



CONSTRUCTION INDUSTRY TRAINING BOARD (CITB)

ANNUAL REPORT AND ACCOUNTS



For the year ending
31 March 2022

HC 758

Construction Industry Training Board (CITB)

Annual Report and Accounts 2021-2022

For the period 1 April 2021 to 31 March 2022

Presented to Parliament pursuant to section 8 (4) of the Industrial Training Act 1982

Ordered by the House of Commons to be printed on 7 November 2022

HC 758

SG/2022/145



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ISBN 978-1-5286-3546-2
E02765392 11/22

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

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CHAIR'S FOREWORD



As the country emerged from one of the most extraordinary periods in recent history, construction represented the beating heart of its recovery.

We all faced great challenges this year – but employers adapted tremendously to this new environment. It is testament to the hard work of all those within construction that output was already above pre-Covid-19 levels in spring 2022. Despite the economic uncertainty caused by rising energy prices, we expect growth to continue over the next three years in view of the importance of housing and infrastructure investment.

Our research shows we need over 53,000 new recruits a year to meet the growing demand. More than ever, we must step up to ensure the UK talent pool is alive to the exciting and well-paid possibilities in construction.

That's why I'm delighted industry supported our Levy Order for the next three years. Two thirds of likely Levy payers and 11 out of 14 Prescribed Organisations agreed our proposals are the right way forward. We are determined to repay the faith placed in us.

CITB exists to help construction develop world-class skills. The Levy is the mechanism which allows us to achieve this: £97m was invested in grant funding this year to make it as easy as possible for employers to recruit and retain a skilled workforce.

Despite another tumultuous year, our core services such as supporting apprenticeships and providing grants for training, enjoyed strong take-up.

We also worked with industry to restart Levy-funded projects postponed due to Covid, such as Onsite Experience hubs. We empowered new methods of attracting and recruiting new entrants by successfully delivering the UK's first Occupational Traineeship in bricklaying and championing the integral role taster experiences will play.



This year saw the departure of Sarah Beale, a CITB colleague for 16 years, four as Chief Executive. She was an outstanding leader who was widely respected throughout the industry. She worked tirelessly to ensure the Levy represents the best value possible for employers, and I wish her all the best in her new role.

I warmly welcome Tim Balcon, our new CEO, who took the helm in September 2021. Having started his career as an apprentice, later leading a number of professional and membership bodies, he is well attuned to the skills needs of construction. I share his vision of placing training at the heart of the agenda, while embracing digitisation and modern methods of construction to meet net zero.

We also welcome Sharon Llewellyn and Angela Forbes as the Chairs of our England and Scotland Nation Councils respectively, while Leigh Hughes has been reappointed in Wales. They each bring a wealth of experience and passion for ensuring the industry has the skills it needs. We have also welcomed Louisa Finlay, Owain Jones and Michael Green as new trustees.

I look ahead with great optimism. There are challenges, but our forecasts indicate construction will see sustained growth. We are tailoring our support to match employers' changing needs, ensuring every penny of Levy is well spent so the right skills are in the right place.

“We will rise to the challenges of today, while preparing for the needs of tomorrow”



Peter Lauener
CITB Chair



CHIEF EXECUTIVE'S INTRODUCTION

I'm delighted to share with you my first Annual Report and Accounts as CEO. Since I joined CITB, I've experienced the exemplary resilience of our industry in navigating a post-pandemic and post-Brexit world.

Firstly, I'd like to thank my predecessor, Sarah Beale, for all her fantastic work. From instigating our Vision 2020 programme to protecting apprenticeships through Covid – I have big boots to fill, and I am determined to build on her many accomplishments.

My team responded to this year's challenges brilliantly and in such unprecedented circumstances. We put employers first and we have been carefully listening to their feedback and training and development needs to ensure we use the resources available to us to maximum effect.

I'm proud of our impact in developing the next generation of construction professionals. This year we invested almost £50m of Levy to support over 22,000 apprentices, directly trained over 2,900 new recruits through the second phase of the Construction Skills Fund and supported over 16,000 learners with grants to complete their qualifications. We provided direct funding to over 1,600 businesses to invest in their workforce, while our Grants Scheme helped fund over 269,000 training courses.

The context surrounding construction skills is unprecedented and employers told us there is a severe lack of work-readiness among new entrants.



In response, we launched our Onsite Experience hubs to bridge the gap between training and working. We also took the decision to keep NCC and preserve the important role it plays training the new generation of construction workers and upskilling the current workforce.

Seeing the result of training in the SkillBuild competition, (dubbed the skills Olympics), was both inspiring and a recognition of the tremendous training provision we have across all construction trades. I watched on with pride as the industry's talented trainees and apprentices showcased their incredible skills. The competition received national attention from ITV and Channel 4, bringing construction to a new audience.

CITB takes its role in developing workplace culture seriously. A notable example in this broad agenda was the leading role we played in helping to address mental health needs in construction. Our Mental Health and Construction research acted as a rallying call, initiating training over 8,500 Mental Health First Aiders, providing vital, potentially lifesaving support, both off and on site. Our work continues with our industry partners to help 150,000 employers and individuals.

We championed new forms of training, too. Our immersive learning and digital leadership programmes used cutting-edge technology to place construction at the forefront of digitisation. We worked with the Welsh Government to develop improved pathways from education to work, taking advantage of the new apprenticeship qualifications and creating a Welsh alternative to traineeships.

We went beyond just supporting qualifications and training, though. Our STEM ambassadors represented the face of construction to young people, Go Construct provided careers information they'll need, and Talentview is supporting new entrants into the construction industry via the promotion of opportunities such as work experience, apprenticeships, college courses and other entry routes.

The support we have received from our partners and stakeholders has been critical in addressing the varied and demanding training needs of the sector. I offer my thanks to all our stakeholders and partners for their challenge and support in ensuring industry training requirements are met.

Finally, a special thanks to my terrific colleagues past and present for their immense contribution to CITB. I have seen first-hand their tireless work and dedication to our purpose.

I'm very proud of the work we have done and equally proud to be a part of a construction industry which has overcome enormous obstacles. I look forward to taking CITB forward into what is an unpredictable time but a time where I have never seen such priority and importance on skills and training.



Tim Balcon
Chief Executive



OVERVIEW OF CITB

WHO WE ARE

CITB was founded in 1964 with the aim of making sure the construction industry in Great Britain has the skills to succeed. A key part of this, then and now, is to help keep workers safe on site. CITB's work since the 1960s has contributed to an 85% reduction in onsite deaths.

We help employers attract people to join the sector who have relevant qualifications and experience, and access high-quality, accredited training when and where it is needed. This includes directly delivering specialised training at our National Construction College.

We provide practical support to employers through a range of products and services. We play a strategic role for the construction sector, identifying immediate and future skills needs and working out how they can be met. Where an upcoming training need is not supported, we commission innovative pilot projects, delivered by employers, that can be ramped up if they are successful. We use our unique position to listen to employers and influence Government policy so they have the right support.

Our work helps workplaces to become safer and more productive. This, in turn, helps create and maintain a world-class, sustainable built environment that is of benefit to us all.

VISION

For British construction to have a recognised world-class, innovative approach to developing its workforce to deliver quality in the built environment.

MISSION

Attract and support the development of people to construct a better Britain.

OUR STATUTORY BASIS

CITB's charitable activities are partly funded by the statutory Levy raised pursuant to the Industrial Training Act 1982 and confirmed through Levy Orders passed by both Houses of Parliament. The most recent Levy Order came into force on 22 April 2021. Full details of CITB's powers and responsibilities, as well as the restrictions placed on it, can be found in the Industrial Training Act 1982 and subsequent amendments. CITB is registered as a charity in England and Wales (264289) and in Scotland (SC044875).

OUR CHARITABLE STATUS

CITB is a non-departmental public body (NDPB) and has been a registered charity since 1972. The Board has regard to the Charity Commission's general guidance on public benefit and the Charities Act 2011 when planning activities to achieve its aims.



OPERATING ENVIRONMENT

The construction industry demonstrated a remarkable level of resilience during the Covid-19 pandemic and returned to pre-pandemic levels of output by late 2021, and as of February 2022 was 1.1% above its pre-pandemic level (February 2020). However, the sector saw mixed fortunes over the course of the 2021-22 financial year.

The early part of 2021 was shaped by the introduction of a third national lockdown in January, which lasted until July when the remaining restrictions were lifted. As with previous lockdowns, economic activity was stifled, but the lifting of lockdown measures unleashed pent-up demand that drove growth and recovery in construction output. It also exposed supply chain issues affecting the availability of materials and the supply of skilled labour. And even though the access to materials has eased, the cost of materials and construction products have continued to soar as inflationary pressures rise.

The impact of the Omicron variant that emerged in late 2021 proved to be less severe than feared. However, the pandemic has pushed the already increasing global demand for commodities higher, especially energy, fuel, food, and raw materials for industrial production, and also exposed severe weaknesses in logistics that have been complicated by Brexit and further exacerbated by geopolitical tensions, including the conflict between Russia and Ukraine.

This combination of high demand and disruption to global supply chains has caused UK inflation to **jump to a 30-year high of 7.0%, its highest level since 1992**



Despite concerns over the sourcing and cost of construction products, and worries about how high inflation could rise, demand continues to be strong. New orders in the construction industry grew 9.2% in quarter 4 (October to December) 2021 compared with quarter 3 (July to September) 2021, and all sectors recovered to above their pre-coronavirus level.

Materials availability and cost inflation have been particularly tough on some, mainly smaller firms, and are expected to remain so, bringing with them the spectre of insolvency. Thankfully insolvency rates, despite being on the rise since the record lows of 2020, are still well below historic levels. However, increasing costs that can't be passed on to clients present an existential threat for businesses that have been knocked by the pandemic. The expectation is that insolvencies will continue to increase over 2022.

Cashflow and liquidity are also shaping investment decisions for expansion and training plans. Having high costs and an unreliable pipeline of future work are the most reported barriers to training investment, while staff shortages and staff being too busy have prevented investment in training.

The biggest change since the beginning of the pandemic, and one which is only really starting to become apparent in its scale and potential impact, is the change in the structure and composition of the workforce.

The Coronavirus Job Retention Scheme (CJRS) prevented a widespread loss of directly employed construction workers, and the Self-Employment Income Support Scheme (SEISS) was widely used by self-employed workers in the sector.

However, total employment in construction fell by about 3% in 2021 compared with 2020.

The fall was largely driven by self-employed workers down 11%. The number of employees rose slightly, but the construction workforce remains smaller by more than 100,000 people compared to its pre-pandemic level.



48,000
vacancies in construction
as of March 2022


This loss of workers comes at a time of high demand across the economy and adds to skills shortages that were a growing cause of concern several years before the pandemic. Vacancies have risen significantly over the past 12 months and now stand at record levels, while redundancies and unemployment from the sector are at record lows. As of March 2022, there were 48,000 reported vacancies in the sector – the highest recorded level for construction.

The picture of high demand and low supply isn't restricted to construction, it is symptomatic of the tightest labour market in at least 50 years. There simply aren't enough people in the active labour market to meet the needs of industry. It means that sectors are having to work much harder to attract new entrants. It also emphasises the need to move away from processes that are highly labour intensive. This will take time in the construction industry due to relatively low levels of investment in innovation and the slow uptake of new technologies.

An easing of demand resulting from the current domestic and global headwinds might temporarily mitigate labour supply issues, but evidence suggests that the labour and skills supply will be a long-term issue. It will require close collaboration between Government, employers, education providers and skills development organisations. It will certainly require new approaches to recruitment and more flexible routes of training to appeal to a more varied range of potential entrants, and a concerted effort to address not only the image of the industry, but its culture too. Everyone will have a part to play if the industry is to capitalise on the growth opportunities ahead.

STRATEGIC REPORT

REVIEW OF 2021-22: ACHIEVEMENTS



Despite another turbulent year, construction is booming

Employers and their workforce had to contend with a rapidly changing operating environment, and we adapted our offer to match.

We significantly cut the Levy, with thousands of SMEs no longer paying a penny, while maintaining our services to attract, build and retain an innovative, highly skilled workforce.

We continued our focus on our core areas, such as supporting apprenticeships, providing direct funding to employers, and delivering training – all of which saw a fantastic response from businesses. We also prepared for the future, prioritising the occupational areas with the largest skills gaps, while readying the industry to be at the forefront of meeting net zero through embracing digitisation and modern methods of construction.

The demand for training gradually increased through the year, as the speed of the industry's recovery increased swiftly, creating a greater urgency for skilled labour to deliver the work that came forward. We listened to employers to guarantee they received the best value possible from the Levy; most importantly, ensuring the right skills were in the right place.

Our research provided the vital evidence base for our work. Our reports – on Skills and Training; Migration and UK Construction; Mental Health and Construction; Building Skills for net zero; and Construction Skills Network – gave industry the impetus to invest in the right areas, while underpinning our skills strategy.

A highly skilled workforce can only be maintained through training, so that's what we did. We trained learners directly at our National Construction College and Onsite Experience hubs. £97m of Levy was invested in direct employer funding – providing the resources to support employers upskilling their workforce.

We supported new entrants just starting their exciting careers in construction. Our network of advisers helped tens of thousands of apprentices and their employers, alongside assisting thousands of other learners to complete their qualifications and achieve vital certifications. We ensured high-quality information, advice and guidance were freely available to new entrants, career changers and prospective employees.

Our standards system underpinned the high levels of excellence within the industry. Standardised training reduces the risk of repeated learning, while improvements to our Training Directory allowed for a centralised location for employers and learners to access training and courses, automate grant payments and view achievements.

This year was characterised by the immense strength and determination of all those within construction, and we were by the side of employers and their workforce throughout. Pages 15 to 20 provide an overview of what was achieved this year.



CAREERS

NEW ENTRANTS



ATTRACTING CAREER CHANGERS



RETAINING CONSTRUCTION TALENT



CASE STUDY: CONSTRUCTION SKILLS FUND

Mum-of-three Natalie Visser revitalised her career thanks to the Construction Skills Fund (CSF). She went from being a dissatisfied care worker, who struggled to get out of bed in the morning, to becoming a machine operator thriving in the great outdoors.



“Don’t be scared to go and do what you want to do; you’ll be surprised how much construction has changed”

—
Natalie Visser,
Machine Operator

She enjoyed her work as a care worker initially but wanted a new challenge. She took a CSF course at the Future Skills Centre in Bordon. The training included a three-day plant/heavy machinery taster session – and that’s when Natalie’s transformation took off.

“The course inspired me,” she said. “I got on a forward tipping dumper and thought this is so me! It felt very natural.”

From there, CSF coordinator Carolyn Jay arranged work experience for Natalie, with Mildren Construction, and this opportunity led to her current employment. Within five days, her employer took her on as a full-time machine operator/dumper driver.

Reflecting on her experience, Natalie said: “The CSF course changed everything. I used to lie in bed not wanting to get up. That’s all gone now. I come in to work happy and go home happy. It has been life changing. I’ve found my feet in my new career and I’m so grateful to the CSF for this.

I want women to know this – construction might suit them perfectly. I do get a lot of people looking at me driving a dumper around – but mostly they just want to know why I chose to do this.

Don’t be scared to go and do what you want to do; you’ll be surprised how much construction has changed.”

CASE STUDY

TRAINING & DEVELOPMENT

BUSINESS SUPPORT



OVER
1,600

Businesses supported
by our direct funding



£1.1M

and 22,000 training days saved
by employers using our 58
local Training Groups



269,000

Short duration training
courses received
grant support

APPRENTICES



£48.9M

Issued in apprenticeship
grants, supporting



23,000

Apprentices through
their training

STAYING SAFE



348,000

People passed the Health,
Safety and Environment test



5,000

Learners trained using our
virtual and augmented reality
training methods

CASE STUDY: SKILLS AND TRAINING FUND

Bournemouth-based Daniel James Carpentry are well-known for taking on elaborate, quirky builds – from indoor play areas at casinos to custom-built snow lodges. Consequently, sourcing and funding specialist training is a must – and that's where our Skills and Training Fund stepped in.



“I was also able to get the rest of the team on training courses through CITB support”

—
Darren Lawrence,
CITB Engagement Adviser

Darren Lawrence, a CITB Engagement Adviser, worked with the company to put together a training plan and an application to the Fund.

“I can see this specialist construction work is very skilled,” said Darren. “Daniel’s successful application to access the Skills and Training Fund supported the upskilling of the company’s existing employees and their next apprentice’s intensive training, giving another person the opportunity to join this very different construction company.”

The Fund allowed the firm to access specialist training and upskilling opportunities they may not otherwise have received, providing a vital lifeline in expanding the business.

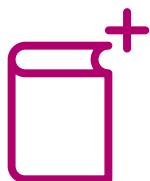
“Working with CITB has been a real help,” said Daniel. “I was also able to get the rest of the team on training courses through CITB support.”

Darren has even been speaking to our local college with me, as the general nature of this work creates some issues with training and assessment. Our work has to meet strict safety requirements; it does not automatically fit into the run-of-the-mill assessment at college. But I really believe in training young people up.”

CASE STUDY

STANDARDS & QUALIFICATIONS

OUR PROGRESS



492

Standards developed
and added to the
Training Directory



5

National Occupational
Standards reviews
completed



NEW

Fire safety
awareness standard

CASE STUDY: LEADERSHIP AND MANAGEMENT DEVELOPMENT FUND

Good leadership is an essential component to running any business, which is why CITB supports training through our Leadership and Management Development Fund for companies looking to invest in the future.



