

citb

CONSENSUS



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1. What is Consensus?

Ordinarily* every three years, CITB must consult with construction industry employers on its Proposals to deliver skills and training to the construction industry with Levy funding. 'Consensus' is the final stage of this consultation process, where employers are asked the Consensus Question:

“Do you agree that the Levy Proposals are necessary to encourage adequate training in the construction industry?”

Levy payers and 'Prescribed Organisations' who will be asked the question, should consider how the proposed Levy will benefit the entire construction industry – across all sizes of businesses – irrespective of whether the proposals are likely to benefit them or their organisation directly.

Consensus is therefore not a vote on the future or performance of CITB, it is a say on the future funding arrangements for skills and training in the industry.

*See next slide 'How often does Consensus take place'

2. How often does Consensus take place?

Ordinarily it takes place every three years. However, on occasions Consensus may be delayed by a year due to exceptional circumstance such as Covid in 2020 and the on-going Government ITB Review in 2024.

3. Consensus Legislation

When CITB submits Levy Proposals to Government, CITB is required by the Industrial Training Act 1982 (ITA) to demonstrate that its proposals have the support of the employers who are likely to pay the resulting Levy assessments. Legislation provides that the Secretary of State can only make a Levy Order if they are satisfied that: *“the board has taken reasonable steps to ascertain the views of persons who the Secretary of State considers are likely to be liable to make payments by way of Levy in consequence of the Levy Proposals”* (Industrial Training Act 1982)

The way in which CITB provides evidence is defined by two pieces of legislation – the ITA itself, and The Industrial Training Levy (Reasonable Steps) Regulations 2008.

Consensus and [Prescribed Organisations](#)

In establishing whether there is Consensus in the industry in favour of its Levy Proposals, CITB consults with '[Prescribed Organisations](#)'. If a Prescribed Organisation supports the Levy Proposals, all its Levy paying members count as supporting the proposals.

The [Prescribed Organisations](#) CITB currently recognises are trade associations who typically represent employers who provide similar services (for example house builders or plant hire companies) and do not exist solely for the purpose of the CITB Consensus process.

The Reasonable Steps Regulations:

The Reasonable Steps Regulations define the approaches which can be taken to demonstrate that *“...the proposals are necessary to encourage adequate training in the industry.”*

- 1) Consultation with [Prescribed Organisations](#) only;
 - 2) Consultation with [Prescribed Organisations](#) and all unrepresented persons;
 - 3) Consultation with [Prescribed Organisations](#) and sampling all unrepresented persons;
 - 4) Sampling of all relevant persons only;
- Since 2008 CITB has chosen option 3, combining consultation with the [Prescribed Organisations](#) along with a sample survey (carried out by an independent research body) to record the views of unrepresented levy payers.

