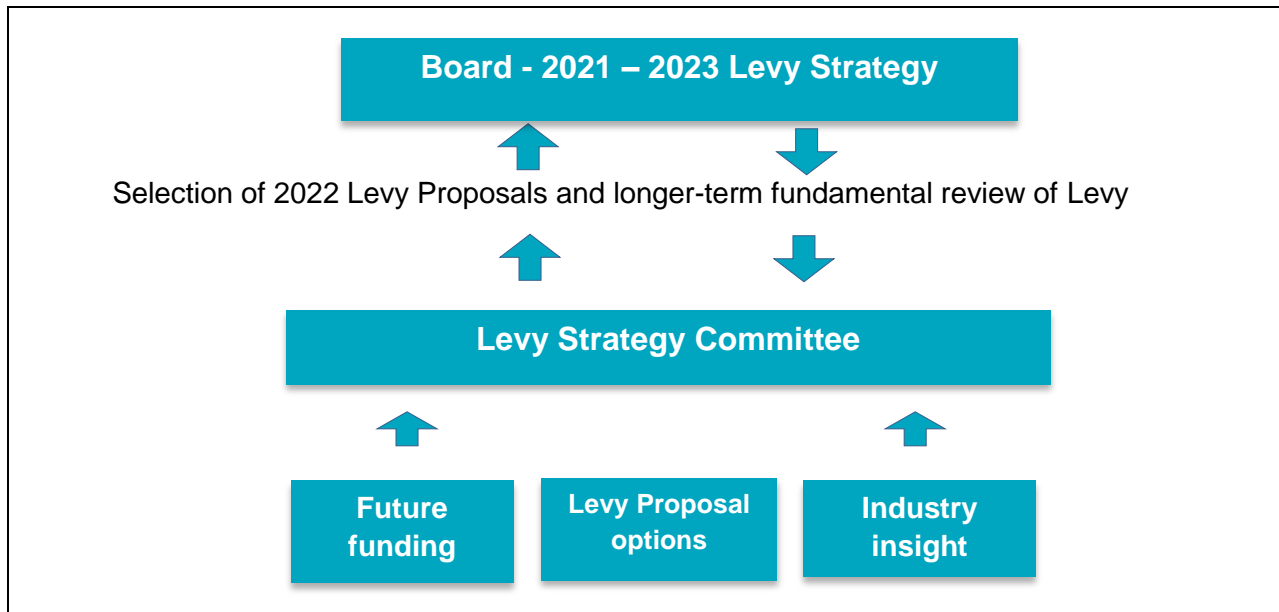


<b>Terms of Reference</b>	<b>CITB LEVY STRATEGY COMMITTEE</b>		
<b>Section I: Committee Identification</b>			
<b>Lead staff member</b>	Gillian French (Head of Levy and Grant)	<b>Executive Director</b>	Steve Radley (Strategy and Policy Director)
<b>Members: (name, organisation, position)</b>	Board Trustee Member: Diana Garnham, (Chair)  Board Trustee Member: Yvonne Kelly  Independent Members : 3 vacancies  Employer Representatives: 6 vacancies (2 from each nation including at least 1 from each Nation Council)	+ CITB Legal Team representative  + CITB Partnership Team representative  + CITB Corporate Governance Team representative  + Other Invitees as required	
<b>Start date</b>	August 2020	<b>Performance review date</b>	June 2021
<b>Section II: Authority</b>			
<p>This committee is established by the CITB Board pursuant to Section 2(1)(a) of the Industrial Training Act 1982 with delegated authority to exercise any functions and duties described in these Terms of Reference or otherwise act in an advisory capacity.</p>			
<b>Section III: Purpose and Performance</b>			
<b>A. General Purpose</b>			
<ol style="list-style-type: none"> <li>1. To provide immediate and longer-term strategic Levy oversight, advice and recommendations to the CITB Board on appropriate 2022 Levy Proposals, with specific reference to the financial impact of the forecast cost of the Funding Strategy achieving an equitable and sustainable outcome for industry employers;</li> <li>2. To deliver agile guidance to the Board to reflect the Board's decision on whether the future Levy Proposals will cover 1, 2 or 3 years;</li> <li>3. Support the longer-term fundamental review of future Levy Proposals and meet the presenting challenges to ensure the future Levy Proposals remain appropriate and effective;</li> <li>4. To deliver initial Levy Proposal recommendations to the Board in February 2021, with further and final recommendations to the Board in May 2021 in order to present to industry in Autumn 2021.</li> </ol>			
<b>B. Specific Purpose Overview</b>			