“Although we have run training for our line managers previously, we have never specifically targeted the training to really understand the drivers, motivations and skills needed to manage our young talent”

—
Paula Oliver,
Head of Talent Management

Taylor Wimpey sought to address skills gaps in line managers when developing future talent, with a desire to get the best out of their younger workers.

Paula Oliver, Head of Talent Management, explains: “Although we have run training for our line managers previously, we have never specifically targeted the training to really understand the drivers, motivations and skills needed to manage our young talent.

The feedback from the CITB-funded programme has been incredible, with line managers of our early talent really understanding how to manage, coach and get the best out of their graduates, apprentices or management trainees.”

We have made the resources developed from the programme freely available. This means that other companies can benefit from the programmes that have been created through the Fund which, in turn, will help industry to fill leadership and management skills gaps.

CASE STUDY

KEY PERFORMANCE INDICATORS

We report on our performance to support employers and the industry through a series of key performance indicators (KPIs). The Board agreed five KPIs for 2021-22, which are measured through nationally representative audience surveying, and set a benchmark target for each KPI to pursue continual improvement in our support of the construction sector.



THE RESULTS

The KPIs and their targets are shown in Table 1 (page 22).

The majority of employers support the Levy system (KPI 01). They believe it offers good value for their business and the wider industry, and apprenticeships and other training would be negatively impacted by the Levy's absence. The KPI is tracking slightly below its target of 73%. We are experiencing a decreased demand for training due to Covid-19, with fewer employers than usual using our funding. This pattern is similar to recessionary periods we have experienced in the past and we expect to see an increase in demand as the economy returns to normal.

Employers reporting they can access the right training at the right time (KPI 03) increased through the year, from 77% in the mid-year survey to 80% by the end of the year. Enhancements to the Training Directory and further investments in priority occupations at the National Construction College have driven this improvement. We are developing a localised approach – where employers can access more training local to their area – so we are amending this KPI's target to 82% during 2022-23.



Employers say the quality of training is of a high standard (KPI 04). The performance of this KPI has remained stable, increasing by one percentage point between the surveys. We are gradually increasing the target over the next three years, reflecting our commitment to consistently improve the quality of training. We will further develop our existing standards, such as leadership and management training, while championing the need for digitalisation through our digital competency frameworks.

The KPI of a competent workforce which meets the needs of employers' businesses (KPI 05) remains high and increased by two percentage points between the surveys. Following the testing of multiple variations of this question, we do not believe this KPI provides a fully accurate view of industry's perception of competence. Instead, from 2022-23, we will measure against the progress of working groups which review standards.

The Careers KPI (KPI 02), which sought to measure how easy it is to access information, work experience and job opportunities, is under review. We have a number of interventions in place in this area, such as Go Construct, Talentview and Go Construct STEM Ambassadors, but the range of target audiences and limited sampling means one KPI could not highlight the true impact. Alternatively, we will look to measure the number of Ambassador engagements delivered and how many users progress from Go Construct to Talentview.



Table 1: Summary of Board KPIs - results and status

KPI	2021-22 Target	2021-22 Actual Oct/Dec 21 (Wave 1)	2021-22 Actual Apr 22 (Wave 2)
01 % of support for the Levy	73%	68%	66%
02 The average % of recent entrants who report easy access to careers materials, work experience and job opportunities in construction prior to joining the industry	-	50%	62%
03 Employers say they can access the right construction training when needed	85%	77%	80%
04 Employers say the quality of training is of a high standard	83%	77%	78%
05 Employers say the workforce is competent and meets the needs of the business	89%	81%	83%

FINANCIAL REVIEW

FINANCIAL REVIEW FOR THE YEAR ENDING 31 MARCH 2022

OVERVIEW

After the pandemic-induced turbulence of the previous year, 2021-22 has been relatively stable for CITB and its finances. The decision in the previous year to suspend the 2019 Levy for five months and then to issue the 2020 assessment as a half-year Levy in August 2021, meant that our Levy income dropped to £108.3m for 2021-22. But, rather than reduce the amount of grants and funding available to industry, we were able to continue with our plans, and fund them out of reserves. We finished the year with a deficit lower than our plans, because grant and funding claims were dampened by the ongoing impact of the pandemic, particularly in the first half of the year, as the provision of training was still difficult in a socially distanced environment.

RESULT FOR THE PERIOD

In 2021-22, CITB has net outgoing funds of £26.5m (2020-21: incoming funds of £66.5m) which was £43.4m lower than the published business plan, which anticipated a deficit of £69.9m. Of the £43.4m variance, £20.6m was a shortfall in grant and funding expenditure, £8m was from higher than anticipated income, and £15m was from lower than expected operating expenditure.

LEVY INCOME

Levy income for the period was £108.3m (2020-21: £191.9m), comprising £100.4m in respect of the current year assessment (net of current Levy year's bad debt), which was a 50% Levy, and an increase in respect of prior years' assessments of £7.9m (2020-21: decrease of £3.7m) as collection proved to be better than anticipated as the impact of the pandemic on the financial wellbeing of the construction industry was less than expected.

To support employers financially with the ongoing pandemic in 2021-22, the CITB Board took the decision to opt for a one-year Levy Order and temporarily reduce the Levy rates by 50%. So, the rates applied were 0.175% on direct labour payments (PAYE) and 0.625% on net Construction Industry Scheme (CIS) payments.

The small business exemption level of £79,999 was increased to £119,999 to support more of the smallest employers; and the threshold for the small business Levy reduction of 50% remained at £399,999.

On 31 March 2022, the number of employers in the Levy and Grant register was 77,649 (79,784 on 31 March 2021). The decrease is due to the number of businesses, especially in the small enterprise sector, that went out of business during the pandemic.



NON-LEVY INCOME

Non-Levy income was £40.3m (2020-21 £57.5m). The 2021-22 amount includes £2.1m (2020-21: £11.4m) of income relating to the Construction Skills Fund, so the underlying income (£38.2m) from products and services was slightly down on the previous year (£46.1m), which is to be expected as the pandemic continued to impact on the delivery of training. The total also includes a provision of £4.5m for a repayment to ESFA following an audit of our apprenticeship programme.

GRANT SCHEME

Grant expenditure in the year was £78.8m, up from £66m in the previous year but still well below the pre-pandemic level (£94.8m in 2019-20). Grants paid helped support 19,823 (2020-21: 20,752) apprentices, 15,752 (2020-21: 12,332) vocational qualification (VQ) achievements and 12,169 (2020-21: 10,177) plant tests. The total number of employers in receipt of grant was 13,950 (2020-21: 13,729).

PROGRAMME-BASED FUNDING

In total, we spent £18.4m on programme-based funding (2020-21: £28.5m). The drop was caused by the continuing difficulty in providing training in a socially distanced environment. We also wrote back £1.5m of costs provided for in 2020-21 against programmes that were in progress at that time. As those programmes closed, it became apparent that the training providers had spent less money than was envisaged at the outset, again because the pandemic had restricted their activity.

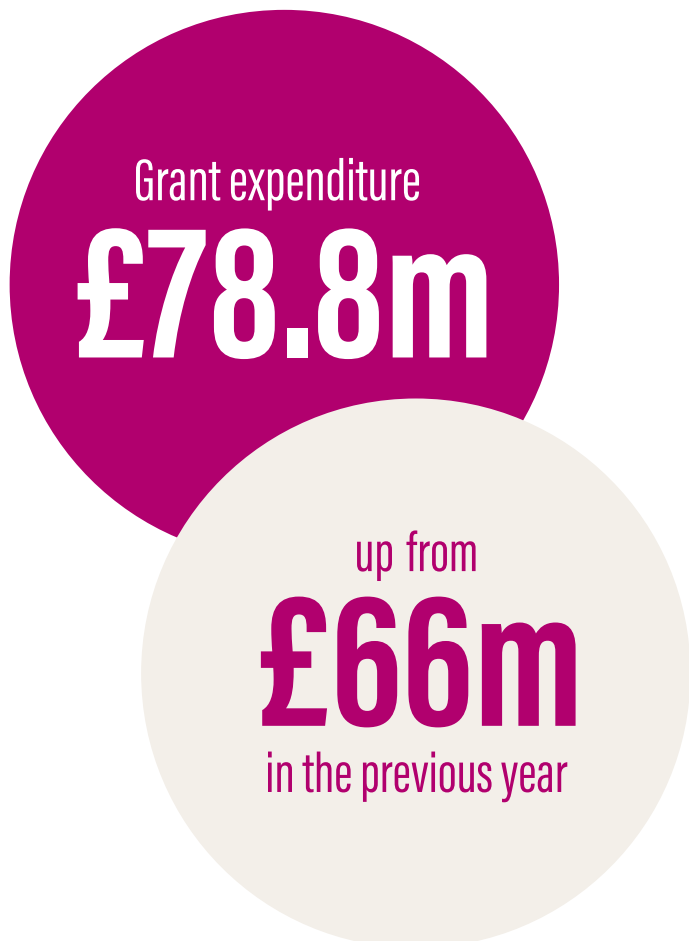
OPERATING EXPENDITURE

Our operating expenditure, including staff costs, was £59m¹ in the year (2020-21: £70.2m) and was £15.4m less than our published business plan. Of this amount, we had a receipt of £2m which we had previously been provided for as a doubtful debt. We also had £5m planned expenditure which was not required, £3m of which has been delayed to 2022-23, and £2m of negotiated savings against supplier contracts. We also saved £2m from the continued lack of travel and expense for our staff, as the majority remained working from home.

RESERVES AND RESERVES POLICY

Reserves are required to cover delays in income receipts, accelerated grant claims and costs that are outside of our control, and to ensure continued construction industry funding, in line with our charitable objectives.

General reserves at 31 March 2021 were £120.7m, as we had taken to income the full 2019 Levy Assessment in 2020-21, despite the instalment collection period running to August 2021. During 2021-22 reserves have fallen by £26.5m as we continued to fund all grant claims and programme-based funding schemes to demand, but only issued the half-year 2020 Levy assessment. The reserves at 31 March 2022 are therefore £94.3m but the reserves policy has a floor of £40m, which represents approximately two months' worth of expenditure and so current reserves are well in excess of that figure. The business plan for 2022-23 through to 2024-25 demonstrates how we will reduce the reserves back to the policy floor as the construction industry comes out of the pandemic-induced recession and grant and funding claims return to pre-pandemic levels. We do expect Levy income to be reduced for the next two years as the labour activity in 2020 and 2021 is reflected in the Levy Returns and therefore the Levy Assessments.



¹ This amount is derived from management information rather than the Financial Statements due to the allocation of costs required by the Charities' SORP.

PENSIONS

CITB is part of the ITB Pension Scheme and we welcome their move to address the potential impact of climate change on members' investments by changing the equity component of the investment strategies to equity funds which seek to reduce their exposure to carbon emissions over time.

The following chart gives a breakdown of how resources have been allocated to support industry.



Resource allocation 2021-22

Levy income	£108.3m
Grants Scheme	£78.8m
Apprenticeship grants	£51.3m
Qualification grants	£12.9m
Short duration grants	£14.6m
Funding	£18.4m
Skills and Training Fund	£8.4m
Employer and industry support funding	£9.9m
Other funding	£0.1m

STRUCTURE, MANAGEMENT AND GOVERNANCE

The Construction Industry Training Board is an executive non-departmental public body (NDPB) accountable to the Secretary of State for Education. Post year end there have been changes to the Minister holding this position. CITB is required to comply with its statutory obligations and functions as set out in the Industrial Training Act 1982.



CITB is also a registered charity in England, Wales and Scotland

STRUCTURE

CITB is also a registered charity in England, Wales and Scotland. The CITB Board comprises of independent non-executive directors, known as Trustees to reflect CITB's charitable status.

For the period 2021-22, in accordance with statutory requirements, the Board comprised a majority membership of employer Trustees supported by independent Trustees. The Board is supported by an Executive team and the following four Committees: Audit and Risk; Industry Funding; Nomination, Appointments and Remuneration; and Levy Strategy. Additionally, the Board receives strategic insights and feedback from three Nation Councils – Scotland, Cymru Wales and England.

Trustees are required to have relevant senior experience and the majority work within the construction industry, having been recruited for their broad range of industry skills, background and experience

TRUSTEES

For the period 2021-22, the CITB Board consisted of:

Peter Lauener (CITB Chairman)

Tony Elliott

Steve Fox, CBE

Diana Garnham, MA, DSc, LLd

Yvonne Kelly

Kevin McLoughlin, MBE, FCIQB

Holly Price

Robert Williams, MBE (resigned July 2021)

Sophie Seddon

(in agreement with CITB and DfE, Sophie took an extended leave of absence on personal grounds.

This leave of absence was from April 2021 until January 2022)

As specified in Schedule 1 of the Industrial Training Act 1982, Board members are appointed by and answerable to the Secretary of State (normally for four years). This follows a public appointment process governed by the Office for the Commissioner of Public Appointments (OCPA), including the advertising of vacancies on the Government's Public Appointments website:

The Board is headed-up by Chair Peter Lauener, who took up this post on 1 May 2018, and all Trustees, with the exception of the Chair, are unremunerated. Trustees are required to have relevant senior experience and the majority work within the construction industry, having been recruited for their broad range of industry skills, background and experience.

The other Trustees have been appointed as independents and bring additional and appropriate experience to ensure that there is a good balance of skills, knowledge and viewpoints across the Board as a whole.

With the addition in recent years of a fourth standing Board Committee – the Levy Strategy Committee – it has been agreed with the Department for Education that Board membership will increase from nine Trustees to 11 in 2022-23 to support the additional work that has come with this increase in the size of the governance structure, and to further enhance the Board's succession-management processes.

All incoming Trustees receive a comprehensive induction process, supported by CITB's Corporate Governance team. Further support and training (both formal and informal) are provided to Trustees on an ongoing basis to support specific duties, such as participation in the Audit and Risk Committee. Trustees liaise regularly with relevant Executive team members in relation to specific Board, Committee and Nation Council matters, and they also receive a brief policy update each week.

Further information relating to the Board of Trustees is available on our website: www.citb.co.uk/trustees

BOARD PERFORMANCE

The duty of the Board is to set and maintain the vision, mission and values of CITB to develop and shape CITB's future direction and strategy, adhere to the principles of the Framework document (currently in draft) and ensure good corporate governance. It acts in accordance with the Board's standing orders and delegations, and provides leadership, advice and challenge to the Executive on the management and performance of the organisation.

Annually, the governance cycle incorporates internal reviews of the effectiveness of Board Committees and Nation Councils, an appraisal of the Board Chair undertaken by the Department for Education, and individual appraisals of Trustees and Nation Council Chairs conducted by the Board Chair. Every three years, we also commission an external review of the effectiveness of the Board, the most recent of which commenced in January 2021 and concluded in May 2021. This review concluded that the CITB Board is effective, with some aspects of very effective practice.

The findings from the 2021 internal and external effectiveness reviews have been combined to develop an action plan to support the continuous review and improvement cycle of our governance processes. This action plan was approved by the Board in August 2021 and progress made against it has been monitored by the Board via quarterly reports throughout the remainder of 2021-22.

The Board met four times in 2021-22, and considered key issues such as the performance and impact of Employer and Grants funds; Competency in industry and CITB's role in this arena; the retention of the National Construction College's sites and training provision in Erith, Inchinnan and Bircham Newton, and Counter-Fraud approaches to reducing test/assessment fraud linked to CITB's products.

Along side these discussions, Trustees oversaw and contributed to the successful Consensus process, recruited the organisation's new CEO, and worked with the Department for Education to launch a public appointment process to recruit up to four new Board Trustees. These Trustee appointments were made early in the 2022-23 financial year.

The findings from the 2021 internal and external effectiveness reviews have been combined to develop an action plan to support the continuous review and improvement cycle of our governance processes



GOVERNANCE

AUDIT AND RISK COMMITTEE (ARC)

The Audit and Risk Committee is a committee of the Board that supports the Board's strategic leadership with corporate oversight of strategy and performance. The Committee is charged with ensuring that the Board and the Accounting Officer gain the assurance they need on the adequacy and effectiveness of CITB's arrangements for risk management, governance and control. Within this, the Committee engages with the internal audit, the work of the external auditor, financial reporting issues, and annually reviews key corporate policies for recommendation to the Board for approval. There were five meetings of the Audit and Risk Committee during 2021-22, and the Committee fulfilled its Terms of Reference.

The Committee has two Trustee members, one of whom is Chair. The Committee benefits from the contribution of two external members, who are able to bring additional depth of experience and expertise from internal audit and finance. The Board Chair was elected by the Board to join the Committee as a temporary member for one meeting only, for that meeting to be quorate. In addition, other observers and attendees from our Sponsor Department and the external audit team from the National Audit Office (NAO) contribute to the breadth and robustness of scrutiny and discussion.



RISK

A significantly revised CITB-wide strategic and operational risk management process was rolled out during the year, which introduced more consistency to the review and reporting of operational risks across CITB and provided the Committee with assurance that risks were being identified, assessed, and managed appropriately against the risk appetite set by the Board. Strategic risks continued to be reviewed during the year and particular focus was given to monitoring key risks, including: the operation of services delivered through CITB's enabling partner contract; cyber security; safeguarding; and counter-fraud; which the Committee recommended that the Board receive a deep dive on. The Committee was also consulted in preparation of the refreshed list of strategic risks. Embedding the process will continue in the coming year, building on experience.

The Committee treated the issue that arose from the ESFA's audit of our apprenticeship delivery very seriously and oversaw the investment and work on continuous improvement of the associated processes. We worked, and continue to work, closely with ESFA to not only evidence the requirements for previous years but to ensure that the issues are historic and not expected to recur in the future. We have restructured part of the organisation and made some senior appointments from outside of the organisation to give the area greater focus.