4. How does CITB ensure transparency and independence during Consensus?

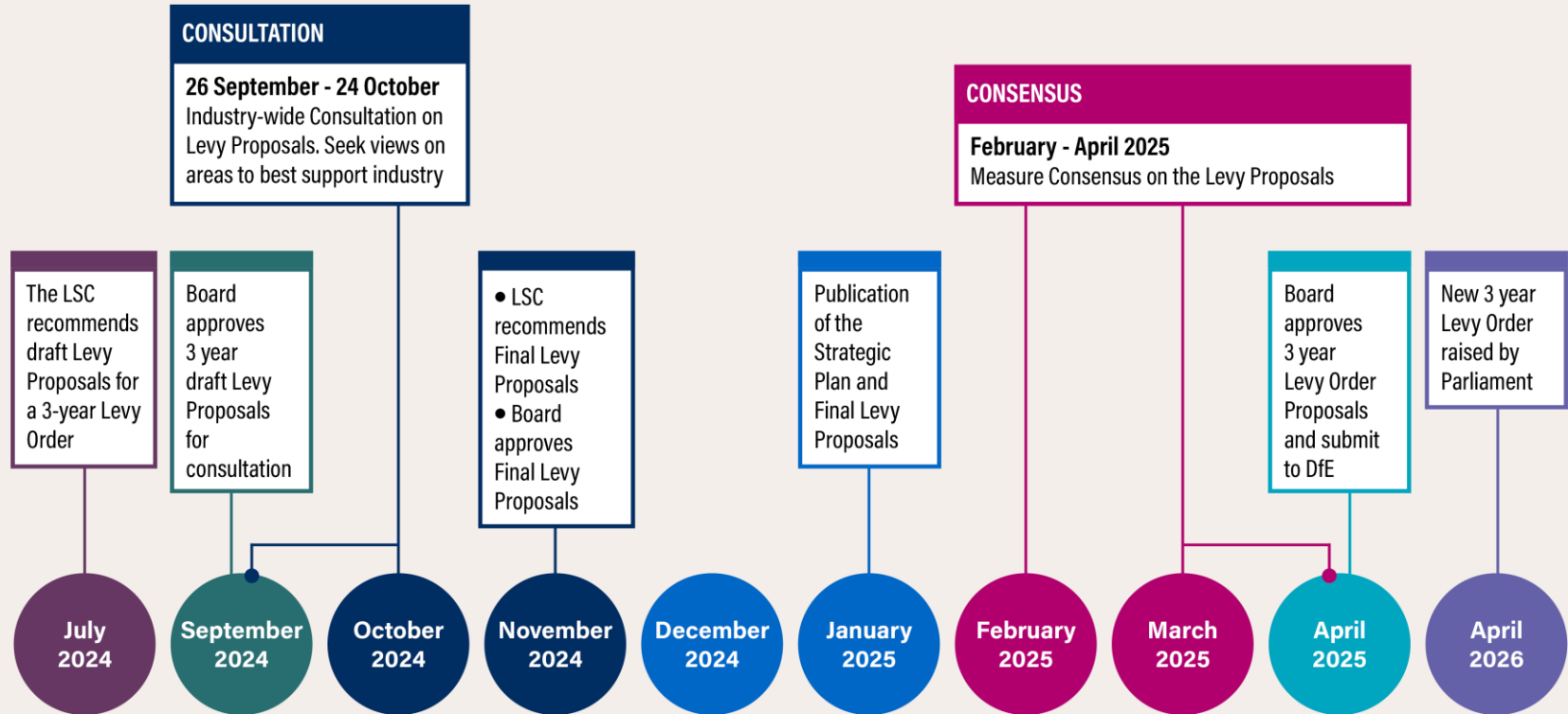
CITB ensures transparency by engaging, consulting and developing Levy Proposals with industry. Relevant information such as feedback, recommendations and survey results are published and made available through its various communication channels. These include its website, industry press, direct communications with employers, engagement with local employer groups, and through employer events.

When developing the Levy Proposals independence is ensured through the [Levy Strategy Committee \(LSC\)](#) in consultation with the [Nation Councils](#) and the Prescribed Organisations. The [Nation Councils](#) for England, Scotland and Wales play a key role in helping to shape the future of construction across Great Britain and provide strategic advice to the [Board](#) to better meet industry's skills needs.

Representatives of these bodies are not employed by CITB and provide objective advice and insight.

When gathering and reporting on statistical information concerning Consensus, independence is ensured by outsourcing data gathering work to an independent research body that adheres to Market Research Society standards. The [Prescribed Organisations](#) that collect data on behalf of their members are also completely independent from CITB.

5. What will be the different phases during Consensus?



6. How do you make sure that employers get a chance to express their opinion?

CITB seeks the views of represented employers through Prescribed Organisations and an independent research company conducts a telephone survey with a sample of eligible, unrepresented employers.

CITB decides whether an employer is 'represented' or 'unrepresented' based on information provided by employers within their last processed Levy Return.

Not all eligible employers will have the opportunity to provide their opinion as this is a sample-based process.