### C. Specific scope and objectives

1. To assess the implications of different Levy-rate models against CITB's Strategy;
2. To work collaboratively to ensure the effective development of the Levy Proposals;
3. To represent employers across the three nations and test thinking and direction with the three Nation Councils;
4. 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 concerning such proposed changes;
5. To consider the impact and potential impact of factors within the external environment on the CITB Levy, and make appropriate recommendations to address or mitigate those factors;
6. To consider the options for, and effects of, adjusting Levy rates and thresholds and make recommendations accordingly;
7. To model options for the 2022 Levy Order to ensure fairness and proportionality across all stakeholders;
8. To carry out a fundamental review of Levy for future Levy Orders. To consider, review and recommend changes to the purpose, structure and basis of Levy to ensure it remains fit for purpose for industry. Areas to consider in this fundamental review include, but are not restricted to:
  - The basis of Levy – is an employment basis still appropriate?
  - What can be learnt from other levy-raising bodies in the UK and globally?
  - The benefits and feasibility of HMRC collecting the CITB Levy;
  - The benefits and feasibility of CITB Levy being generated in, or close to, "Real Time";
  - The investigation and introduction of a mechanism to the Levy Order, for use in exceptional circumstances, to enable Levy rates, already approved by Parliament, to be adjusted;
  - Confirmation that the rationale for the Levy differential between PAYE and CIS Levy rates is still relevant;

- Confirmation that the sources for the Levy (PAYE and Net CIS) are still fit for purpose;
- To consider whether the current the Scope Order is still fit for purpose.

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

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

The Committee will also participate in an effectiveness review upon completion of its activities relating to the 2022 Levy Proposals and subsequent completion of the fundamental review of the Levy, with particular reference to the extent to which the Committee has discharged its roles and responsibilities. Recommendations for future improvements will be developed as part of the lessons learnt activity which will be conducted within six weeks of the submission of the final 2022 Levy Proposal recommendations and submission of subsequent Levy Proposals.

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

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

**Composition:** The Committee will comprise of a maximum 11 Members, at least two of whom (including the Chair) are required to be non-executive Board Members (Trustees).

#### **Recruitment and Appointment of Chair and Members**

The CITB Board will select two of its number to sit on the Committee, one of whom will be appointed Committee Chair by the Board.

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

#### **Board Accountability**

The Levy Strategy Committee Terms of Reference, Chair and Member recruitment and terms of appointment are matters for the Board. Whilst the Board will delegate the operation of the recruitment and selection process of non-Board Trustee Members to a specifically convened Selection Panel, it will retain sole authority to make appointments (based predominantly upon recommendations made by the Selection Panel).

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

Members of the Levy Strategy Committee must put the interests of industry first, independent of any affiliation to their own business interests or other associated bodies, being objective in their contributions and decision-making. Members will conduct themselves in line with CITB's Code of Conduct for Board and Committee Members, including making appropriate disclosure of interests.

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

#### **Skills**

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

### **Tenure**

The tenure of all Members will last for up to 3 years, with an end date of 31<sup>st</sup> December 2023. Should the Levy Strategy Committee continue to function after this date, the Board will review membership and reserve the option to re-appoint individual Members for up to a further 3 years if deemed appropriate.

### **Training**

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

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

### **Committee working**

1. Any 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 the Committee in conjunction with the Board and the Corporate Governance Team. The use of alternates or proxies to attend meetings on behalf of Committee Members is prohibited.
2. The Committee may ask any other officials of CITB or other organisations to attend to assist it with its discussions on any particular matter.
3. The Committee 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.
4. Members may consult, individually and collectively, with the Chair on any matters of a confidential nature.