INTERNAL AUDIT

The Committee approved the internal audit work programme and kept the plan under review, monitoring targets and agreeing changes to the plan in response to circumstances and changing risk profiles. The full 2021-22 plan was completed, providing the Committee with assurance across a wide range of governance, financial and operational processes including for example cyber security, information governance, payroll, and the Onsite Experience hubs commission. The effectiveness of internal audit activities was monitored through receiving and discussing progress reports from the Head of Audit and Risk.

The internal audit work was supported by the external partner RSM. This enabled us to access specialist skills as and when required, with expertise in areas including IT strategy, cyber security, information governance and contract management, enhancing the skill set available in the audit function. It also ensured independence where there might be conflicts of interest for the internal team. The results of audit work evidenced that the framework of controls had been strengthened during the year, including as a result of actions having been implemented in response to audit recommendations. The Committee will continue to monitor the completion of agreed actions, including in relation to open items concerning business continuity policies and plans.

The Committee received and endorsed the Head of Audit and Risk's annual opinion that CITB's system of governance, risk management and control is satisfactory with some improvements required.

EXTERNAL AUDIT

The statutory external audit of the Annual Report and Accounts was performed by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General, in accordance with the Industrial Training Act 1982. The NAO attended all five meetings of the Committee in 2021-22.

An update report was provided for each Committee meeting and an interim audit enabled the Committee to understand progress and pinch points, and identify issues for further review. The Committee reviewed the Audit Plan in advance of the audit commencement and reviewed the Audit Report and findings. The Committee also reviewed the Letter of Representation and Management Responses to the audit findings, including the 2019-20 and 2020-21 Management Letters and Interim Audit Reports.

We acknowledge the recommendations resulting from the NAO 2020-21 Audit Completion Report and interim update report on the 2021-22 Financial Statement Audit. The recommendations have either been actioned or form part of an ongoing action plan for completion. The Committee supports the delivery of this action plan, which has been closely monitored.



NOMINATION, APPOINTMENTS AND REMUNERATION COMMITTEE (NARCO)

During 2021-22, NARCO continued to provide advice to the Board on matters relating to Executive accountabilities and appropriate pay packages, performance management, HR practice, and parameters regarding the negotiation of the annual pay review.

NARCO supported the recruitment of two new Chairs to the Scotland and England Nation Councils, and the re-appointment of the Chair to the Wales Nation Council, after the first three-year tenure of the Councils came to an end.

Development of the People Strategy has been ongoing, including considering the priority areas arising from the results of the 2021 colleague engagement survey, monitoring the impact of colleague home-based and blended working since the Covid-19 pandemic, and proposing changes in relation to CITB's total reward framework. Committee advice and input was also given in relation to furlough payments to colleagues.

The appointments of Jackie Ducker as Customer and Product Executive Director, and Tim Balcon as Chief Executive Officer were completed. The Committee also reviewed succession planning for the Executive and Leadership teams more widely, and approved structural changes to the Executive team, namely the departure of Steve Radley from his role as Strategy and Policy Director, and agreed recruitment would begin for a Chief Financial Officer.

There were four NARCO meetings during 2021-22.



INDUSTRY FUNDING COMMITTEE (IFC)

The Industry Funding Committee is tasked with assisting the Board to adopt a funding strategy that supports CITB's strategic aims, and monitoring the delivery and impact of this funding strategy – making resultant recommendations to the Board as necessary. The Committee is a decision-making body with delegated authority from the Board to authorise industry funding of up to £5m for any one commission or funding project.

Throughout the year, Committee Members worked closely with CITB to use quantitative and qualitative sources of information, including performance dashboards and deep dives, to monitor the performance and impact of CITB's Grants Scheme, employer funds, commissions and pilots. In response to Covid-19 restrictions and moving towards modernisation, Committee Members suggested that more e-learning courses should be made available for industry, and approved funding of £500,000 to develop e-learning pilots.

As the year progressed, the Committee continued to monitor the performance of commissions and funds, and considered the impact of moving certain provision to virtual rather than onsite delivery while lockdown and social distancing measures were in place. Work on the review of the Grants Scheme continued throughout the year and significant progress has been made. To this end, Committee Members participated in additional workshops and meetings, considering all aspects of the current Grants Scheme and approved the revised Grants Scheme Objectives Statement and Principles.

The first stage of the Grants Scheme review agreed the approach to supporting priority skill areas and the first set of areas – how to support leadership and management training, and to introduce greater use of e-learning for some of the most common areas of training.

The next stage, which will conclude by the end of the year, will look at the core principles of employer funding, the criteria for what is funded, and the balance of funding between different types of training needs.

The Committee has been active throughout the year to respond to specific requests and provide input as a CITB Board Committee, and Members commit significant time to meetings, to pre-meetings and to discussions in between.

The Committee is chaired by Trustee Member Steve Fox, who is joined by fellow Trustee Member Holly Price and Independent Members Julia Evans, Rupert Perkins and Steve Drury. Ian Dickerson stepped down from the Committee in September 2021 to take up membership of the England Nation Council, while Kacey O'Driscoll and Hannah O'Sullivan joined the Committee in August and September 2021 as Independent Members. Clare Smithson has recently been appointed to the Committee and her first meeting will be in June 2022. Collectively, these Committee Members bring extensive experience and knowledge from construction, along with a good spread of industry representation from major contractors, small and medium-sized employers, and not-for-profit organisations.



LEVY STRATEGY COMMITTEE (LSC)

The Levy Strategy Committee is a sub-committee of the CITB Board that makes recommendations to the Board on matters relating to the strategic direction of the Levy system. The initial priority of the Committee for the year was to deliver the three Levy Proposals for the 2022 Levy Order, aligned to the anticipated cost of the Strategic Plan.

The following proposals were made to the Board in 2021:

- Returning the Levy rates for PAYE and taxable sub-contractors to the pre-pandemic rates of 0.35% and 1.25% respectively
- Retaining the Levy Exemption threshold of £120,000 included in the 2021 Levy Order
- Retaining the Levy Reduction of 50% for employers below the threshold of £400,000 included in the 2021 Levy Order.

The Board approved these proposals, and they were subsequently supported by Levy payers in the triannual Consensus process in the summer of 2021. The resulting Levy Order was signed on 29 April 2022.



Following the submission of the Levy Proposals, the LSC turned its attention to a fundamental review of Levy that it had recommended to the Board in 2021. The purpose of the review was to ensure the system for generating Levy remains fit for purpose now and into the future, by embracing modernisation and digitalisation where appropriate.

There are many layers to this review, which we anticipate will take a couple of years. Any modernisation recommendations are likely to take time to come to fruition, as many will require changes to legislation, and thus be dependent on the input of Government and Parliament.

The initial phase of the review was to consider if there was a need or desire to move away from the emoluments-based Levy that has been in place for decades and is embedded in the primary industrial training legislation. After an extensive review of other global levy systems, the LSC concluded that there was no viable alternative to an emoluments-based Levy for the UK construction sector. The Committee recommended that this should remain the basis for the 2025 and subsequent Levy Orders.

This position provided a clear view of the next phase of the review, which has two priorities:

1. Ensuring the emoluments-based Levy mechanism included in the 2025 Levy Order is as robust as it can be, ensuring the sources of emoluments data used are appropriate and the rationale for the different Levy rates, exemption threshold and reduction threshold remain fit for purpose.
2. Assessing the feasibility of moving CITB Levy closer to a real time-based model to reduce or remove the current time lag between a worker being paid and the Levy on that payment being paid.

Both these sub-reviews have been progressed in 2021-22 and will be completed during 2022-23. Any changes to the emoluments mechanism will not be enacted until the 2025 Levy Order and any plans to move to a real time basis will take several years to introduce.

On top of these two priorities, during the 2022-23 fiscal year, the Committee will also be considering ways to ensure Levy is a level playing field for employers and identify ways to reduce Levy avoidance. The Committee will also consider whether in this context there may be a need to conduct a review of the Scope Order.

The Committee has a broad and extensive mix of skills and industry intelligence, which have helped test, challenge and shape the Committee's recommendations to the Board. Over the course of the fiscal year, three Committee members - Ryan David Miles, Craig Bruce and Liz Bridge - stepped down from the Committee and applications to fill these vacancies are currently being sought.



NATION COUNCILS

The Nation Councils continue to play an integral role to help shape the future of construction across Great Britain and provide strategic advice to the Board to better meet industry's skill needs.

The purpose of the three Nation Councils is to:

- Capture and articulate to the Board key issues affecting or likely to affect industry over a forecast period of three years
- Assist the Board to accurately prioritise support for key issues affecting industry across Great Britain and to advise on key performance indicators and other targets to measure progress, including on the CITB's efficiency and effectiveness
- Review and advise the Board on CITB's Strategic Plan to ensure that it appropriately addresses industry opportunities, pressures and priorities as identified through CITB's evidence base, which the Nation Councils will help to enhance
- Inform and assist CITB to distil from the Strategic Plan clear Nation Plans that reflect the differing needs and ways of meeting them in each nation, and with achievable and measurable targets
- Make timely recommendations to the Board about extraordinary matters arising that may impact on the ability of the Board to deliver either the Strategic Plan or the Nation Plan.

During the 2021-22 financial year, there was a refresh of the Nation Councils' membership as most Council members' three-year tenures came to an end in August 2021. The refresh exercise saw two new Nation Council Chairs appointed for England and Scotland Nation Councils and a total of ten new Council members appointed across the three Councils

CYMRU WALES NATION COUNCIL

The Cymru Wales Nation Council continued to work with the CITB Board to help support industry during this difficult year, with all meetings taking place online. The Council provided input on the revisions and progress of the Strategic, Business and Nation Plans as well as on the Levy Review and Grants Review proposals.

The Council asked questions and sought further information from the Board on the following areas: careers work, including See Your Site, Green Skills and net zero, and changes to the apprenticeship system in Wales. The Council also monitored progress of the Onsite Experience hubs in Wales, and provided feedback as to how their operation could be improved to meet industry needs.

During the year two members of the Council – Neal Stephens and Robert Williams – resigned, and Simon Jehu and Richard Owen stepped down at the end of their term in office in August 2021. The remaining six Council members were re-appointed to serve a further term in office, and were joined by Monique Jones and Andrew Dobbs in April 2022.



ENGLAND NATION COUNCIL

The England Nation Council worked with the CITB Board to inform the Business Plan KPIs and support delivery of the England Nation Plan and KPIs. The Council continued to bring constructive challenge and support to initially shape the priorities in England, and offered ongoing insight into the challenges around the delivery of the plan throughout the year.

The Council has supported the continued roll-out of both the Construction Talent Retention Scheme and Talentview Construction, and offered specific insight on a variety of subjects, including the introduction of local networks, with the Council Chair supporting the facilitation of a wider workshop for Training Groups. The Council also provided key input into the Strategic review of Levy, the Grants Scheme review, Onsite Experience hubs, Construction Skills Certification Scheme (CSCS) cards, the fundamental review of Levy, and plans for increasing the number of apprentices both entering the industry and completing their training.

Seamus Keogh's term in office ended in June 2021 and Sharon Llewellyn took over the reins as Chair of the Council. Andrew Harvey, Ged Simmons, Julie White and Diane Bourne also stepped down, as their terms in office came to an end in July 2021. The skill mix of the Council was refreshed by the appointment of new members Bola Abisogun, Ian Dickerson, Jeremy Musselwhite, Maria Seabright and David Sargent.

SCOTLAND NATION COUNCIL

The Scotland Nation Council has input into policy and operational matters that are relevant to CITB's activities in Scotland. This work included the production of the 2021-22 Business Plan, which outlined CITB support in Scotland, and the development of KPIs that reflect GB and nation priorities, and allow for operational performance reporting at a Scotland-specific level.

As CITB moved into recovery mode from the Covid-19 pandemic, the Council acted as a facilitator and conduit for other Scottish stakeholders involved in supporting Covid-19-related matters, such as the Scottish Government, to ensure support was available to employers and learners where most required. For example, working with Skills Development Scotland, we used our networks to coordinate the employment of some 400 apprentices via the Government's Apprenticeship Employment Grant.

Throughout the year, the Council reiterated the importance of apprenticeship provision in Scotland and worked with the Board and senior staff members to ensure that this was reflected in terms of CITB's operational priorities in Scotland.

Maureen Douglas' term in office came to an end in July 2021 and Angela Forbes stepped into the Chair position. Nicola Barclay, Mark Bramley, Richard Steedman and Jim Young stepped down from the Council as their terms in office came to an end in August 2021. 2021-22 saw the appointment of new members Karen McGahan, Kevin Urquhart and Jennifer Phin. There are currently 3 member vacancies in the Scotland Nation Council.



RISK MANAGEMENT

Our system of risk management and internal control is designed to manage risks, including the risk of not making the most of opportunities to a reasonable level; to evaluate and mitigate the likelihood of those risks occurring and the impact should they be realised; and to manage risks efficiently, effectively and economically.



The system has been in place for the financial period ending 31 March 2022 and up to the date of approval of the Annual Report and Accounts, with a number of enhancements made during the year to ensure consistency in the assessment of operational risks across the organisation and improving the visibility of risks between teams. In March 2022 a self-assessment was undertaken to identify further actions that can be taken in 2022-23, with plans including to develop a fuller statement of the Board's risk appetite.

We manage risk through regular scrutiny at management and team levels. Oversight of the effectiveness of risk management and the assurances from management is provided by the Audit and Risk Committee, which reports to the Board. The Board also receives updates on key strategic risks at each meeting.

A number of specific sources contribute to the review of risks and risk management, including:

- Reports and recommendations from the Audit and Risk Committee
- The Head of Internal Audit's annual opinion to the Accounting Officer
- Recommendations from the National Audit Office
- Annual accountability statements from members of the Executive and senior managers, outlining the governance, risk and control arrangements in their business areas
- External reports on CITB produced by independent organisations, e.g. Ofsted
- Legislative and regulatory guidelines, including those relating to charitable status, state aid and tax arrangements.

We manage risk through regular scrutiny at management and team levels

RISK MANAGEMENT PROCESS

As a registered charity, we have a prudent and balanced attitude to risk, placing emphasis on our risk management and control framework to manage risk within the Board's risk appetite.

The ways in which we managed risks and specifically for the year ending 31 March 2022 include:

- A review of our strategic risks is performed periodically with these risks being formally reassessed during the period through discussion with the Executive and management, and oversight by the Audit and Risk Committee. Assessments of these risks and the effectiveness of mitigating actions are monitored on an ongoing basis
- Risks are also assessed at an operational level and escalated where appropriate. A corporate wide process was implemented during the period to ensure consistent assessment and monitoring of risks by all teams. In addition to reporting through line management, significant operational risks are reported to the Executive and the Audit and Risk Committee by the Audit and Risk team
- The Executive hold collective oversight of risks at the strategic level and undertook thorough reviews into the management of the more significant risks throughout the year
- Each meeting of the Audit and Risk Committee received a risk update, including details of the strategic risks, thorough reviews undertaken by the Executive, and the operation of the system of risk management. From January 2022, reports to the Committee have also included the more significant operational level risks.

RISK OVERVIEW

Risk management in the year to 31 March 2021 was dominated by risks driven by the Covid-19 pandemic. These included ensuring that sufficient funds were in place to maintain ongoing funding and support to industry following suspension of the Levy and being able to continue to operate throughout the periods of lockdown. While Covid-19 continued to impact on activities for much of this year ending 31 March 2022, these risks were less significant as a result of experience and actions taken during 2021. We therefore reassessed the strategic risks that CITB faces in achieving its strategic objectives and maintaining ongoing activities. The key risks are set out below. The Risk team were also involved in the internal process improvement work carried out in response to the ESFA audit.

Each strategic risk is owned by a member of the Executive team, with the key mitigating actions and controls for each risk being owned either directly or by a member of the Leadership team. The extent to which these are operating to mitigate the risk sufficiently is assessed and where actions are required to bring risk to within tolerance an action plan is agreed. Performance in managing risks is reviewed regularly.

The strategic risks as of March 2022 and their main mitigations are summarised below:

Risk description	Key mitigations
<p>Restrictions on our ability to deliver industry needs</p> <p>Our ability to deliver what industry needs may be restricted if we fail to effectively communicate our purpose and functions and the corresponding benefits.</p>	<ul style="list-style-type: none"> ▪ Active programme of engagement with Governments across the three nations, in alignment with the Construction Leadership Council's Industry Skills Plan and industry approaches in Scotland and Wales ▪ Full review of the key industry priorities tested with employers and Prescribed Organisations ▪ An outline of the eight industry problems, our role in supporting those and the specific actions that we will take developed and discussed with Nation Councils, feeding in to the published Business Plan ▪ Working together with Government, employers and industry to address emerging issues.
<p>Reliance on others to be able to deliver our strategy</p> <p>Commitments in the strategy to support industry do not achieve the expected impact because delivery is dependent on the support and action of others.</p>	<ul style="list-style-type: none"> ▪ In developing the Strategic Plan, a full review of the key industry priorities is tested with employers and Prescribed Organisations ▪ Strategy team sets KPIs that CITB has the ability to deliver and/or influence, and identifies the inputs required of others ▪ Active programme of engagement on policy development with Governments across the three nations of Great Britain ▪ Engagement and relationship strategy with key bodies to influence their role.

