the Board did not want to hear about the funding mechanism but about what was being done, they required a holistic picture with a time line of what was happening at a given time.

### 3.7. ACTIONS:

3.7.1. LWP member profiles required by end of October.

3.7.2. CC to investigate the current trends of declaration by PAYE and net paid Sub-contractors.

#### ITEM 4: REAL TIME LEVY NEXT STEPS

4.1. CC gave a brief presentation on the next steps for Real Time Levy. He noted that nothing had been done as yet but they were planning to carry out a feasibility assessment into a system that would collect levy on a real time basis and required the LWPs input. CC emphasised that the project needed to be kept confidential at this stage.

4.2. AL reiterated the need to learn from previous projects, she stressed the need to thoroughly test the system to make sure that it is water tight and operating effectively. CC noted the time constraint of the project if it was to be done by 2024. If the Board agreed this was the direction Levy collection should move, it would need the support of the group for it to be a success.

4.3. GD highlighted the prejudice that industry could view Real Time Levy as a tax and they would be reluctant to pay it. CC noted that if Industry could see the impact of CITB more clearly, they would have less of an issue when paying the Levy. The LWP members were reminded that the idea of flexibility was so that organisations would be paying Levy based on current financial position and not on an historic position.

[REDACTED] expressed his reservations on Real Time Levy; he still maintains that it is a bad idea, especially when a system needs to be developed with funds collected from Levy payers. He noted that CITB was currently reviewing its functions and there was need to be cautious. DG explained the Boards view that CITB had to start modernising the way they operate, if they did not, industry would come back and question why they have not modernised. AL brought to light that the Construction Industry was currently second from bottom out of the 10 sectors in term of digitalisation and there was need for CITB to take a leading role in digitalisation.

4.5. AL enquired on the process of making changes to the Scope Order, in response CC noted that it was down to CITB to go to the Secretary of State with recommendations of changes. He went on to tell the Committee that they had already reviewed the process on how to change the Scope Order and this could be a complicated and time-consuming exercise. Equally government is reluctant to consider changes to legislation in the current political climate. The Committee discussed the pros and cons of filling in Levy returns online and on paper. It was agreed that all the members would find out how Levy Returns were being filled in by their respective organisations and also get recommendations on how to improve the process. CB managed to get a response from his organisation during the meeting, they submit the form electronically and confirmed that the system was easy to use.

4.6. DG suggested that the members of the LWP could be tasked to support work on a review of the Scope Order sometime in the future.

#### 4.7 ACTIONS:

4.7.1 All members to find out how Levy Returns in their organisations are filed.

#### ITEM 5: DIFFERENTIAL LEVY RATE RESEARCH – COUNCIL FEEDBACK

5.1. CC went through the feedback received from council members. The general consensus from the research was minimal to no changes. It was noted that Industry was not looking for radical change.



5.2. RG highlighted that responses to Levy varied depending on how much an organisation used CITB products and how their organisation was structured. Those that utilised CITB products were happy and gladly paid while those that did not benefit were more reluctant to pay and unhappy about Levy.

#### **ITEM 6: LEVY OPTION MODELLING & ANALYSIS**

6.1. KT presented and explained the various Levy Option models for deliberation. He noted that the models were not independently validated. The modelling tool has once again been built by xxxxxxxxxx xxxxxxxxxxxxxxxxxxxxxx. CB endorsed them as an honest organisation who provide good quality work.

6.2. CC confirmed that although the models were not independently tested, the tests carried out internally were accurate based on anticipated results.

6.3. CC and KT addressed questions that were posed to them on boundaries and figures used, it was noted that the boundaries were very narrow. The committee were enlightened to the fact that England was the largest Levy contributing nation followed by Scotland then Wales. The figures were based on the address of the company declared on their Levy return and not where the workers operate from.

██████████ Levy by occupation GD enquired why construction labour agents were low, in response KT highlighted that the figures were based on completed Levy Returns and there are a small number of companies that are currently contesting their liability to Levy and have not as yet completed outstanding Levy returns.

6.5. It was noted that all the models being presented provided the right amount of Levy for CITB to ██████████ future Funding Approach.

██████████ committee agreed that any proposal that impacts employers need to be limited. It was suggested that changes needed to impact no more than 10% of employers for the option to be considered. The pros and cons of each model would need to be RAG rated to give more clarity on each model. It was also agreed that the models would need to be grouped into 3 categories: -

- Minimal change,
- Closing the differential gap and
- All employers contributing

with the best option for each category being highlighted with reasons. CC and KT to consider best option for each category.