### **Meeting arrangements**

1. The Levy Strategy Committee meetings and workshops will be convened periodically in 2020 - 2023 as required, but not less than three times per year. The Board may also ask the Committee to convene further meetings to discuss particular issues upon which it wants the Committee's advice.
2. Meetings and workshops will be conducted via a mixture of in-person and remote gatherings, as deemed appropriate by the Chair, and agreed no less than three months in advance. In exceptional circumstances, the Chair may give short notice on how the meeting will be conducted. Where meetings or workshops are held in-person Members may, as an exception and with the permission of the Chair, participate in a meeting or workshop by means of a conference telephone, video conferencing facility or other similar communication equipment.
3. CITB Lead staff shall provide advice and guidance to the Committee as appropriate.
4. CITB's Corporate Governance Team shall provide advice, guidance and secretariat services. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be issued to each Member of the Committee, and any other person required to attend, no later than five working days before the date of the meeting. The meeting agenda will be produced collaboratively by the Chair, Lead staff member and Corporate Governance. Supporting papers and minutes shall be sent digitally to LSC Members and to other attendees.

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

### **A. Methodologies**

In line with the remit of the Committee, all meetings will be of a suitable format to enable

collaborative and strategic debate. Recommendations will normally be arrived at by consensus of those Members present. **The Levy Strategy Committee is not a decision-making body.**

## **B. Reporting and Accountability**

### **Chair**

1. The Chair shall preside at all meetings of the Committee 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 Member shall Chair the meeting.

### **Quorum**

2. Meetings will be quorate when a minimum of one Trustee Member and one third of the other Members shall be present. Where neither Trustee Member is in attendance the meeting will not proceed and will be rearranged accordingly.
3. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

### **Communication and reporting**

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

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

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

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

## **D. Code of Conduct**

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

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

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

## **E. Evaluation**

The Committee's Terms of Reference will be reviewed annually to reflect best practices, or as required by the CITB Board.

## Section V: Good Governance

1. **Agenda:** There will be a Standing Agenda focused on outcomes and reflective of key strategic themes. Members are invited to submit agenda items, through Corporate Governance, 15 clear working days ahead of the meeting date, for consideration by the Chair. Any Other Business should be used for emergency items, notifiable to the Chair and the Board Secretary in advance of the meeting. Notice of each meeting with an agenda of items to be discussed, shall be forwarded to each Member of the Committee and any other person required to attend, no later than five working days before the date of the meeting.
2. **Minutes:** The proceedings of all meetings of the Committee, including recording the names of those in attendance, will be recorded and distributed to LSC Members, the CITB Board and the CITB Executive.
3. **Terms of Reference:** These Terms of Reference will be reviewed annually as part of the CITB Board's Review Cycle.

<b>ToR approved by Board</b>	19 August 2020	<b>Copy sent to Corporate Governance</b>	19 August 2020
<ol style="list-style-type: none"> <li>1. <b>Date for review of ToR/outcomes evaluation within 12 months of inception</b> (as appropriate to remit)</li> <li>2. <b>Board decision on renewal/revision of ToR</b></li> </ol>	<p>June 2021</p> <p>August 2021</p>		

## **Recruitment and Appointment**

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

1. Expressions of Interest from interested individuals, who have the requisite skills and experience as set out in the Committee's Terms of Reference, may be submitted to the Board Secretary by (Date).
2. Expressions of Interest will be considered by a panel comprising of both Board Trustee Members of the Committee (one of whom will be the Committee Chair), CITB Director of Strategy and Policy, and CITB Head of Levy and Grant ('the Panel').
3. Applicants considered by the Panel to satisfy the requisite skills and experience will be selected for interview. Current Nation Council Members will not have to be interviewed.
4. Interviews will be conducted by the Committee Chair and one other member of the Panel.
5. At the conclusion of this selection process the Committee Chair will make a recommendation to the CITB Board of Trustees to appoint all successful applicants to the Levy Strategy Committee. Upon Board approval, the Board Secretary will present a formal offer of Committee membership to each successful applicant.