In March 2023 approximately 74,000 construction employers were on the Levy register, with nearly 27,500 liable to pay a Levy.

There are 7,500 employers who are represented by Prescribed Organisations and of these three quarters are likely Levy payers, their views will be gathered via their Prescribed Organisation.

Of the remaining unrepresented employers, a representative sample of 4,000 likely Levy payers will take part in the telephone survey.

7. Who are the Prescribed Organisations and what is their role in Consensus?

The role of the Prescribed Organisations is to present the Levy Proposals to their Levy paying members and seek their views on them. Responses are collated and the Prescribed Organisation then decides whether it supports the Levy Proposals or not on behalf of its Levy paying members.

A full list of the Prescribed Organisations can be found at the following link:

<https://www.citb.co.uk/levy-grants-and-funding/industry-consultation-Consensus/who-is-consulted/prescribed-organisations/>

8. Why do the Prescribed Organisations get a say?

Using the Prescribed Organisations in the Consensus process maximises the number of employers involved in the process in a cost-effective way.

The Prescribed Organisations also have unique sector insight and the ability to engage with their members collectively to consider whether each new CITB strategic plan and the Levy Proposals needed to fund this plan are adequate to support training within their specific sector.

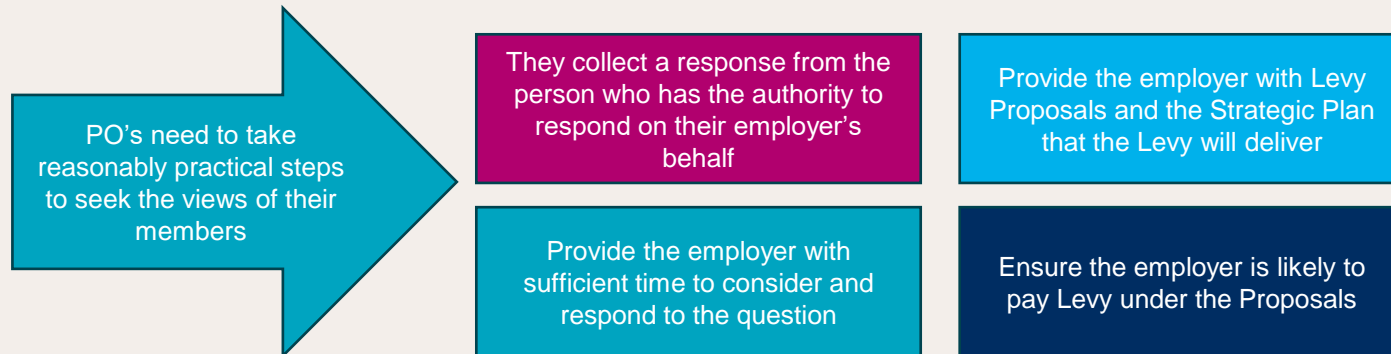
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9. How does CITB make sure that the Prescribed Organisations provide a true representation of their members views?

Prescribed Organisations must be able to demonstrate to CITB that they have taken Reasonable Steps to ascertain the views of their likely Levy paying members.

CITB works with and supports the Prescribed Organisations by providing clear information on the Levy Proposals and general guidance on the necessity to have a transparent process for ascertaining the views of their members. How they go about consulting with their member depends on their own governance arrangements.



10. Why don't all employers get a say?

Measuring Consensus is a sample-based process, so there is no expectation that all likely Levy payers will be asked to provide their views, however the sample is designed to be representative of the Levy paying population and of a large enough size to report reliable results.

All employers were invited to have a say during the Consultation phase of Consensus. Views were provided on a dedicated online Consultation Channel and this ran from 26 September to 24 October 2024.

This information was then fed back to the [Levy Strategy Committee](#) before the final Levy Proposals were recommended to the [Board](#).

The CITB [Board](#) consider the combination of Consulting with [Prescribed Organisations](#) and sampling unrepresented employers is more effective and practical than attempting to survey 27,500 individual employers.