Risk description	Key mitigations
<p>Meeting the needs of industry</p> <p>Activity does not meet the needs of industry because we are not able to: identify and deliver against a defined set of priority needs or fail to maintain appropriate inclusivity.</p>	<ul style="list-style-type: none"> ▪ Process of developing an evidence base of industry needs and priorities, informed by the Industry Analysis and Forecasting team and discussed with employers, Prescribed Organisations and Nation Councils, feeding into the published Business Plan ▪ Outline of the eight industry problems, our role in it and the specific actions that we will take discussed with Nation Councils ▪ Discussion at Board and Nation Councils meetings, and engagement activity with industry to communicate the strategy and priorities ▪ Strategy subject to ongoing review through assessment of impact, industry feedback and stakeholder support.
<p>Training quality</p> <p>We are unable to develop and implement quality standards into the industry to improve safety and performance levels.</p>	<ul style="list-style-type: none"> ▪ Engagement and relationships strategy for working with and influencing key organisations including standards setters ▪ Working as part of Working Group 2 and the Interim Industry Competence Committee and with industry working groups to shape the development of competency frameworks in areas such as building safety and net zero ▪ Grant funding supports and encourages access to approved training, qualifications and competency frameworks.
<p>Sustainability</p> <p>CITB fails to identify and communicate its role in shaping / supporting the net zero and wider sustainability agenda in the construction industry.</p>	<ul style="list-style-type: none"> ▪ Engagement with relevant industry and Government groups where combined influence and action can support positive change ▪ Encouraging employers to upskill their existing and future workforce to deliver net zero ▪ Cross-CITB team to identify the approach and relevant actions on net zero ▪ Diversity action plan monitored through performance hub.
<p>Third party providers</p> <p>CITB may be unable to operate efficiently and effectively because third-party providers fail to meet CITB's requirements.</p>	<ul style="list-style-type: none"> ▪ Regular due diligence and financial assessment of suppliers ▪ Monthly performance reviews with key suppliers and providers ▪ Rights of audit in place with key operational suppliers.
<p>Health and safety</p> <p>There is a risk of significant harm to individuals and of reputational and financial consequences if there was to be any failure of health and safety arrangements.</p>	<ul style="list-style-type: none"> ▪ BSI standards and auditing for health and safety (H&S) management. ▪ Comprehensive system of risk identification, assessment and mitigation with clear procedures ▪ H&S specialists employed within the college environment ▪ Employee forums in place to flag and escalate any concerns, and mandatory training for all staff ▪ Standing agenda item for Executive and Board.

Risk description	Key mitigations
<p>Funds</p> <p>CITB does not have sufficient funds to deliver on its commitments to customers.</p>	<ul style="list-style-type: none"> ▪ Robust forecasting process and monthly review process, with the option to delay or stop operational expenditure ▪ Monthly economic forecasting to inform scenario and contingency planning.
<p>People</p> <p>We are unable to recruit and retain the right people to develop and deliver our strategy and services.</p>	<ul style="list-style-type: none"> ▪ People Strategy and implementation plan ▪ Implementing the updated performance management process.
<p>Counter-fraud</p> <p>There is a risk that CITB does not protect itself adequately against high levels of fraudulent activity that is damaging due to profile, value, or volume.</p>	<ul style="list-style-type: none"> ▪ Counter-fraud policy and mandatory fraud risk training, with a dedicated Counter-fraud team ▪ Fraud risk assessment with mitigating controls identified for areas at risk ▪ Rules for funding and Grants Scheme and validation of eligibility and evidence ▪ Vetting of organisations that apply to become Approved Training Organisations (ATOs) ▪ Test centres subject to monitoring and quality assurance visits.

Consensus was completed during the period and the Levy Order was signed on 29 April 2022. The Levy Order underpins activity and funding for the coming three years, but our strategic risks recognise the importance of having impact through delivery of our Strategy over that period. The Strategy is supported by annual business plans that cover each of the nations, ongoing engagement activities with Government, industry groups and employers, and by performance management processes that measure progress towards each planned outcome on a monthly basis.

In a number of areas, the Strategy relies on CITB working collaboratively with others to achieve the outcomes for industry. The Strategy makes clear the key problems that it seeks to address, the role that CITB will play in this, and the role that we need others to take. In addition to consultations that informed development of the Strategy, a programme of engagement and relationship activities is undertaken with key parties and progress against milestones is regularly reviewed.

Sustainability is a key area of focus, supporting and encouraging employers to upskill the existing and future

workforce required to deliver on net zero and addressing the wider diversity, climate change and sustainability agenda. A team has been formed to identify the approach and relevant actions on net zero, including how it can be considered in all new training, standards and activities. A Diversity action plan is in place and work is ongoing to consider elements of a wider sustainability strategy.

Teams have worked collaboratively with third parties to ensure customer-facing services are maintained and improved, and additional measures and performance indicators have been introduced, focusing in particular on quality. There has been an ongoing programme of action to enhance the efficiency and customer experience of the grants process. Of course, there remain areas where there are opportunities to improve, and this will continue to be monitored closely.

Mitigating actions in relation to other strategic risks have been subject to ongoing review during the year. Actions have included launching a new People Strategy to support recruitment and retention and a fraud risk assessment to provide additional assurance over measures in place to respond to the fraud risks facing CITB and its services.

HEAD OF INTERNAL AUDIT'S OPINION

The Internal Audit team, working to the Public Sector Internal Audit Standards, delivered the 2021-22 programme of reviews approved by the Audit and Risk Committee. The 2021-22 programme covered a wide range of areas within governance, risk management and control, focused on those where there was the greatest need for assurance or potential benefit from internal audit review. The Head of Internal Audit was satisfied that sufficient work had been completed during the year to enable an annual opinion on governance, risk management and control to be provided.

An annual report, summarising the work undertaken and containing the Head of Internal Audit's opinion, was presented to the Audit and Risk Committee and stated that the quality of governance, risk management and internal control during the year to 31 March 2022 was 'satisfactory, with some improvements required'. This opinion is based on delivery of the 2021-22 Audit Plan across activities, and inputs from risk management activity and governance arrangements.

The report identified areas where controls had been strengthened in 2021-22 including risk management, payroll processing and performance of DBS checks. Management responded positively to the findings of each review, and agreed to implement action plans to address the identified risks and drive enhancement of the control environment in the coming year.

Actions to be completed in 2022-23 to further strengthen controls focus on the areas of business continuity planning, information governance, aspects of delivering apprenticeships and the ongoing assessment of the operation of the enabling partner contract.



SUSTAINABILITY

CITB is committed to meeting the Greening Government Commitments¹ (GGCs), which set out the actions that UK Government departments and their agencies will take to reduce their impacts on the environment. We are committed to improving our performance and are currently developing a Sustainability Strategy for publication in 2023 and working on several short-term actions.

HM Treasury produces annual guidance² on mandatory reporting and encourages further voluntary/best practice reporting to provide transparency in public sector performance on sustainability year on year. We have integrated the reporting within our Annual Report and Accounts as recommended, rather than as a standalone report.

The information contained in this section has not been subject to audit and does not form part of the auditors' opinion on the accounts.

The data for 2021-22 is collated from CITB's three owned sites – Erith, Bircham and Inchinnan – and does not include data from leased premises such as CITB's Head Office in Peterborough.

Now that CITB has come to the end of its Vision 2020 programme that involved several divestments, the only anticipated future change will be the downsizing of the Peterborough Head Office in 2022 as a result of the shift to more hybrid working patterns.

Due to the impact of the Covid-19 pandemic and the Vision 2020 divestment programme, little comparison can be made between the years and therefore data for the previous two reporting years (2019-20 and 2020-21) has not been included.

CITB is continuing to work with suppliers to improve the accuracy and timeliness of invoices and usage data.



¹ Greening Government Commitments 2021 to 2025 - GOV.UK (www.gov.uk)

² 2021-22 Sustainability Reporting Guidance - Final.docx (publishing.service.gov.uk)

Table 1: Greenhouse gas emissions

			Apr 21 - Mar 22
Non-financial indicators (tCO ₂ e)	Scope 1	Fuel combustion	783
		Owned transport ¹	126
		Fugitive emissions	-
	Scope 2	Purchased electricity	519
	Scope 3	Business travel ²	31
		Use of purchased materials (paper) ⁴	3
		Waste disposal	4
Biomass		32	
Financial indicators (£)	Business travel ³		166,841
tCO ₂ e	Per full-time employee (FTE) ⁵		2.3

TABLE 1 NOTES:

The Defra GHG conversion factors (condensed set) for 2021 have been applied unless otherwise stated and rounded to the nearest metric tonne.

¹ The Defra conversion factor (2021) of 0.28263 kgCO₂e per mile for a medium car unknown fuel has been applied for fleet vehicles.

² Includes personal car mileage, rail and hotel stays. No mileage was available for air travel, buses, taxis, underground and hire cars to enable tCO₂e to be calculated. The tCO₂e applied for rail travel was calculated and supplied by Redfern, the travel management company used by CITB.

³ Business travel spend includes air, rail, use of personal vehicles and hotels.

⁴ The conversion factor applied relates to primary source. Some paper products are from recycled sources, although it is not possible to evidence that they are from a Closed Loop supply.

⁵ The number of staff directly and temporarily employed by CITB as an average over the year (expressed in full-time equivalents) was 644.

Table 2: Waste

Waste		Apr 21 - Mar 22
Non-financial indicators (tonnes)	Total waste (not including ICT waste)	183
	ICT waste recycled	2
	ICT waste reused	3
	ICT Hazardous waste	2
	Waste recycled	116
	Waste composted	-
	Waste incinerated with energy recovery	57
	Waste incinerated without energy recovery	-
	Waste to landfill	13
Financial indicators (£)	Main contract	35,811
	ICT waste	-
	Confidential waste service ¹	2,546

¹ The contract cost for confidential waste also includes the collection of office plastic cups and metal cans.

WASTE

Following the decision to retain the National Construction College (NCC), the main waste contract was re-tendered, and a new contract commenced in April 2021. A separate service continues for the collection of confidential paper waste, which includes the collection of office plastic cups and metal cans.

FUGITIVE EMISSIONS

All air conditioning units at CITB have a carbon loading of less than 30 tonnes and are fully serviced and visually inspected once a year. Some units at the Bircham site are no longer in use and have been made safe and will be decommissioned. During the reporting period no 'top-ups' were required.

Table 3: Finite resource consumption

			Apr 21 - Mar 22
Non-financial indicators	Energy	Total electricity (kWh)	2,443,197
		Electricity: standard (kWh)	1,734,670
		Electricity: green (kWh) ¹	708,527
		Natural gas (kWh)	326,704
		LPG (litres)	7,392
		Oil kerosene (litres) ²	291,000
		Biomass (tonnes)	567
	Finite	Water (m ³) ³	20,504
		Paper (reams) ⁴	1,277
Financial indicators (£)	Energy	Electricity	486,650
		Gas (natural and LPG)	21,594
		Oil kerosene	175,256
		Biomass	21,123
	Finite	Water	68,984
		Paper	4,235

TABLE 3 NOTES:

¹ Purchased electricity is on a 100% standard tariff with 29% renewable.

² Estimates have been made for Jan – Mar 2022 for deliveries of kerosene.

³ The water bills for Bircham cover a 12-month period running from the 01 Jan 2021 to 31 Dec 2021.

⁴ Number of reams is that purchased direct by CITB and not that used by third parties printing on its behalf, such as Levy documents.

ENERGY

Work has taken place to consolidate contracts for ease of management purposes and to improve efficiencies. The majority of electricity contracts are now with one supplier on a 100% standard tariff, which is currently 29% from a renewable source and sourced together with gas through a Government Framework with Crown Commercial Service (CCS).

To help identify areas of inefficiency, sub-meters will be introduced to Bircham Newton for oil, water and electricity. In addition, seven buildings will be re-roofed to improve energy-efficiency. The improved data set will also be used to educate staff and create behavioural changes to benefit the environment and help save money.

WATER

Sub-metering at Bircham is to be introduced to enable consumption to be measured more accurately allowing for the opportunity for further water-saving potential to be explored.

The majority of electricity contracts are now with one supplier on a 100% standard tariff, which is currently 29% from a renewable source

BUSINESS TRAVEL

As of 18 November 2021, CITB had a fleet of 142 company cars, of which five were electric and 28 hybrid. Those defined as ultra low emission vehicles (ULEVs), namely those producing less than 75 grams of CO₂, accounted for 11% of the fleet.

In support of the Government’s commitment to having 25% of its car fleet as ULEVs by 31 December 2022, we hope to increase the availability of electric cars when our fleet contract renews during 2022-23 and to encourage uptake by employees during a regular review of our Car Policy, with the last review undertaken in May 2021. To support the increase in electric vehicles coming to CITB sites, we are increasing charging points at Bircham and introducing them to Erith and Inchinnan.

The expense system currently used by CITB has the functionality to report only on mileage for company and private car use, and not on other modes of business travel. Mileage for forms of public transport is retrieved through the travel booking system (Redfern). The opportunities to retrieve all reportable data from one system will be considered when the expense system is next up for re-tender.

Other target areas	Apr 21 - Mar 22
Non-financial indicators	2
Number of domestic flights	326,704

PAPER

Since the beginning of the Covid-19 pandemic, there has been a significant decline in the volume of paper purchased. Typically, office-based employees working from home due to the introduction of hybrid working are not provided with printers. If paper copies are required, these are requested for printing from the Office Manager. Over the past two years, paper that has been held in stock at Bircham Newton has been utilised. Employees are encouraged to print only when necessary and further opportunities are being explored to move more products and services from a print to a digital footprint, particularly in relation to Levy where we are aware the paper-based system is not environmentally friendly and are mindful of the need to improve this.

PROCURING SUSTAINABLE PRODUCTS AND SERVICES

As an NDPB, CITB has a mandatory requirement to adhere to Government Public Procurement Notices (PPNs) on various sustainability topics, including PPN 06/20, taking account of social value in the award of central Government contracts that includes working towards Net Zero and environmental protection.

NATURE RECOVERY

The National Construction College at Bircham Newton, is situated in rural Norfolk and hosts a variety of habitats and species. CITB has no formal biodiversity action plan but does maintain maintenance regimes recommended by key experts that monitor various species on the site namely bats, owls and oystercatchers.

CLIMATE CHANGE ADAPTION

CITB is reviewing the good practice guidance on Climate Change Risk produced by the National Audit Office and shall be identifying and discussing ways to mitigate the risks identified.

REDUCING ENVIRONMENTAL IMPACT BY ICT AND DIGITAL

We continue to pursue a programme focused on the removal of older systems and applications that are no longer fit for purpose, and the migration of services to platforms that offer a lower running cost and environmental impact. This includes reviewing the remaining on-premise servers in Bircham Newton, decommissioning where possible and migrating to a cloud platform.

Desktop equipment (laptops/computers etc.) is reprovisioned where possible, to get the most life from them and reduce the need to purchase new. Equipment that is no longer in service is disposed of in line with the waste hierarchy.

CITB procures its cloud services through the Government Framework 'G-Cloud' and CCS, ensuring that suppliers are approved by central Government.



STATEMENT BY ACCOUNTING OFFICER

STATEMENT BY ACCOUNTING OFFICER

TIM BALCON

OUR APPROACH TO DATA SECURITY

To achieve our aims, CITB processes personal information about individuals. Categories of data subjects include construction-related employers, employees and prospective employees within the construction industry, construction apprentices, suppliers, contractors and internal staff.

We are committed to protecting the rights and freedoms of individuals in respect of the processing of their personal data and undertake to comply with our legal obligations and responsibilities at all times.

We routinely review systems and processes for handling data securely against prevailing guidelines to ensure we continue to meet expected standards. We follow ISO 27001-compliant practices in relation to information security and are in the process of recertifying Cyber Essentials Plus.

We comply with our legal obligations in relation to personal data, and any serious data-related incidents are published and reported to the Information Commissioner's Office (ICO). This year, no incidents were reported to the ICO.

As CITB's outsourced IT Service Provider, SSCL is committed to protecting the security and access to the data of our customers. SSCL follows ISO 27001-compliant practices in relation to information security that enable CITB to recertify Cyber Essentials Plus.

SSCL investigates all security incidents relating to its service to CITB to identify suitable improvements in process, staff education and technical security measures. There were no new high-severity security incidents raised in 2021-22.

OUR APPROACH TO REPORTING CONCERNS

We are committed to achieving and maintaining high standards of behaviour at work, in service to the public and in all our working practices, and to maintaining a culture where people are encouraged to speak out, confident that they can do so without adverse consequences and that appropriate action will be taken. Our arrangements for reporting concerns (also known as whistleblowing) were reviewed and approved by the Audit and Risk Committee during the year. There were no whistleblowing incidents during the year.

REGISTER OF INTERESTS

As a non-departmental public body (NDPB), CITB must abide by principles of regularity and propriety, ensuring that its work is not adversely impacted by conflicts of interest. Trustees, Committee members, and Executive Directors are required to complete a declaration of any interests annually. No significant company directorships or other interests were held by members that conflicted with their role and responsibilities.

In addition, all staff are required to complete a declaration of interest return annually, including those who have no interests to declare, and to declare any gifts or hospitality offered.

MAINTAINING STAKEHOLDER SUPPORT

To continue to meet industry expectations, CITB must maintain support from a range of stakeholders. We liaise with industry at all levels and have connections with federations, trade unions and educational bodies. We work with Government (with the Department for Education at Westminster, and the Scottish and Welsh Governments) and we are involved in a range of stakeholder events, consultative groups and forums, and stakeholder surveys.