#### **6.7. ACTION:**

6.7.1. CC and KT to adapt RAG rating on all models.

6.7.2. CC and KT to categorise the models into 3 categories: minimal change, closing the differential gap and all employer contributing.

6.7.3. CC and KT to consider coming up with a middle ground.

#### **ITEM 7: CONSENSUS COMMUNICATION & ENGAGEMENT PLAN**

7.1. DeG presented the high level Consensus communication and Engagement plan. She highlighted the new long-term approach to engaging industry on the impact of the Levy and supporting industry to make an informed decision during Consensus 2020.

7.2. DeG mentioned the Employer Roadshows as a key opportunity for Industry engagement. AL highlighted that a lot of people who go to Employer Roadshows are training staff and expressed concern about the wider reach of this engagement. DG responded by noting that they were expecting a diverse employer spread at the Roadshows and anticipated attendance figures were approximately 1,000. She also explained the strategy to create advocates across industry and to use various targeted communications and channels for industry-wide engagement.

7.3. CC explained that between September 2019 and August 2020, CITB will be having regular engagement with prescribed organisations to ensure that they are adequately prepared for Consensus. The need to build relationships with Industry was emphasised not just for the sake of Consensus. YK suggested having some of the Roadshows filmed for transparency. DeG informed the Committee that the London Roadshow was being filmed and there was a follow-up Webinar available for those unable to attend in person.

[REDACTED] expressed his disappointment on the presentation and questioned if there was a wider CITB Communications Plan that it should be aligned to. YK highlighted the need for consistency in the overall Communications Plan. SK also said that the presentation did not focus on the actual Consensus process. He highlighted that the presentation focused on what had been previously been said and not what had already been delivered. He also noted that he was not receiving his 360 communication email and questioned why the 360 communication distribution was limited to the highest Levy payers.

7.5. DeG responded that there was an overall Communications Plan that the Consensus engagement [REDACTED] to and that the engagement utilises existing employer communication channels in the Plan. DeG also explained that an online version of 360 was planned for the end of October and that will be available as a link from the CITB website.

7.6. The Committee recommended the comms team to provide relevant data and set a time line of when things will be done. DeG explained that a monthly summary report on prescribed organisation engagement with RAG status is being actioned and will be supplied to the Executive Team.

7.6. DG suggested a regular comms update to the Committee as both parties could benefit from each other's input.

7.7. CB brought to DeGs' attention that he had last received a 360 communication in March 2019, DeG was going to look into it and provide feedback concerning why they were not receiving these communications.

#### **7.7. ACTIONS**

7.7.1 DeG to ensure that the 360 Communication is being distributed to all.

### **ITEM 8: TESTING PROPOSAL WITH A WIDER GROUP - COUNCIL**

8.1. DG gave a brief background on how views from the industry were collected in the last Consultation process. The Committee comprised of a larger group which had opposing views. The need to ensure that the Committee had consulted widely with the industry to avoid potential judicial review was stressed. The option available is for the Councils to provide the support either remotely or face to face.

8.2. SK suggested fixing the Council meeting agendas to make it work. The agenda should start with the positives of what has been achieved before the presentation of the Levy. CB recommended that the Levy item be presented by the same person to all the Council meetings to ensure consistency. It was agreed to investigate the feasibility of someone from the project team attending each Council meeting in October/ November.

### 8.3. ACTIONS

8.3.1. CC to attend the next round of the Council Meetings

### ITEM 9: FUTURE MEETINGS

9.1. It was agreed that the next meeting would be on 15 October. More meetings would be arranged at a later date.

9.2. CC reminded the Committee of a need to have a meeting on the Real Time Levy; a meeting will be scheduled for January 2020.

### ITEM 10: ANY OTHER BUSINESS

10.1. There being no other business to discuss the meeting finished at 15:15.

A meeting of the CITB Levy Working Party was held at 10:30 on 15 October 2019 at  
CITB Offices, Carthusian Court, 12 Carthusian Street, London EC1M 6EZ.