11. Who appoints the body that will select which businesses take part in Consensus, what is their brief, and who oversees this activity?

The research is conducted by an external body in accordance with relevant Market Research Society codes, with full anonymity of responses. The research team is selected from a Government-approved list of independent research houses. The brief is provided by CITB, but the research is conducted independently.

CITB does not and should not know which employers are contacted; however, strict quotas are put in place to ensure that the responses match the overall composition of Levy paying employers.

12. How will the Prescribed Organisations and the Independent Research Company make sure they approach the most appropriate person in each business to answer the Consensus survey?

Identifying the most appropriate person to participate in CITB's Consensus survey can be challenging in some organisations, particularly larger businesses which operate from multiple locations.

Both the Prescribed Organisations who are surveying their represented likely Levy paying members, and the Independent research company who will be surveying unrepresented likely Levy payers will be directed to speak to a person in a position of responsibility, authorised to speak on behalf of all businesses providing a survey response.

13. Legal definition (Consensus Survey):

The sample must be undertaken in accordance with the legislation which states that it must be:

- (a) obtained by an independent research company; and
- (b) designed to ascertain the number of Levy payers who consider the proposals are necessary and the value of the total amount of Levy likely to be payable in consequence of the Levy Proposals by Levy payers who consider the proposals are necessary; and
- (c) of a size sufficient to enable any conclusions reached to be stated with a 95% level of confidence.

14. Will non-Levy paying businesses be asked for their views?

No, CITB is directed by legislation to demonstrate the views of employers likely to be liable to pay Levy in the next Levy Order period.

Therefore, the pool provided to the research company is a list of employers who received a positive valued assessment in the 2023 bulk assessment. From this list, the independent research agency will select and survey 4,000 employers who are not members of [Prescribed Organisations](#).

15. What's the difference between Apprenticeship Levy and the CITB Levy?

The Government Apprenticeship Levy and the CITB Levy are designed to support different initiatives.

The UK Government Apprenticeship Levy is paid by employers from all industries that have an annual wage bill of more than £3 million. Wages above this amount are levied at 0.5% and collected by HMRC on behalf of Government. This Levy is designed only to cover the cost of approved Apprenticeship training fees in England.

The CITB Levy funds a much broader range of activities that are specific to the Construction Industry such as, but not limited to Grants & Funding for Training Courses and Funded projects Information, opportunities & projects. A much wider base of employers pay the CITB Levy, and it is used to support employers that take on the commitment of employing an apprentice (time and mentoring costs etc) as opposed to course fees.

16. What happened with the ITB Review?

In May 2023, then Skills Minister Robert Halfon asked Mark Farmer, the CEO of Cast Consultancy, lead on the Construction labour market in the UK and author of the Farmer Review, to produce a review of the two Industry Training Boards – the Engineering Construction Industry Training Board and the Construction Industry Training Board.

The Review is a Cabinet Office requirement for all Arm's Length Bodies to determine if they are still necessary and in the correct form. The review conducts analysis against four primary 'quadrant' areas: Efficacy, Efficiency, Governance, Accountability.

The review has now been completed and the published report is available [here](#)

17. What period does the 2026 Levy Proposals cover?

The 2026 Levy Proposals relate to Levy assessments that CITB plan to raise in 2026, 2027 and 2028.

18. Who designs the Levy Proposals?

A group of industry representatives, employers and external specialists, supported by CITB staff, form the Levy Strategy Committee (LSC), which is convened in advance of the Levy Order.

19. Who sits on the Levy Strategy Committee (LSC), how were members selected and what is their role?

The Levy Strategy Committee comprises of a group of industry representatives and external specialists, and is chaired by Rachael Cunningham, a CITB Board Trustee

It assists in assessing and informing industry's view of any proposed changes to Levy legislation in advance of making final recommendations to the Board and Department for Education concerning such changes. It supports CITB in testing options for wider industry consultation and assessing the implications of different Levy rate models against CITB's strategic objectives.