CITB is required to seek and demonstrate to the Secretary of State consensus from industry for its Levy Proposals in order to secure a Levy Order that will enable CITB to support and deliver skills and training in the industry. Following on from a successful Consensus process in the summer of 2021, a new three-year Levy Order was passed by Parliament in April 2022.



CONCLUSION

I took over as Accounting Officer (AO) on 1 October 2021, as part of the handover from the previous CEO and AO, Sarah Beale. Sarah was able to assure me that suitable governance arrangements had been in place for the first half of the financial year and I am satisfied that references in this Statement to activity that happened prior to my appointment are accurate, thanks to the quality and depth of that handover and the assurance that Sarah was able to give.

As Accounting Officer, I am satisfied that the governance arrangements that were in place during the year to 31 March 2022 are sufficient to continue managing risks effectively. This is informed by the work of Executive Directors and the Leadership team, who are responsible for developing and maintaining the governance structures and internal control framework. I acknowledge the comments made by the National Audit Office in its management letter and other reports (refer to External audit on page 30). The Governance Statement represents the end product of the review of the effectiveness of the governance framework, risk management and internal control.

Based on the review I have outlined above, I conclude that CITB has a satisfactory system of governance, risk management and internal control that supports the aims and objectives of the organisation.



Tim Balcon

Accounting Officer
28 October 2022



Diana Garnham

Chair of Audit and Risk Committee
28 October 2022



STATEMENT OF THE BOARD

AND ACCOUNTING OFFICER'S RESPONSIBILITIES

Under section 8 (1) of the Industrial Training Act 1982, the Board is required to prepare for each financial year a statement of accounts in the form and on the basis determined by the Secretary of State with the consent of the Treasury.

The accounts are prepared on an accruals accounting basis and must show a true and fair view of CITB's state of affairs at the year-end and of its income and expenditure and cash flows for the financial year.

In preparing that statement of accounts, the Board and Accounting Officer are required to comply with the requirements of the Charities Statement of Recommended Practice (FRS 102) and have regard for the relevant requirements of the Government Financial Reporting Manual and in particular to:

- a) Observe the accounts direction issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- b) Make judgements and estimates on a reasonable basis
- c) State whether applicable accounting standards as set out in the Charities Statement of Recommended Practice and Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements
- d) Prepare the financial statements on a going concern basis unless it is inappropriate to presume that CITB will continue in operation
- e) Confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable, and to take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.



The Accounting Officer for the Department for Education has designated the Chief Executive of CITB as Accounting Officer for CITB. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding CITB assets, are set out in Managing Public Money published by the HM Treasury.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that CITB's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

Approved by the Board on 28 October 2022
and signed on its behalf by:

Peter Lauener

Chairman
28 October 2022

Tim Balcon

Accounting Officer
28 October 2022

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT AND THE SCOTTISH PARLIAMENT

OPINION ON FINANCIAL STATEMENTS

I certify that I have audited the financial statements of the Construction Industry Training Board for the year ended 31 March 2022.

The financial statements comprise: the Construction Industry Training Board's:

- The balance sheet as at 31 March 2022;
- Statement of Financial Activities, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom accounting standards including Financial Reporting Standards (FRS) 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion, the financial statements:

- give a true and fair view of the state of the Construction Industry Training Board's affairs as at 31 March 2022 and its net expenditure for the year then ended;
- have been properly prepared in accordance with the Industrial Training Act 1982 and Secretary of State directions issued thereunder;
- have been prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and section 8 of the Charities Accounts (Scotland) Regulations 2006.

OPINION ON REGULARITY

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

BASIS FOR OPINIONS

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements of Public Sector Entities in the United Kingdom*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I have also elected to apply the ethical standards relevant to listed entities. I am independent of the Construction Industry Training Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, I have concluded that the Construction Industry Training Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Construction Industry Training Board's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Board and Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

OTHER INFORMATION

The other information comprises information included in the Annual Report, but does not include the financial statements nor my auditor's certificate and report. The Board and Accounting Officer are responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

OPINION ON OTHER MATTERS

In my opinion:

- The part of the Remuneration Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Industrial Training Act 1982
- Based on the work undertaken in the course of the audit the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

MATTERS ON WHICH I REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Construction Industry Training Board and its environment obtained in the course of the audit, I have not identified material misstatements in the Annual Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- I have not received all of the information and explanations I require for my audit; or
- adequate accounting records have not been kept by the Construction Industry Training Board or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by the Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005 and section 8 of the Charities Accounts (Scotland) Regulations 2006 have not been made or parts of the Remuneration Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

RESPONSIBILITIES OF THE BOARD AND ACCOUNTING OFFICER FOR THE FINANCIAL STATEMENTS

As explained more fully in the Statement of the Board and Accounting Officer's Responsibilities, the Board and the Accounting Officer is responsible for:

- The preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- Internal controls as the Board and the Accounting Officer determines is necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error; and
- Assessing the Construction Industry Training Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board and the Accounting Officer either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

My responsibility is to audit, certify and report on the financial statements in accordance with the Industrial Training Act 1982.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, we considered the following:

- The nature of the sector, control environment and operational performance including the design of the Construction Industry Training Board's accounting policies, and performance incentives.
- Inquiring of management, the Construction Industry Training Board's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Construction Industry Training Board's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;

- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Construction Industry Training Board's controls relating to the Construction Industry Training Board's compliance with the Industrial Training Act 1982, the Industrial Training Levy (Construction Industry Training Board) Order 2018, Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005, section 8 of the Charities Accounts (Scotland) Regulations 2006, and Managing Public Money;
- Discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Construction Industry Training Board for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, and bias in management estimates. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override of controls.

I also obtained an understanding of the Construction Industry Training Board's framework of authority as well as other legal and regulatory frameworks in which the Construction Industry Training Board operates, focusing on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Construction Industry Training Board. The key laws and regulations I considered in this context included, the Industrial Training Act 1982, the Industrial Training Levy (Construction Industry Training Board) Order 2018, Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005, section 8 of the Charities Accounts (Scotland) Regulations 2006, Managing Public Money and relevant employment, pension and tax legislation.

In addition, I considered the fraud and regularity risks associated with grant expenditure.

AUDIT RESPONSE TO IDENTIFIED RISK

As a result of performing the above, the procedures I implemented to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- enquiring of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- reading and reviewing minutes of meetings of those charged with governance and the Board and internal audit reports
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- in addressing the risk of fraud through revenue recognition, evaluating the design and implementation of relevant controls; testing income to corroborative evidence; assessing the completeness of revenue streams; and testing the appropriateness of significant estimates at year-end.

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

OTHER AUDITOR'S RESPONSIBILITIES

I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

REPORT

I have no observations to make on these financial statements.

Gareth Davies

Comptroller and Auditor General
1 November 2022

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP



FINANCIAL PERFORMANCE

Financial statements

Statement of Financial Activities for the year ended 31 March 2022

INCOME	Notes	2021-22 Restricted	2021-22 Unrestricted	2021-22 Total	2020-21 Total
		£'000	£'000	£'000	£'000
Income from charitable activities	2				
Levy income		-	108,266	108,266	191,942
Non-Levy income					
Training and Development		10,233	29,751	41,385	57,484
Careers		-	108	108	(15)
Standards and Qualifications		-	176	176	214
Engagement and Evidence Base		-	17	17	1
Other		-	(31)	(31)	(137)
TOTAL NON-LEVY INCOME		10,233	30,021	40,254	57,547
Income from investments		-	-	-	175
Income from Government grants	18	(7)	-	(7)	4,393
Other income		-	29	29	191
TOTAL INCOME		10,226	138,316	148,542	254,248

Statement of Financial Activities for the year ended 31 March 2022

EXPENDITURE	Notes	2021-22 Restricted	2021-22 Unrestricted	2021-22 Total	2020-21 Total
		£'000	£'000	£'000	£'000
Expenditure on raising funds		-	1,702	1,702	2,093
Expenditure on charitable activities					
Training and Development		84,689	79,798	164,487	167,771
Careers		-	1,091	1,091	885
Standards and Qualifications		-	5,146	5,146	5,517
Engagement and Evidence Base		-	2,991	2,991	12,585
TOTAL EXPENDITURE ON CHARITABLE ACTIVITIES	4	84,689	89,026	173,715	186,758
Expenditure on trading activities		-	3	3	39
Other expenditure		-	(398)	(398)	(440)
TOTAL EXPENDITURE		84,689	90,333	175,022	188,450
Net gain on revaluation of investments		-	-	-	692
Net income/(expenditure)		(74,463)	47,983	(26,480)	66,490
Transfer from unrestricted fund		74,463	(74,463)	-	-
Net movement in funds		-	(26,480)	(26,480)	66,490
TOTAL ACCUMULATED FUNDS AT PERIOD START	13	-	120,733	120,733	54,243
TOTAL ACCUMULATED FUNDS AT PERIOD END	13	-	94,253	94,253	120,733

The above results include all recognised gains and losses and are derived from continuing activities. The notes 1 to 24 on pages 64 to 93 form an integral part of these accounts.

Balance sheet as at 31 March 2022

	Notes	2021-22	2020-21
	£'000	£'000	£'000
Fixed assets			
Tangible assets	7	11,569	11,776
Investments	9a	-	-
TOTAL FIXED ASSETS		11,569	11,776
Current assets			
Stock		316	952
Debtors	8	9,821	78,603
Investments	9a	-	-
Cash at bank	9b	117,259	90,464
TOTAL CURRENT ASSETS		127,396	170,019
Liabilities			
Creditors: Amounts falling due within one year	10	(15,878)	(36,521)
Net current assets		111,518	133,498
TOTAL ASSETS LESS CURRENT LIABILITIES		123,087	145,274
Provisions for liabilities	11	(28,834)	(24,541)
TOTAL NET ASSETS		94,253	120,733
Unrestricted funds	13	94,253	120,733
TOTAL CHARITY FUNDS	13	94,253	120,733

Notes 1 to 24 on pages 64 to 93 form an integral part of these accounts.
Approved by the Board on 28 October 2022 and signed on its behalf by:



Peter Lauener
Chairman
28 October 2022

Tim Balcon
Accounting Officer
28 October 2022

Cash flow statement as at 31 March 2022	Notes	2021-22	2020-21
	£'000	£'000	£'000
Cash flows from operating activities			
Net income/(expenditure) for the year		(26,480)	66,490
Income from investments	14	-	(175)
Interest expense		49	103
Depreciation charges	7	605	656
Loss/(Profit) on sale of tangible fixed assets		6	(167)
Realised (gain)/loss on investments	9a	-	(692)
Net effect of revaluation of freehold properties	7	(404)	(440)
Decrease/(increase) in debtors and stock		69,418	(58,953)
(Decrease)/increase in creditors and provisions		(6,350)	(20,511)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES		36,844	(13,689)
Cash flows from investing activities			
Interest received on investments	14	-	175
Receipts from sales of tangible fixed assets	14	-	1,102
Proceeds from sale of investments	14	-	31,847
Purchase of investments	9a	-	(1,258)
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES		-	31,866
Cash flows from financing activities			
Borrowing	10	(10,000)	10,000
Interest paid on borrowings		(49)	(103)
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES		(10,049)	9,897
Increase/(decrease) in cash and cash equivalents		26,795	28,074
Cash and cash equivalents at period start		90,464	62,390
Cash and cash equivalents at period end	9b	117,259	90,464

Notes 1 to 24 on pages 64 to 93 form an integral part of these accounts

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

PUBLIC BENEFIT ENTITY

As a charity, CITB is a public benefit entity, therefore 'an entity whose primary objective is to provide goods or services for the general public, community or social benefit and where any equity is provided with a view to supporting the entity's primary objectives rather than with a view to providing a financial return to equity providers, shareholders or members'.

GOING CONCERN

The financial statements for the year ending 31 March 2022 have been prepared on a going concern basis.

CITB has ended 2021-22 in a strong financial position with both a healthy level of reserves and cash. Through the Consensus process in summer 2021, industry confirmed its continuing support for the Levy system with a three-year Levy Order due (and subsequently received) in May 2022. The Construction industry has weathered the Covid-19 pandemic better than most sectors and Levy income has been stable with CITB holding sufficient funds to meet spending plans for 2022-23 and beyond.

The Board has considered the ongoing impact of the pandemic and has adjusted income forecasts downwards for the next three years, in comparison to our pre-pandemic projections for the same period. With grant and funding applications lower than forecast during the last two years, CITB has sufficient reserves to enable a level of investment in the industry training programmes greater than the Levy we expect to receive during the same period, which will reduce reserves to our target levels by the end of the 2022 Levy Order in 2024-25.

Accordingly, the Board properly prepares and submits the 2021-22 Annual Report and Accounts on a going concern basis.

ACCOUNTING CONVENTION

The financial statements are prepared in accordance with the Industrial Training Act 1982 and directions made thereunder by the Secretary of State for Education. The accounts comply with the requirements of Accounting and Reporting by Charities: Charities SORP (FRS 102). The accounts also follow the disclosure requirements of the 2021-22 Government Financial Reporting Manual and also provide additional disclosures where this goes beyond the requirements of the Charities SORP (FRS 102). These accounts are prepared under the historical cost convention, as modified to reflect the revaluation of fixed assets and investments.

RESTRICTED FUNDS

Restricted funds relate to apprenticeship activity funded by the Education and Skills Funding Agency (ESFA), Skills Development Scotland (SDS) and Welsh Assembly Government (WAG) and their associated expenditure, in which contractual agreements state that funds should only be used for apprenticeship funds. In addition, the Construction Skills Fund (CSF) monies received from the DfE and Apprenticeship Employer Grant received from SDS, along with associated expenditure, are also restricted in nature based on contractual agreements. Note: income received from colleges under new arrangements are termed as unrestricted, as contractual agreements are not restricted in the same way.

Expenditure for apprenticeship activities is apportioned between restricted and unrestricted based on income apportionments, as staff may be working on both.

Income received from the Coronavirus Job Retention Scheme (CJRS) is included within the restricted fund, along with the corresponding payroll costs it supported. This is due to the restriction on the use of the income to fund payroll and qualifying salary payments only.

No surplus is made on restricted funds and therefore any loss is covered by unrestricted funds.

LEVY INCOME

Levy income is that receivable from assessments based on the employment details returned by employers, with an estimate for those from which employment details have not been received. Estimated assessment income is reduced by a provision for reassessments, based on historical trends, to allow for their normal write-down in value following the receipt of a Levy Return declaring actual direct employment and labour-only subcontract payments. A provision for bad debts, based on identified doubtful debts, prior years' experience and the economic state of the industry, is also applied against Levy debts, and both the movement in the provision during the financial year and the actual bad debts written off in the year are set off against Levy income. Levy Assessments are recognised in the Statement of Financial Activities in the period in which they are raised.

CHARITABLE ACTIVITIES – NON-LEVY INCOME

Non-Levy income is recorded by charitable activity and is accounted for on an accruals basis.

Apprenticeship income is recognised as restricted funds based on contractual terms.

DEFERRED INCOME

Deferred income is recognised where cash has been received during the accounting period, but for which associated activities will not be carried out until subsequent accounting periods.

INVESTMENT INCOME

Income from investments is included in the Statement of Financial Activities on an accruals basis.

EXPENDITURE

The charge in the Statement of Financial Activities consists of the training grants paid during the year together with an estimate of the liability for unpaid grants for the period and any adjustments to accruals and provisions made in earlier years. Grants are considered to be legally binding when the terms have been agreed by both parties.

CHARITABLE ACTIVITIES

The charges in the Statement of Financial Activities are recognised on an accruals basis.

LEASING

Rentals paid under operating leases are charged in the Statement of Financial Activities on a straight-line basis over the lease term.

ALLOCATION OF EXPENDITURE

Direct costs are allocated accordingly, with support costs apportioned to activities by appropriate drivers. For the majority of support costs, this is an average of the full-time equivalent for the financial year. However, funding support costs have been allocated based on funding expenditure split between the activities, while estate costs have been allocated on an office full-time equivalent/college training days basis.

REALISED GAINS/LOSSES ON INVESTMENTS

The Statement of Financial Activities recognises the net value of all gains and losses on the sale of investments, calculated as the difference between the cost and sales proceeds of each investment liquidated.

UNREALISED GAINS/LOSSES ON INVESTMENTS

The difference between the brought-forward market value at the beginning of the accounting period and the year-end market value of all investments held at the balance sheet date is recognised in the Statement of Financial Activities.

DEBTORS

Levy debtors represent the estimated recoverable amounts of unpaid Levy Assessments, having taken account of provisions for bad debts and for reassessing estimated assessments following the late receipt of Levy Returns. CITB only writes off Levy debts when it has evidence that an employer has become insolvent, ceased to trade, is dissolved or, CITB having made all reasonable efforts to locate the debtor, is untraceable.

Non-Levy debtors are shown at their amortised value after any provision for impairment.

TANGIBLE FIXED ASSETS

Tangible fixed assets (excluding freehold land and buildings) are stated at cost less accumulated depreciation. Adjustments to modified historical cost, to recognise the assets at fair value, are only made if material. For non-revalued assets, the depreciated historic cost is considered to be a reasonable estimate of the fair value. Costs of acquisition, comprising only those costs that are directly attributable to bringing the asset into working condition for its intended use, are capitalised. The threshold for capitalisation is £2,500, either individually or for a group of similar assets.

Freehold land is not depreciated. All other tangible fixed assets are depreciated evenly to write off their value over their estimated useful economic lives. These lie within the following ranges:

Freehold buildings

- 50 years (permanent buildings)
- 20 years (improvements and temporary buildings)
- Nil (buildings under construction).