**PRESENT:**

Diana Garnham (DG), (CITB) Trustee  
Yvonne Kelly (YK), CITB Trustee Barking & Dagenham College  
Craig Bruce (CB), Pert Bruce Construction  
Gareth Davies (GD), Knox & Wells  
Alison Lamplough (AL), Laing O'Rourke  
Seamus Keogh (SK), England Nation Chair  
Tony Elliott (TE), Robertson Group  
Liz Bridge (LB), Joint Taxation Committee  
[REDACTED] (CC), (CITB) Strategic Grant & Levy Fund Manager  
Steve Radley (SR), (CITB) Strategy and Policy Director  
Rob Gill (RG), (CITB) Consensus Delivery Manager  
James Byrne (JB), (CITB) Appeals Manager

**CORPORATE GOVERNANCE:**

[REDACTED] (AP), (CITB) Corporate Governance Team

**APOLOGIES:**

Julie White (JW), D-Drill (Master Drillers) Ltd  
Sarah Fenton (SF), (CITB) Strategic Partnerships Director

**ITEM 1: WELCOME AND INTRODUCTIONS**

1.1 The Chair opened the meeting at 10:35 and welcomed everyone present and apologies were noted.

**ITEM 2: PREVIOUS MINUTES MATTERS ARISING AND ACTIONS**

2.1. Two changes were noted from the minutes of the previous meeting, 3.7.2 correct spelling to investigate and 6.7.3 to ground.

2.2. SK queried the absence of the full presentation by Deborah Gannon in the minutes, CC informed him that it was not practice to include the whole presentation in the minutes and he went on to confirm that the suggestions that had been tabled in the last meeting were being implemented.

2.3.

2.4. Once changes were done, the minutes of the previous meeting were confirmed to be correct and actions were updated

### **ITEM 3: FEEDBACK FROM WELSH COUNCIL**

3.1. CC attended the Welsh Council meeting to present the potential proposed levy options. The questions posed to the Welsh Council members (WCM) for discussion were as follows:

3.1.1. Changes to the differential will impact levy paid by employer size groups, which means the distribution of levy will move. Is this consequence acceptable?

3.1.2. What is an acceptable redistribution of Levy? Micro/ Large employers +/- 10%?

3.1.3. Do you have a favoured approach/ option? Why?

3.2.

3.3. CC reported that the members were keen to discuss other Levy issues such as; consensus process, level playing field/ unregistered employers, the Scope Order, Real Time Levy (some very enthusiastic support for this), visibility on how Levy is used and the impact of the Grants Scheme changes.

3.4. It was noted that a lot of information on Levy was provided at the Welsh council meeting, the England and Scotland represented in the meeting indicated that they would not require as much information in their meetings.

### **ITEM 4: LEVY OPTIONS**

4.1. CC went through the proposed principles for RAG rating the options. The members final position on the principles for assessing the options were as follows:

4.1.1. The option meets the requirements for levy proposals set out in the ITA.

4.1.2. The option should deliver the required levy value to support the Future Funding Approach.

4.1.3. The option should not add complexity to the calculation or the Levy Order.

4.1.4. The % of employers impacted by the option (+ or -) is no more than 10%.

4.1.5. No individual employer is impacted (+ or -) by more than 10%.

4.1.6. The levy payable by any employer size group does not alter by more than 10%.

4.1.7. Limited change to levy distribution between contributing groups (Micro, SME & Large) and the option should not incur more than minimal costs to update CITB systems.

4.1.8. The option should have potential for positive reputational impact.

4.10 The members also agreed that whilst they wished for stability in the 2021 Levy Order they felt that a fundamental review of the Levy basis ahead of the following Levy Order in 2024 should be recommended to ensure the system remains fit for purpose. Relevant research should be identified and carried out as part of this process.

#### **ITEM 5: NEXT STEPS**

5.1. CC will be attending Scotland and England Council meetings. CC will contact SK to finalise content for the England Council meeting.

5.2. The members agreed to provisionally book 7 November at 11:30 for a skype call to discuss outcomes of the England Council meeting in case they have different thoughts on the recommendations.

5.3. CB noted that with Scotland the outcome of the options was unlikely to be different from those of the Welsh Council. The burning topic for Scotland would be Apprentices.

#### **5.4. ACTION:**

5.4.1. CC to contact SK to finalise content for England Council Meeting.

5.4.2. CC to attend Scottish Council on 23 October and English Council on 6 November

**ITEM 6: ANY OTHER BUSINESS**

6.1. There being no other business, the meeting finished at 13:40

DRAFT