[Levy Strategy Committee – CITB](#)

20. What were the proposed options?

Here are the two draft Levy Proposals which the Levy Strategy Committee recommended to the [CITB board](#).

These are:

Option 1

- To retain Levy rates at:
- PAYE: 0.35%
- Net paid (Taxable) CIS Sub-contractors: 1.25%.
- To retain the Levy Exemption and Reduction Thresholds at £135,000 and £450,000

Option 2

- To retain Levy rates at:
- PAYE: 0.35%
- Net paid (Taxable) CIS Sub-contractors: 1.25%.
- To increase the Levy Exemption and Reduction Thresholds to £150,000 and £500,000

21. What are the benefits and justification of the Draft Levy Proposals?

	Benefits	Justification
Option 1: No Change	Continuity for employers	Maintains the status quo
	Simple to communicate	Maintains the status quo
	Spreads the burden of Levy wider	Not increasing the thresholds means fewer employers are either exempt or receiving a 50% reduction in their Levy liability. This also means the number of employers paying a full Levy increases. Since 2017 the percentage of employers on CITB's register which are exempt has increased from approximately 51% to 57%
Option 2: Increase thresholds to £150k & £500k	Protects the smallest employers from Levy	It is a requirement of the ITA that small businesses are exempt from Levy. However, the CITB Grant and Funding rules mean exempt employers can still benefit from support from CITB if they are training their workforce.
	Keeps up with high wage growth	Historically the exemption and reduction thresholds have been based on average construction salaries. In recent years there have been significant wage inflation in the industry and while the growth is expected to slow it is still above the norm.

22. Did you look at any other options?

Yes, since the last Consensus in 2021 the Levy Strategy Committee has conducted a full fundamental review of Levy. This included looking at:

- Changing the Levy Basis from Employment. The following options were considered: Levy based on Materials, Contracts Value, Turnover, Profit, Headcount and Company Tax
- Reviewing sources of data for the Employment based Levy (currently PAYE and Net CIS) The following options were considered: PAYE only, all CIS payments, Sole Traders and Partnership Drawings, Director Dividends
- Changing the Exemption Threshold
- Changing the Reduction Threshold
- Adding an additional Reduction Band at 25%
- Changing the differential between the PAYE and Net CIS Levy rates
- Removing the differential and having a single Levy rate
- Changing the Levy rates
- Adding to Levy the payments employers make to third-party Labour suppliers such as payments made to Umbrella Companies, CIS Payroll providers etc. Options were considered to Levy on payments made through CIS only and through CIS and other means, for example the Purchase Ledger
- Reducing the time lag between leviable work being carried out and the Levy being paid.

23. Why were these options discounted?

The Levy Strategy Committee have considered all options against various factors including equitability, robustness, inclusivity, simplicity, modernisation, cost effectiveness and efficiency.

They also consider and review considerable amounts of data and analysis when considering options.

The Levy Strategy Committee look at case studies of individual employers as well as assessing the impact of any changes to Levy on the wider Construction Industry.

Other criteria such as legislative requirements have also been considered. Along with views from the Prescribed Organisations, Nation Councils, Department for Education and CITB Executive before any recommendations are made to the CITB Board.

None of the discounted options were felt to satisfy these factors at this time

24. What is happening to Close the Gap?

The Levy Strategy Committee (LSC) has been investigating several options to reduce the Levy timeline from the time the Levy Return is sent to employers to when the Levy becomes payable (Close the Gap). The LSC and Board agreed not to make any changes for the period covered by the 2026 Levy Order to prioritise resources on ensuring the development of a skilled workforce to meet the sector's current and future demands.

However, The Board remains fully committed to reducing the Levy time lag in the future.

25. Are the payments employers make to Labour Suppliers going to be leviable?

Generating Levy on payments employers make to third-party labour suppliers will not form part of the Levy Proposals for the 2026 Levy Order due to insufficient quality data being collected to fully understand the scale of the situation and determine what appropriate Levy rates would be.