Motor vehicles

- Ten years.

Plant and machinery

- Five to Ten years.

Office equipment

- Four to Ten years.

Computer equipment

- Four years.

Freehold properties are fully revalued every five years and reviewed annually. All tangible fixed assets are subject to an annual impairment review.

INVESTMENTS

Investments are stated at market value at the balance sheet date. Investments are split between those maturing over one year and those under one year. Bonds, equities and cash are held at market value. Managed funds are valued at a price provided by the third-party investment manager.

CASH AND CASH EQUIVALENTS

Cash is represented by amounts held in banks. Cash equivalents are highly liquid investments that are readily convertible to known amounts of cash.

LIABILITIES

Grant creditors: Amounts payable in relation to grant funding authorised but not yet paid are recognised within creditors.

College fee creditors: Amounts payable in relation to college fee invoices are calculated on the basis of known learners' records. College fees relating to students whose details have not yet been received are accrued for on the basis of historical payment patterns adjusted for any known changes in circumstances.

Trade and taxation creditors: Amounts payable in relation to supplier invoices are based on those due as at the year-end where goods or services have been received.

Borrowings: Amounts payable in relation to a loan from the Department for Education.

GOVERNMENT GRANTS

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income. During 2021-22, no grants were claimed under the Government's Coronavirus Job Retention Scheme (CJRS). In 2020-21, an accrual was made for the CJRS grant income expected in relation to the March 2021 claim. The amount received in April 2021 was £7k lower than the amount accrued.

PROVISIONS

Provisions are made for dilapidations on leasehold properties to represent a provision for estimated settlements with landlords on the expiry of leases. The estimations are based on previous financial experience.

Grant claims not yet received are provided for on the basis of historical payment patterns adjusted for any known changes in circumstances. Provisions and accruals for apprentice grant claims are based on the number of new entrant trainees known to have enrolled on the scheme.

A restructuring provision has been made to account for the expected redundancy costs associated with the proposed restructure of the National Construction College and the Apprenticeship areas.

A provision has been made following the outcome of an ESFA audit regarding a non-compliance with our data submissions to support apprenticeship funding. The outcome of the audit of the 2020-21 contract year, verbally communicated to CITB just prior to the 2021-22 year-end, has resulted in a request for repayment from ESFA of £1.6m and a further audit in to both 2018-19 and 2019-20.

As the result of those audits is as yet un-determined, we have taken the prudent approach to provide for a total of £5.9m based on an extrapolation of the ESFA calculation, amended following detailed investigation by CITB, and that being our assessment of the most likely outcome at the date these accounts were signed. However, if ESFA do not accept our findings, the extrapolation when applying ESFA's un-amended error rate from the 2020-21 audit over the three years would give a total liability of £10.3m and so we have disclosed a contingent liability of a further £4.4m, representing our best estimate of the possible additional monies due to ESFA from the ongoing 2018-19 and 2019-20 audits.

Discussions are ongoing between CITB and ESFA on the potential repayment, if any, due. CITB acknowledges that the audit trail to demonstrate funding conditions had been met was not present at the required level for all apprentices, but we consider that we have met the funding terms in the delivery of the required outcomes for apprentices and their training needs. In response to the 2020-21 audit findings, we have amended our processes to ensure that we have sufficient evidence of the required administrative processes from now on and ESFA have acknowledged the improvements.

The 2021-22 financial statements represent management's best estimate of the likely and possible monies due to the ESFA, but we note the uncertainties present within the provision recognised and contingent liability disclosed.

SIGNIFICANT JUDGEMENTS

The financial statements include two significant judgements, one for the Levy impairment (bad debt) provision and one for grants earned not yet claimed provision. Generally, collection of the Levy has been much better than anticipated, as the impact of the pandemic on the financial wellbeing of the construction industry was less than anticipated. The key estimate required is how much of the £103m debt outstanding at the year-end will be collected in the fullness of time. We have followed our normal methodology, which is based on age, but adjusted it to reflect the cash collection experience in 2021-22. We have used our experience of cash collection over the past year, against all prior Levy Assessments, to judge how much we can expect to collect in the fullness of time. The total provision is then split between bad debt (i.e. money that is owed but not expected to be paid) and reassessment (money that has been invoiced on an estimated assessment and is likely to be adjusted downwards when the Levy Return is received). The split is intended to help the reader understand the difference between the bulk assessment and the net income received, and although it is a judgement, the split itself does not have any net impact on our financial statements.

The second significant judgement is regarding part of the provision for training grants. There is naturally a gap between the grant being earned (i.e. the learner has had their training) and the claim being received by CITB.

Therefore, at the year-end we make an assessment for the amount of provision that is required to account for apprenticeship, qualification and short duration training grants earned but as yet not claimed. Our methodology is based upon the CITB Grant Product team's knowledge of the current industry environment and the training therein. They have an expectation as to how much training will be delivered in a financial year and we provide for the difference between that forecast and the amount we have actually paid during the year.

VAT

Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input tax is recoverable, the amounts are stated net of VAT.

PENSIONS

CITB is a participating employer in the ITB Pension 2016 and operates a defined contribution section (see Note 15).



2. INCOME FROM CHARITABLE ACTIVITIES

LEVY INCOME	2021-22	2020-21
	£'000	£'000
Current year's Levy Assessment receivable	118,347	232,521
Less: provision for bad debts and debt write-offs	(17,968)	(36,873)
NET VALUE CURRENT YEAR'S LEVY ASSESSMENTS	100,379	195,648
Reassessment of previous years' Levy	7,887	(3,706)
NET LEVY INCOME FOR THE YEAR	108,266	191,942

Reassessment of previous years' Levy relates to prior year Levy Assessment that is reassessed this year. Therefore, it is an estimation of uncertainty refined in 2021-22.

The sharp fall in Levy income in 2021-22 is because the Board took the decision to charge a half-year Levy as part of its continued response to the pandemic and to try to help industry through the uncertain period. Having delayed the 2019 Levy to August 2020 and with a base collection period up to June 2021, the 2020 half-year Bulk Assessment was issued in August 2021 with a base collection period up to February 2022.

The resulting income, however, was more than half of the previous year, as we managed to collect more cash from employers than anticipated, not only against the 2020 Assessment but also against outstanding debt from prior years' assessments. The £7.9m positive adjustment reflects the additional cash collected and collectable against those prior years. The provision for bad debts and debt write-offs charged in the year has fallen, mainly to reflect the half-year value of the Levy Assessment but also to reflect the better than anticipated collection success, both to date and anticipated.



3. MATERIAL CASH SUPPORT PAYMENTS IN RESPECT OF TRAINING

Accounting and Reporting by Charities: Statement of Recommended Practice FRS 102 requires material grants made to be disclosed. Disclosure must include the name of the recipient and the aggregate amount of grants made to that recipient. The material payments for 2021-22 are disclosed below:

RECIPIENT	2021-22
	£'000
Royal BAM Group Nv	1,777
O'Rourke Investments Plc	1,708
Taylor Wimpey Plc	1,609
Barratt Developments Plc	1,369
Kier Group Plc	1,319
Persimmon Plc	1,139
Procure Plus Holdings Ltd	1,120
O'Halloran & O'Brien Ltd	998
The Skills Centre London Ltd	938
Transport for London	865
West Midlands Combined Authority	826
Vinci	819
Balfour Beatty Plc	593
Cyfle Building Skills Ltd	561
Hampshire County Council	527
Other recipients	81,007
TOTAL PAID OR OFFSET DURING THE YEAR	97,175

For comparative purposes, the material payments for 2020-21 were:

RECIPIENT	2020-21
	£'000
Taylor Wimpey Plc	1,805
Kier Group Plc	1,790
Transport for London	1,764
Royal BAM Group nv	1,563
Procure Plus Holdings Ltd	1,187
Hampshire County Council	1,185
O'Halloran & O'Brien Ltd	935
University of Wales Trinity St David	838
Southend-on-Sea Borough Council	779
Redrow Plc	747
The Skills Centre London Ltd	652
O'Rourke Investments Plc	601
London Borough of Barking & Dagenham	595
Persimmon Plc	561
London Borough of Camden	529
Other recipients	78,947
TOTAL PAID OR OFFSET DURING THE YEAR	94,478

4. EXPENDITURE ON CHARITABLE ACTIVITIES

ACTIVITY	Activities directly undertaken	Grant funding activities	Support costs	2021-22 total	2020-21 total
	£'000	£'000	£'000	£'000	£'000
Training and Development	43,995	97,165	23,327	164,487	167,771
Careers	517	10	564	1,091	885
Standards and Qualifications	2,434	-	2,712	5,146	5,517
Engagement and Evidence Base	2,237	-	754	2,991	12,585
TOTAL	49,183	97,175	27,357	173,715	186,758

Grant funding of **£97.2m (2020-21: £94.5m)** is split into two elements as below (also referenced on page 25):

Main Grants Scheme

£78.8m

(2020-21: £66m)

Programme-based funding

(incorporating structured and flexible funding)

£18.4m

(2020-21: £28.5m)



5. SUPPORT COSTS

SUPPORT COST	Training and Development	Careers	Standards and Qualifications	Engagement and Evidence	2021-22 Total	2020-21 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Change	1,770	33	194	44	2,041	5,037
Technology (IT)	7,210	133	792	181	8,316	8,470
Communications and marketing	1,759	32	193	44	2,028	3,506
Estates	4,272	240	790	314	5,616	5,664
Strategy and policy	1,665	31	183	42	1,921	2,864
Finance	2,079	38	228	52	2,397	2,501
Human resources	1,843	34	202	46	2,125	2,476
Commissioning	527	10	58	13	608	583
Grant support costs	1,554	-	-	-	1,554	1,098
Legal and governance	1,559	29	171	39	1,798	871
Other corporate costs	(911)	(16)	(99)	(21)	(1,047)	4,129
TOTAL	23,327	564	2,712	754	27,357	37,199

Other corporate costs include the reversal of the provision against the CPCS divestment debtor that arose when it was sold to NOCN in 2018-19. A settlement of £1.3m was received in December 2021 from NOCN against the amount outstanding. Following this receipt, the provision against the debtor was reversed, which created a negative balance in other corporate support costs.

6. EXPENDITURE

THE NET MOVEMENT IN FUNDS FOR THE YEAR WAS ARRIVED AT AFTER CHARGING/(CREDITING)	2021-22	2020-21
	£'000	£'000
Loss/(Profit) on disposal of fixed assets	6	(167)
Rentals paid under operating leases		
Hire of plant and machinery	256	129
Other operating leases	1,027	1,380
Statutory external auditor fee	190	198
Other assurances (internal audit)	310	216
Depreciation on owned assets	605	466
Interest payable on borrowings	49	103
Indemnity insurance	101	18



7. TANGIBLE FIXED ASSETS

a) Summary

	Freehold property	Plant and machinery	Vehicles	Computer and office equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost or Valuation					
1 April 2022	10,450	8,120	322	7,111	26,003
Additions	-	-	-	-	-
Disposals	-	(233)	(69)	(3,149)	(3,451)
Transfers	-	-	-	-	-
Revaluation	200	-	-	-	200
31 MARCH 2022	10,650	7,887	253	3,962	22,752
Depreciation					
1 April 2021	-	6,834	322	7,071	14,227
Charges during year	204	379	-	22	605
Disposals	-	(233)	(69)	(3,143)	(3,445)
Revaluation	(204)	-	-	-	(204)
31 MARCH 2022	-	6,980	253	3,950	11,183
Net book value					
31 MARCH 2022	10,650	907	-	12	11,569
31 MARCH 2021	10,450	1,286	-	40	11,776

Freehold property includes both land and buildings.

(b) Historical cost information

If the valuations had not been included, then freehold property would have been included at the following amounts:

	2021-22	2020-21
	£'000	£'000
Cost	19,302	19,302
Accumulated depreciation	(5,386)	(5,182)
TOTAL	13,916	14,120

(c) Freehold property

	2021-22	2020-21
	£'000	£'000
Freehold land valuation	3,405	3,405
Freehold property valuation	7,245	7,045
Accumulated depreciation freehold property valuation only	-	-
TOTAL	10,650	10,450

(d) Revaluation

An independent valuation of all CITB freehold property was carried out by Montagu Evans LLP. The valuation as at 31 March 2022 was based on the principles of fair value and prepared upon existing use valuation.

(e) Capital commitments

There were £Nil capital commitments as at 31 March 2022 (2020-21: £Nil).

(f) Tangible fixed assets 2020-21 (comparative table)

	Freehold property	Plant and machinery	Vehicles	Computer and office equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost or Valuation					
1 April 2020	11,139	8,819	401	9,022	29,381
Additions	-	-	-	-	-
Disposals	(939)	(699)	(79)	(1,911)	(3,628)
Transfers	-	-	-	-	-
Revaluation	250	-	-	-	250
31 MARCH 2021	10,450	8,120	322	7,111	26,003
Depreciation					
1 April 2021	1	7,132	401	8,920	16,454
Charges during year	193	401	-	62	656
Disposals	(4)	(699)	(79)	(1,911)	(2,693)
Revaluation	(190)	-	-	-	(190)
31 MARCH 2021	-	6,834	322	7,071	14,227
Net book value					
31 MARCH 2021	10,450	1,286	-	40	11,776
31 MARCH 2020	11,138	1,687	-	102	12,927

8. DEBTORS

	2021-22	2020-21
	£'000	£'000
Levy debtors	103,040	144,654
Less: provision for bad debts	(97,505)	(76,515)
TOTAL LEVY DEBTORS	5,535	68,139
Trade and other debtors	2,077	3,406
Less: provision for bad debts	(273)	(401)
TOTAL TRADE AND OTHER DEBTORS	1,804	3,005
Accrued income	1,590	6,403
Prepayments	892	1,056
TOTAL DEBTORS	9,821	78,603
Debtor due in more than one year	-	-
Debtor due within one year	9,821	78,603

As stated in the Accounting Policies (see Note 1), CITB writes off Levy debts only when it has evidence that an employer has become insolvent, has ceased to trade, has been dissolved or, having made all reasonable efforts to locate the debtor, is untraceable. We do provide for bad debts where we believe Levy will not be collected.

Generally, collection of the Levy has been much better than anticipated, as the impact of the pandemic on the financial wellbeing of the construction industry was less significant than feared. Issuing a half-year Levy obviously meant that our income was significantly less than expected. However, having adjusted our spending plans and our operating cost base in response to the situation, as well as the fact that grant and funding claims have fallen over the period of the pandemic, we have had sufficient funds to enable us to operate as normal. The key estimate required is how much of the £103m debt outstanding at the year-end will be collected in the fullness of time. We have followed our normal

methodology, which is based on age, but adjusted it to reflect the cash collection experience in 2021-22.

Levy debtors and income are stated net of a provision for reassessment of £39.7m (2020-21: £56.2m). This amount has continued to reduce in 2021-22, as an additional year of the new estimating process is included in the calculation. Up until the 2017 Levy year, estimates were sent out at the same value for all employers. From 2017 Levy year onwards, we have banded estimates according to anticipated size of the employer and this has reduced the adjustment required to initial assessments when the estimate becomes bona fide.

Also, in 2021-22, we have been able to cancel £8m of estimated assessments in relation to the Guild of Construction and reissue the invoices as bona fide assessments. We still do not anticipate collecting this money but it has moved the value from the reassessment provision to the bad debt provision.

The decreases in debt reflect the fact that the Levy Assessment collection period has ended before the year-end, whereas in 2020-21 the Assessment collection period ran in to the following year and also the fact that in this financial year we raised a half-year Levy. The increase in bad debt provision is due, in part, to the improvement in the estimating process reducing the anticipated need for reassessment by £7.8m which has had an equal and opposite impact on the general bad debt provision.

There is also the cancellation of £8.7m of debt previously in the reassessment provision, which has been replaced with invoices totalling £8m which are included in the bad debt provision, relating to Guild of Construction. The remaining increase in the provision is a general pessimism about our ability to collect Levy Debt in the current economic climate. Although collection has been better than anticipated, it is still below pre-pandemic levels.

9a. INVESTMENTS

ANALYSIS OF MOVEMENT OF INVESTMENTS	2021-22	2020-21
	£'000	£'000
Market value at beginning of period	-	29,897
Additions	-	1,258
Disposals	-	(31,847)
Gain/(loss) on investments	-	692
MARKET VALUE AT END OF PERIOD	-	-

9b. CASH AND CASH EQUIVALENTS

ANALYSIS OF MOVEMENT OF INVESTMENTS	2021-22	2020-21
	£'000	£'000
Cash at bank and in hand	117,259	90,464
Cash equivalents	-	-
TOTAL CASH AND CASH EQUIVALENTS	117,259	90,464

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021-22	2020-21
	£'000	£'000
Trade creditors	2,071	931
Borrowings	-	10,000
Taxation and social security	609	726
Deferred income	1,674	5,030
Accruals		
Grant funding	2,997	7,537
Other	8,527	12,297
TOTAL CREDITORS	15,878	36,521

Deferred income analysis

Income has been deferred where cash has been received for services in the financial year, but for which associated activities will not be carried out until subsequent accounting periods.

	2021-22	2020-21
	£'000	£'000
Balance carried forward at start of year	5,030	8,462
Deferred income in current year	1,674	5,030
Prior year released	(5,030)	(8,462)
CLOSING BALANCE	1,674	5,030

In 2020-21, CITB borrowed £10m from the Department for Education to ensure there was minimal disruption to operations from the Covid-19 pandemic. Strong Levy receipts meant that this loan was not required, and it was subsequently repaid early in 2021-22.