CITB will however continue to research and review the equitability of current and future Levy arrangements, including payments to labour suppliers. This subject remains high on the Levy Strategy Committee's priorities.

26. What was Consultation, why was it conducted and who were included?

When the Board approves the recommended draft Levy Proposals, CITB will then consult with the construction industry ahead of the next Levy Order.

For the 2026 Levy Order, Consultation took place in Autumn 2024. CITB used extensive Communications to explain the draft Levy Proposals and obtain industry feedback. This included but was not limited to providing information on the CITB website www.citb.co.uk; emails and letters to Levy paying Employers, various Social Media Platforms and Webinars.

After Consultation, any issues raised by industry were considered by the 'Levy Strategy Committee' and they decided whether the draft Levy Proposals require any changes. Final Levy Proposals were then recommended to the Board for approval.

Once approved, the next stage is known as Consensus.

www.citb.co.uk/Consensus-2025

27. What are CITB consulting on?

CITB consult on how we propose to collect the Levy for the next 3-year Levy cycle.

www.citb.co.uk/Consensus-2025



28. What will CITB do with the feedback from Consultation?

Our consultation process is designed so industry can provide feedback.

Feedback from consultation was sent to Levy Strategy Committee (LSC) for them to review, and to provide a recommendation to the Board as to what steps should be taken.

www.citb.co.uk/Consensus-2025





29. When will Consensus be carried out?

Consensus will run from 17 March - 9 May 2025

30. What is the benchmark for achieving Consensus?

There are two criteria for achieving Consensus:

More than 50% of likely Levy payers must support the proposals

More than 50% of likely Levy payable must be paid by employers supporting the proposals

The final result is calculated by amalgamating the responses from each Prescribed Organisation with the sample of non-represented Levy payers.

31. How will the views of the Prescribed Organisations (PO's) be captured in the final Consensus result?

Likely Levy paying employers are allocated to Prescribed Organisations (PO's) depending on the membership they've declared on their 2023 Levy Return. If the 2023 Levy Return has not been received but a 2022 Return has then this is used to determine if an employer is a member of a PO.

As PO's represent the views of their members, they will each provide an overall response on the Levy Proposals during Consensus - this will be either a Yes or No response.

If a PO has 500 likely Levy paying members with a combined Levy of £200,000 then the PO's response will count for all of its members. This means that a Yes response would count as all 500 members supporting the Levy Proposals and the full £200,000 in Levy value would be allocated to a Yes response. This also means that a No response would count as all 500 members not supporting the Levy Proposals and the full £200,000 would be allocated to a No response.

The views of likely Levy paying employers who are members of two or more Prescribed Organisations will be split equally between the POs to which they belong by both number and Levy value. This means an employer paying a Levy of £3,000 who is a member of three PO's would be allocated as a third of an employer and £1,000 to each of their PO's responses.

32. What is the Consensus question that will be asked in the Consensus survey?

Selected employers will be asked this question:

“Do you agree that the Levy Proposals are necessary to encourage adequate training in the construction industry?”

33. When will the Consensus Results be published?

The results will be published to the construction industry once the Secretary of State confirms that the requirements for the Consensus process has been carried out in line with the Industrial Training Act and the Reasonable Steps Regulations.

34. What happens if the Levy Proposals are supported?

Once the results of Consensus are collected, CITB submits the results to the Department for Education, and they are published to the construction industry.

If the results show that a majority of employers by both number and Levy value support the Levy Proposals. Government will use the Consensus results as an indication of industry support for a new Levy Order

35. What happens if the Levy Proposals are not supported?

If Consensus does not demonstrate sufficient industry support for the Levy Proposals, then Government will review the position with CITB and consider further options, including, but not limited to, submitting fresh proposals or making a default order to best protect training and skills development in the industry.

Thank you



Your Industry, Your Voice

TAKE PART IN THE CITB LEVY CONSULTATION