11. PROVISIONS FOR LIABILITIES AND CHARGES

	Grant provision	Redundancy provision	Other provisions	ESFA repayment provision	Total provisions	Total provisions
	£'000	£'000	£'000	£'000	£'000	£'000
	2021-22	2021-22	2021-22	2021-22	2021-22	2020-21
Balance as at period start	20,740	1,590	2,211	-	24,541	28,511
Utilised	(20,740)	(611)	(2,150)	-	(23,501)	(26,579)
Released provisions	-	(641)	(5)	-	(646)	(1,392)
Additional provisions	19,774	576	2,190	5,900	28,440	24,001
BALANCE AS AT PERIOD END	19,774	914	2,245	5,900	28,834	24,541

GRANT PROVISIONS

CITB pays out grants to employers to fund relevant training. There is naturally a gap between the grant being earned (i.e. the learner has had their training) and the claim being received by CITB. Therefore, at the year-end we make an assessment for the amount of provision that is required to account for grants earned but as yet not claimed.

- Apprenticeship grant provisions are based on expected claims for known named apprentices with confirmed start dates
- Short duration training grant and qualification grant provisions are based on recent historical experience. Covid-19 has seen a decrease in short duration training and qualification grant claims, as many classes have been suspended and those that have operated have had reduced numbers. This has meant that the provisions are reduced when compared to previous years.

REDUNDANCY PROVISION

A restructuring provision has been made to account for the expected redundancy costs associated with the proposed restructure of the National Construction College and the Apprenticeship areas.

OTHER PROVISIONS

CITB funds relevant training to the construction industry. There is naturally a gap between the funding being earned and the claim being paid by CITB. Claims are submitted with evidence of completeness, which have to be verified and processed. Therefore, at year-end we make an assessment for the amount of provision that is required to account for funding earned but as yet not paid.

The fund provisions relate to the Skills and Training (Small) Fund, the Skills and Training (Medium) Fund and the Leadership and Management Development Fund.

Other provisions also include small dilapidation provisions.

ESFA REPAYMENT PROVISION

A provision has been made following the outcome of an ESFA audit regarding a non-compliance with our data submissions to support apprenticeship funding. The outcome of the audit of the 2020-21 contract year, verbally communicated to CITB just prior to the 2021-22 year-end, has resulted in a request for repayment from ESFA of £1.6m and a further audit in to both 2018-19 and 2019-20.

As the result of those audits is as yet un-determined, we have taken the prudent approach to provide for a total of £5.9m based on an extrapolation of the ESFA calculation,

amended following detailed investigation by CITB, and that being our assessment of the most likely outcome at the date these accounts were signed. However, if ESFA do not accept our findings, the extrapolation when applying ESFA's un-amended error rate from the 2020-21 audit over the three years would give a total liability of £10.3m and so we have disclosed a contingent liability of a further £4.4m, representing our best estimate of the possible additional monies due to ESFA from the ongoing 2018-19 and 2019-20 audits.

Discussions are ongoing between CITB and ESFA on the potential repayment, if any, due. CITB acknowledges that the audit trail to demonstrate funding conditions

had been met was not present at the required level for all apprentices, but we consider that we have met the funding terms in the delivery of the required outcomes for apprentices and their training needs. In response to the 2020-21 audit findings, we have amended our processes to ensure that we have sufficient evidence of the required administrative processes from now on and ESFA have acknowledged the improvements.

The 2021-22 financial statements represent management's best estimate of the likely and possible monies due to the ESFA, but we note the uncertainties present within the provision recognised and contingent liability disclosed.

12. 2020-21 RESTRICTED AND UNRESTRICTED FUNDS

INCOME	2020-21 restricted	2020-21 unrestricted	2020-21 total
	£'000	£'000	£'000
Income from charitable activities	-	-	-
Levy income	-	191,942	191,942
Non-Levy income			
Training and Development	36,170	21,314	57,484
Careers	-	(15)	(15)
Standards and Qualifications	-	214	214
Engagement and Evidence Base	-	1	1
Other	-	(137)	(137)
TOTAL NON-LEVY INCOME	11,634	30,021	41,655
Income from investments	-	175	175
Income from Government grants	4,393	-	4,393
Other income	-	191	191
TOTAL INCOME	40,563	213,685	254,248

EXPENDITURE	2020-21 restricted	2020-21 unrestricted	2020-21 total
	£'000	£'000	£'000
Expenditure on raising funds	16	2,077	2,093
Expenditure on charitable activities			
Training and Development	105,168	62,603	167,771
Careers	8	877	885
Standards and Qualifications	499	5,018	5,517
Engagement and Evidence Base	1,054	11,531	12,585
TOTAL EXPENDITURE ON CHARITABLE ACTIVITIES	106,729	80,029	186,758
Expenditure from trading activities	-	39	39
Other expenditure	-	(440)	(440)
TOTAL EXPENDITURE	106,745	81,705	188,450
Net loss/(gain) on revaluation of investments	-	692	692
Net income/(expenditure)	(66,182)	132,672	66,490
Transfer from unrestricted fund	66,182	(66,182)	-
Net movement in funds	-	66,490	66,490

The above results include all recognised gains and losses and are derived from continuing activities. The notes 1 to 23 on pages 64 to 93 form an integral part of these accounts.

13. ACCUMULATED FUNDS

	2021-22 general reserve	2021-22 fixed asset revaluation reserve	2021-22 total unrestricted funds	2020-21 total unrestricted funds
		£'000	£'000	£'000
Opening balance	120,733	-	120,733	54,243
Net movement in funds	(26,480)	-	(26,480)	66,490
CLOSING BALANCE	94,253	-	94,253	120,733

Accumulated funds 2020-21 (comparative table)	2021-22 general reserve	2021-22 fixed asset revaluation reserve	2021-22 total unrestricted funds	2020-21 total unrestricted funds
		£'000	£'000	£'000
Opening balance	54,243	-	54,243	64,823
Net movement in funds	66,490	-	66,490	(10,580)
CLOSING BALANCE	120,733	-	120,733	54,243

The accumulated unrestricted fund is available for use at the discretion of the Board in furtherance of the general objectives of the charity.

14. GROSS CASH FLOWS BY CATEGORY

	2021-22	2020-21
	£'000	£'000
Returns on investment and servicing of finance		
Interest received on investments	-	175
Capital expenditure		
Receipts from sales of tangible fixed assets	-	1,102
Management of liquid resources		
Placed on deposit and purchase of externally managed investments	-	(1,258)
Deposit withdrawals and sale of externally managed investments	-	31,847



15. ITB PENSION FUND



CITB is a participating employer in the ITB Pension Fund Scheme, which has two sections: The two sections are:

1. The '2007 Section', a defined benefit scheme for staff who joined before 1 January 2013. As at 31 December 2016, all current members of the defined benefit scheme became deferred members of the scheme and were transferred across to the 'Defined Contribution Section' and the scheme closed to future accrual.

The most recent triennial valuation of the scheme was performed as at 31 March 2019.

The principal future assumptions used are:

- A discount rate being gilt yield curve +0.15%
- A dual discount rate reverted back in 2019 to same pre-post retirement rate being gilt yield curve +0.15%
- Real rate of return (net of Consumer Prices Index, CPI) would be -0.9% p.a.
- Nominal rate of investment return on assets would be 1.4% p.a.
- Rate of future pension increases for the 2007 section would be in line with the CPI, assumed to be 0.9% lower than the Retail Prices Index (RPI)
- Rate of future pension increases for the new and 2007 sections would be in line with the RPI, subject to a cap of 5% for benefits accrued before 6 April 2005 and 2.5% for benefits accrued on and after 5 April 2005. RPI inflation is implied by a gilt curve and rates of increase are assumed to be on average 0.9% a year less than RPI.

The 2019 triennial valuation indicated that the actuarial value of the assets helped by the scheme in total showed a surplus of £21m against the scheme liabilities on a statutory funding basis. There were no deficit funding contributions paid to the scheme in the 12-month period (2020-21: £Nil).

2. The 'Defined Contribution Section' is a defined contribution scheme for staff who joined on or after 1 January 2013.

As the '2007 Section' is a multi-employer scheme for which CITB's proportion of assets and funding/liabilities cannot be separately identified, the Charity SORP (FRS 102) requires it to be accounted for as a defined contribution plan.

The range for employee contributions is 4%-7% (2020-21: 4%-7%), and the employer contributions will match the employee contribution plus 2% but are capped at 9% (2020-21: 9%). Expenses related to the CITB defined contribution scheme are attached to individual employees and allocated across activities on the same basis as total employee costs. These expenses are funded from unrestricted reserves.

As shown in Note 18, employer's pension contributions totalled £1.9m for 2021-22 (2020-21: £2.5m).

16. LEASE COMMITMENTS

CITB is committed to the following annual payments under non-cancellable operating lease agreements:

	Land and buildings	Other	Land and buildings	Other
	£'000	£'000	£'000	£'000
OPERATING LEASES				
Leases expiring within 1 year	128	239	492	485
Leases expiring within 2-5 years	-	179	164	133
Leases expiring after 5 years	-	-	-	-
AS AT 31 MARCH	128	418	656	618

17. BOARD MEMBERS' REMUNERATION

Remuneration of Board members was as follows:

	2021-22	2020-21
	£'000	£'000
CHAIRMAN – PETER LAUENER	22,725	20,250

The authority under which payments were made to the Chairman is contained within the Industrial Training Act 1982.

Expenses paid to Board members during 2021-22 amounted to £270 (2020-21 £nil) in respect of travel and subsistence. The total number of recipients was two (2020-21 nil). No material expenses were waived by Board members during this period.

18. PARTICULARS OF STAFF

During the period, the average number (across the year) of staff directly and temporarily employed by CITB (expressed in full-time equivalents) was as follows:

	Directly employed	Temporary	2021-22 total	2020-21 total
TOTAL	640	4	644	764

During the period, the following costs were incurred in respect of the above:

	2021-22	2021-22
	£'000	£'000
Salaries of directly employed staff	26,638	29,011
Temporary staff costs	1,517	1,525
Redundancy cost	(32)	1,259
Social security costs	2,959	3,154
Pension costs	1,879	2,477
TOTAL	32,961	37,426

The remuneration, pension entitlements and pension transfer values of CITB's senior directors can be found in the Remuneration Report on pages 94 to 101.

A £1.6m redundancy provision was made at the end of 2020-21, therefore the above redundancy cost in 2021-22 represents the net release of this provision following reassessment of estimated redundancy costs in 2021-22. During the period, no grants were claimed under the Government's Coronavirus Job Retention Scheme (CJRS) (2020-21: £4.4m). In 2020-21, an accrual was made for the CJRS grant income expected in relation to the March 2021 claim. The amount received in April 2021 was £7k lower than the amount accrued.



The number of employees whose emoluments exceeded **£60,000**, including benefits in kind but excluding pension contributions, are outlined within the ranges shown below.

The total employer contributions paid in 2021-22 to the defined contribution section of the ITB Pension Fund in respect of those employees earning over **£60,000** was **£302,912** (2020-21: **£428,350**).

	2021-22	2020-21
£60,001 - £70,000	35	43
£70,001 - £80,000	10	16
£80,001 - £90,000	8	7
£90,001 - £100,000	3	3
£100,001 - £110,000	2	1
£110,001 - £120,000	2	-
£120,001 - £130,000	2	-

Grade	2021-22			2020-21		
	Male	Female	Total	Male	Female	Total
Chief Executive	1	-	1	-	1	1
Director	2	2	4	3	-	3
Grade A	11	9	20	10	11	21
Grade B	24	16	40	26	16	42
Grade C	40	50	90	43	41	84
Grade D	57	58	115	57	49	106
Grade E	106	77	183	102	64	166
Grade F	55	86	141	74	120	194
Grade G	14	31	45	7	38	45
Grade H	3	3	6	8	5	13
TOTAL	313	332	645	330	345	675

Details of staff sickness absence and off-payroll engagements are shown in the Remuneration Report (page 101).

Details of staff leaving the organisation during 2021-22 for whom contractual redundancy exit packages were payable are:

Exit package cost band	Number of compulsory redundancies		Number of other agreed departures		Total number of exit packages by cost band	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
<£10,000	6	22	-	-	6	22
£10,001-£25,000	8	17	-	1	8	18
£25,001-£50,000	8	38	-	-	8	38
£50,001-£100,000	4	4	-	-	4	4
Total number of exit packages	26	81	-	1	26	82
TOTAL COST £	667,934	1,888,232	-	11,800	667,934	1,900,032



19. TAXATION

As a registered charity, CITB is exempt from corporation tax on its charitable activities under section 505 of the Income and Corporation Taxes Act 1988. However, incoming resources include income that is deemed to be of a non-charitable nature, resulting in a loss of £2,856 (2020-21: loss of £33,131). This has given rise to a corporation tax liability of £Nil (2020-21: £Nil).

20. RELATED PARTY TRANSACTIONS

The sponsoring department for CITB is Department for Education (DfE). During 2021-22, there were some material transactions with other entities for which DfE is regarded as the parent department, namely the Education and Skills Funding Agency. There have also been material transactions with DfE themselves.

	Income recognised by CITB		Owing to CITB	
	£'000	£'000	£'000	£'000
	2021-22	2020-21	2021-22	2020-21
ESFA	1,523	13,443	1,053	2,082
SDS	-	10,083	-	1,568
WG	-	4,954	-	424
DfE	2,506	4,108	-	-

	Expenditure recognised by CITB		Owed by CITB	
	£'000	£'000	£'000	£'000
	2021-22	2020-21	2021-22	2020-21
ESFA	-	-	5,900	-
SDS	-	2,139	-	2,139
WG	-	-	-	-
DfE	49	2,562	-	15,404

In addition, some members of the Board hold positions of influence and decision-making with organisations with which CITB has transacted during the year. Details of such positions and employments are declared in the following appendices to this report:

- Appendix A (pages 103 to 106) lists the members of the Board and its Committees, also giving the names of their employers.
- Appendix C (pages 109 to 110) shows the register of interests of Board members.

The transactions in the following tables comprise the receipt of Levy and income from the sale of training-related products and services, and the payment of grants and payments for the purchase of materials and services to the organisations classified as related parties.

	Income recognised by CITB		Amounts owing to CITB at period end	
	£'000	£'000	£'000	£'000
	2021-22	2020-21	2021-22	2020-21
Levy	417	949	-	414
Sale of training-related products and services	-	1	-	-
TOTAL	417	950	-	414

	Expenditure recognised by CITB		Amounts owed by CITB at period end	
	£'000	£'000	£'000	£'000
	2021-22	2020-21	2021-22	2020-21
Payment of grants	7	32	10	17
Purchase of materials and services	-	-	-	-
TOTAL	7	32	10	17

During the year, no key manager, employee or other related party has undertaken any material transactions with CITB other than remuneration, as disclosed in the Remuneration Report and staff costs notes. All of the transactions were under normal terms and carried out at arm's length. No funds were held as an agent.

21. LOSSES AND SPECIAL PAYMENTS

During the year, no special payments were made and there were no reportable losses over £300,000. Total bad debts written off during the year amounted to £6m, from 1,261 individual items (2020-21: £2.7m, from 524 individual items).

22. CONTINGENT LIABILITIES

A contingent liability of £4.4m exists, representing our best estimate of the possible additional monies due to ESFA from the ongoing 2018-19 and 2019-20 audits as disclosed in note 11 (page 81).

23. REMOTE CONTINGENT LIABILITIES

As part of our ten-year contract with SSCL, CITB has agreed to compensate SSCL should we exit early. As at 31 March 2022, in the unlikely event that CITB were to cancel the contract, there would be a maximum liability of £1.8m to compensate SSCL for investment in systems and people due to be used over the life of the contract to 2029.

SSCL has a duty to mitigate any losses and, in the normal course of events, CITB will be paying SSCL this money as part of the contract delivery. As at the following year-end, 31 March 2023, the maximum liability remains £1.9m.

24. EVENTS AFTER THE BALANCE SHEET DATE

There have been no events after the balance sheet date requiring an adjustment to the financial statements. On 29 April 2022 CITB was granted a new three-year levy order enabling us to raise a Levy Assessment for 2022-23 through to 2024-25. This secures our income stream for three years and ensures our ability to produce these financial statements as a going concern.

A provision has been made for the anticipated outcome of an ESFA audit regarding a non-compliance with our data submissions. The outcome of an audit in to the 2020-21 contract year has resulted in a repayment of £1.6m and instigated a further audit in to 2018-19 and 2019-20.

As the result of those audits is as yet un-determined we have taken the prudent approach to provide for a total of £5.9m, as the breach is a procedural one and we had not amended our procedures in that time frame.

The financial statements were authorised for issue on the date the Comptroller and Auditor General signed. Events after this date have not been considered and the charity's Trustees do not have the power to amend the financial statements after issue.

REMUNERATION REPORT

MEMBERSHIP

The Nomination, Appointments and Remuneration Committee is a Committee of the Board. Its terms of reference provide, among other matters, that the Committee will advise and provide assurance to the Board on senior appointments, the remuneration policy, succession planning of the Executive and Leadership teams, and the monitoring of people-based key performance indicators against the 2021-25 Strategic Plan.

The Committee normally has three Board Trustees, one of whom is appointed as Chair. The CEO, Corporate Performance Director and People Director provide information to the Committee to inform its decisions.

POLICY ON THE REMUNERATION OF DIRECTORS

Individual remuneration for Executive directors is reviewed annually with regard to external market changes and an assessment of individual performance, evidenced by the performance management process. Individual performance payments, which are not consolidated into annual salaries, are set within a range from 0%-10% of basic pay for the directors, excluding the CEO, for whom the range is normally 0%-15%. As Sarah Beale agreed to work an extended notice period to allow CITB to recruit a successor and have a sufficient handover period, a bonus of £30,000 was paid in 2021-22.

All employees, including directors, are eligible for membership of the ITB Pension Fund Scheme.

Performance bonuses may be paid annually to all staff. Any bonuses are paid after the financial year-end but relate to performance in the preceding financial year, therefore are recognised on an accruals basis within the financial statements.



POLICY ON CONTRACTS, NOTICE PERIODS AND TERMINATION PAYMENTS

All the directors are permanent employees of the organisation and have a notice period of six months.

Termination payments, if applicable, are paid in accordance with CITB contractual terms and conditions. No additional or discretionary payments are made outside of contractual terms.

NON-CASH REMUNERATION

With the exception of company cars, health insurance, dental insurance and critical illness cover (the last two are not provided as a right of office), no non-cash remuneration is provided. The provision of company cars and health screening are part of the standard terms and conditions of employment for senior grades of staff. As alternatives, a cash option for cars and a business mileage allowance are paid.

SALARY AND PENSION ENTITLEMENTS

The sections on the following pages provide details of the remuneration for the year and the pension benefits of the most senior members of CITB staff.

BOARD MEMBERS' REMUNERATION

The Nomination, Appointments and Remuneration Committee is not responsible for considering Board members' remuneration. Of the Board members, only the Chairman receives remuneration, which is determined by the Department for Education in line with the Industrial Training Act 1982.





TIM BALCON

Chief Executive

Tim joined CITB as CEO in September 2021, bringing with him a strong track record in developing skills, training and organisations. Tim hails from a construction background and has extensive experience in leading professional and membership bodies, as well as widespread knowledge of the education sector. Tim is driven by the need to modernise construction, get us closer to net zero, and plans to move CITB forward into a new era.



ADRIAN BECKINGHAM

Corporate Performance Director

Adrian became CITB's Corporate Performance Director in January 2019. Adrian has enjoyed a variety of senior roles during his 20 years at CITB. Posts include: Head of IT, Head of Business Improvement and, most recently, Change Director, leading the delivery of the Vision 2020 programme. Accountable for driving effectiveness and efficiency, he leads our corporate services, including communications, contracts and commissioning, HR, change and technology, and finance. Adrian is committed to driving improvements in customer experience and operational efficiency.



EMMA BLACK

Legal, Governance and Compliance Director

Emma joined CITB in 2017 as General Counsel and Board Secretary and was appointed to the Executive team in January 2021 as Legal, Governance and Compliance Director. As well as her executive responsibilities, Emma's accountabilities include key liaison with the Department for Education sponsorship team, oversight of all legal matters and corporate governance. This covers delivery of Board and Committee activity and the internal audit and risk function. Emma is passionate about driving continuous improvement across the business, good governance and investment in people.



JACKIE DUCKER

Customer and Product Director

Jackie held a range of business improvement, collaboration, growth and customer experience leadership roles before joining CITB in July 2021. As Customer and Product Director, she leads our engagement with industry, ensuring construction businesses receive the support and advice they need, as well as overseeing products such as the Training Directory and Go Construct. Jackie is enthusiastic about the end-to-end experience of our customers and improving our engagement with all internal and external stakeholders.



STEPHEN RADLEY

Strategy and Policy Director

Steve left CITB on 31 March 2022.

Payments to the Chair are authorised under Schedule 1(4) of the Industrial Training Act 1982. No other Board members are remunerated. Note 17 – Board members' remuneration (page 87) provides the Chairman's Remuneration as well as Board members' expenses.

The aggregate total of employee benefits received by the Trustees and key management personnel for their services to CITB during the year was

£819,667

2021-22 Remuneration (audited)

	Salary	Benefits in kind	Bonus	Pension benefits	2021-22 total
	£'000	To nearest £100	£'000	£'000	£'000
TIM BALCON Chief Executive	90-95	400	-	5.4	100-105
SARAH BEALE Chief Executive	90-95	2,100	25-30	7.6	130-135
STEPHEN RADLEY Strategy and Policy Director	115-120	2,400	-	6.7	125-130
BRADEN CONNOLLY Products and Customer Services Director	95-100	800	-	3.4	100-105
ADRIAN BECKINGHAM Corporate Performance Director	105-110	200	-	9.8	115-120
EMMA BLACK Legal, Governance and Compliance Director	105-110	1,800	-	9.1	115-120
JACKIE DUCKER Customer and Product Director	90-95	100	-	7.1	95-100

The full-year equivalent annual salary bandings (£'000) of those who left during 2021-22 were:

Sarah Beale: 155-160

Braden Connolly: 115-120

The full-year equivalent annual salary bandings (£'000) of those who joined during 2021-22 were:

Tim Balcon: 160-165

Jackie Ducker: 120-125

An outplacement support package was provided to Stephen Radley to help him transition to the next stage of his career. This package cost CITB £2,940.

2020-21 Remuneration (audited)

	Salary	Benefits in kind	Bonus	Pension benefits	2020-21 total
	£'000	To nearest £100	£'000	£'000	£'000
SARAH BEALE Chief Executive	135-140	5,300	-	12.4	155-160
STEPHEN RADLEY Strategy and Policy Director	105-110	2,100	-	6.0	115-120
MARK NOONAN Industry Relations Director	40-45	100	-	2.5	40-45
BRADEN CONNOLLY Products and Customer Services Director	105-110	1,400	-	8.7	115-120
ADRIAN BECKINGHAM Corporate Performance Director	100-105	200	-	8.7	110-115
EMMA BLACK Legal, Governance and Compliance Director	25-30	-	-	2.1	25-30

The full-year equivalent annual salary bandings (£'000) of those who left during 2020-21 were:
Mark Noonan: 110-115

The full-year equivalent annual salary bandings (£'000) of those who joined during 2020-21 were:
Emma Black: 100-105

Salary includes gross pay, payments in lieu of car and luncheon allowance. Benefits in kind includes the use of allocated cars, flexible benefits (including critical illness cover and dental insurance) and medical insurance. For members who accrue only defined contribution pension benefits, the value represents the total of employer contributions paid in respect of the individual.

FAIR PAY DISCLOSURES (AUDITED)

CITB is required to disclose the relationship between the remuneration of its highest-paid director and the **lower quartile**, **median** and **upper quartile** remuneration of the organisation's workforce (based on full-time equivalents).

Highest paid director ratios compared to the organisation's workforce	2021-22	2020-21
	£'000	£'000
Highest-earning executive director's total remuneration	160-165	140-145
Median total remuneration	39,463	37,993
Ratio of remuneration of highest earning executive to remuneration of employee on lower quartile	4.7:1	4.2:1
Ratio of remuneration of highest earning executive to median remuneration	4.1:1	3.8:1
Ratio of remuneration of highest earning executive to remuneration of employee on upper quartile	3.4:1	3.2:1

The slight increase in these ratios year on year was due to the highest paid director taking a voluntary pay cut of 20% during May to September 2020 during the height of the Covid-19 pandemic.

The percentage increase from the previous financial year for salary and allowances of the highest paid director was 14.45%.

The highest paid director did not receive performance pay or bonuses in 2021-22 or 2020-21.

The percentage increase from the previous financial year for average salary and allowances for all FTE employees was 3.43%. The increase was due to more senior appointments in the year along with the prior year including the 20% voluntary pay cut taken by the directors.

The average performance pay and bonus increase for FTE employees in 2021-22 was 100% due to no bonuses being paid in 2020-21 in light of Covid-19 and financial pressures.

In 2021-22, no employees received remuneration in excess of the highest-paid director (2020-21: Nil).

Note: in line with fair pay guidance, the remuneration stated above excludes pension benefits.

EMPLOYEES REPRESENTING EACH QUARTILE OF PAY

Quartile	2021-22		2020-21	
	Total pay & benefits	Salary	Total pay & benefits	Salary
	£'000	£'000	£'000	£'000
Lower quartile	35	30	34	29
Median	39	34	38	34
Upper quartile	48	42	45	40

Total pay and benefits year on year remained relatively unchanged. The slight increase in the upper quartile is a result of more senior appointments in the year.

Full-time equivalent remuneration ranged from £19k to £163k (2020-21: £15k to £143k).

Details of staff sickness absence is as follows:

2021-22		2020-21	
Days lost	Absence rate	Days lost	Absence rate
6,653	4.11%	3,659	1.87%

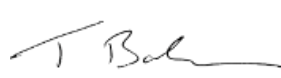
The absence rate is calculated as a percentage of those staff available to work.

Off-payroll engagements as at 31 March 2022, for more than £245 per day	2021-22
Number of existing engagements as at 31 March 2022	5
of which:	
less than one year at time of reporting	4
between one and two years at time of reporting	1
Off-payroll workers engaged at any point during the year ended 31 March 2022 and earning at least £245 per day	2021-22
Number of off-payroll workers engaged during the year ended 31 March 2022	5
of which:	
number determined as in-scope of IR35	5
number determined as out-of-scope of IR35	-

All off-payroll engagements as at 31 March 2022, for more than **£245 per day** were subject to off-payroll legislation and determined as in-scope of IR35.



Peter Lauener
Chairman
28 October 2022



Tim Balcon
Accounting Officer
28 October 2022

PROFESSIONAL ADVISERS

BANKERS

Barclays Bank Plc
17 Market Place
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Norfolk
NR21 9BE

LEGAL ADVISERS

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

INVESTMENT ADVISERS

J.P. Morgan
1 Knightsbridge
Belgravia
London
SW1X 7LX

PRINCIPAL OFFICE

See Appendix E (page 112)
for details of principal and
registered offices.

AUDITORS

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



APPENDICES

Appendix A: Membership of the Board and its Committees

First name	Surname	Employer	CITB Board	Audit and Risk Committee	Nomination, Appointments and Remuneration Committee	Industry Funding Committee	Levy Strategy Committee	Cymru Wales Nation Council	England Nation Council	Scotland Nation Council
Bola	Abisogun	DiverseCity Surveyors							Appointed September 2021	
Nicola	Barclay	Homes for Scotland								Tenure ended August 2021
Diane	Bourne	Eric Wright Civil Engineering							Tenure ended August 2021	
Mark	Bramley	Pat Munro (Alness) Ltd								Tenure ended August 2021
Liz	Bridge	Joint Taxation Committee					Resigned December 2021			
Karen	Brookes	Sir Robert McAlpine							Y	
Craig	Bruce	Pert Bruce Construction					Resigned November 2021			Y
Chris	Carr	Carr and Carr (Builders) Ltd							Y	
Gareth	Davies	Knox and Wells Ltd					Y	Y		
Ian	Dickerson	Kier Group Plc				Resigned September 2021			Appointed September 2021	
Maureen	Douglas	Forster Group Ltd								Tenure ended July 2021
Steve	Drury	Rooff Limited and Rooff Residential Ltd				Y				

First name	Surname	Employer	CITB Board	Audit and Risk Committee	Nomination, Appointments and Remuneration Committee	Industry Funding Committee	Levy Strategy Committee	Cymru Wales Nation Council	England Nation Council	Scotland Nation Council
Terry	Edwards	John Weaver Construction						Y		
Tony	Elliott	Robertson Group	Y		Chair					Deputy Chair
Julia	Evans	BSRIA				Y				
James	Flannery	Cunard Construction Ltd							Y	
Angela	Forbes	BuildForce								Chair
Marion	Forbes	Mactaggart and Mickel Homes Ltd								Y
Steve	Fox	BAM Nuttall	Y			Chair				
Diana	Garnham	Consultant	Y	Chair	Y		Chair			
Andrea	Green	Costain Ltd						Y		
Andrew	Harvey	Harvey Shopfitters Ltd					Y		Tenure ended August 2021	
Leigh	Hughes	Bouygues UK						Chair		
Susan	Jackson	Campion Homes Ltd								Y
Simon	Jehu	Jehu Group Ltd						Tenure ended August 2021		
Owain	Jones	T Richard Jones (Betws) Ltd						Y		
Yvonne	Kelly	Barking & Dagenham College	Y				Y			
Seamus	Keogh	Clancy Docwra Ltd							Tenure ended June 2021	
Alison	Lamplough	Laing O'Rourke					Y		Y	
Peter	Lauener	CITB Chairman	Chair							
Sharon	Llewellyn	JPR Roofing and Flooring Ltd							Chair	
Karen	McGahan	William Waugh & Sons (Builders) Ltd								Appointed September 2021

First name	Surname	Employer	CITB Board	Audit and Risk Committee	Nomination, Appointments and Remuneration Committee	Industry Funding Committee	Levy Strategy Committee	Cymru Wales Nation Council	England Nation Council	Scotland Nation Council
Kevin	McLoughlin	McLoughlin Group	Y						Deputy Chair	
Ryan David	Miles	Miles Hire					Resigned June 2021			
Jeremy	Musselwhite	Jem Musselwhite Ltd							Appointed September 2021	
Kacey	O'Driscoll	Danny Sullivan Group				Appointed September 2021				
Hannah	O'Sullivan	VolkerWessels				Appointed October 2021				
Richard	Owen	Jones Bros						Tenure ended August 2021		
Rupert	Perkins	John Perkins Construction Ltd				Y				
Jennifer	Phin	A.C Whyte & Co Ltd								Joined January 2022
Richard	Plumb	Ordnance Survey Ltd		Y						
Holly	Price	Keltbray Group	Y			Y				
Chris	Richardson	Wates		Tenure ended May 2021						
Neil	Rogers	Scottish Decorators' Federation					Y			
Dave	Sargent	RBF Construction Training Academy Ltd							Appointed September 2021	
Maria	Seabright	Greenade Construction Ltd							Appointed September 2021	
Sophie	Seddon	Novus Property Solutions	Y	Y	Y					
Ged	Simmonds	Mace Ltd							Tenure ended August 2021	
Vikki	Skene	Galliford Try					Y			
Richard	Steedman	Cameron Drywall Contractors Ltd								Tenure ended August 2021
Neal	Stephens	Willmott Dixon						Resigned May 2021		
Rob	Tansey	Barratt Developments Plc					Y			

First name	Surname	Employer	CITB Board	Audit and Risk Committee	Nomination, Appointments and Remuneration Committee	Industry Funding Committee	Levy Strategy Committee	Cymru Wales Nation Council	England Nation Council	Scotland Nation Council
Paul	Tedder	Atlantic Dwellings Ltd						Y		
Kevin	Urquhart	Barrat & David Wilson Homes								Joined September 2021
Julie	White	D-Drill (Master Drillers) Ltd							Tenure ended August 2021	
Robert	Williams	WRW Construction Ltd	Resigned July 2021					Resigned July 2021		
Jim	Young	Chap Group (Aberdeen) Ltd								Tenure ended August 2021

This table shows all membership during the 12-month period between 1 April 2021 and 31 March 2022.

Appendix B: Board and Committee attendance

Board Attendance	2021-22
Peter Lauener (Chairman)	4/4
Tony Elliott	4/4
Steve Fox	4/4
Diana Garnham	4/4
Yvonne Kelly	3/4
Kevin McLoughlin	3/4
Holly Price	4/4
Sophie Seddon*	0/1
Robert Williams (resigned July 2021)	1/1
TOTAL	27/30

Audit and Risk Committee Attendance	2021-22
Diana Garnham (Chair)	5/5
Lee Jones (joined Nov 2021)	0/1
Peter Lauener	4/4
Richard Plumb	4/5
Chris Richardson (tenure ended May 2021)	0/1
Sophie Seddon*	0/1
TOTAL	13/17

Industry Funding Committee Attendance	2021-22
Steve Fox (Chair)	4/4
Ian Dickerson (resigned Sept 2021)	1/2
Steve Drury	4/4
Julia Evans	3/4
Kacey O'Driscoll (appointed Sept 2021)	3/3
Hannah O'Sullivan (appointed Oct 2021)	2/2
Rupert Perkins	4/4
Holly Price	1/4
TOTAL	22/27

Levy Strategy Committee Attendance	2021-22
Diana Garnham (Chair)	7/7
Liz Bridge (resigned Dec 2021)	5/5
Craig Bruce (resigned Nov 2021)	1/4
Gareth Davies	6/7
Andrew Harvey	6/7
Yvonne Kelly	6/7
Alison Duckles (Lamplough)	4/7
Ryan David Miles (resigned June 2021)	0/2
Neil Rogers	5/7
Vikki Skene	5/7
Rob Tansey	5/7
TOTAL	50/67

Cymru Wales Nation Council Attendance	2021-22
Leigh Hughes (Chair)	4/4
Robert Williams (Deputy Chair - resigned July 2021)	1/1
Gareth Davies	3/4
Terry Edwards	4/4
Andrea Green	1/4
Simon Jehu (tenure ended Aug 2021)	1/2
Owain Jones	4/4
Richard Owen (tenure ended Aug 2021)	0/2
Neal Stephens (resigned May 2021)	0/1
Paul Tedder	2/4
TOTAL	20/30

Scotland Nation Council Attendance	2021-22
Angela Forbes (Chair)	4/4
Tony Elliott (Deputy Chair)	3/4
Maureen Douglas (Chair - tenure ended July 2021)	2/2
Nicola Barclay (tenure ended Aug 2021)	1/2
Mark Bramley (tenure ended Aug 2021)	2/2
Craig Bruce	2/4
Marion Forbes	4/4
Susan Jackson	2/4
Karen McGahan (joined Sept 2021)	2/2
Jennifer Phin (joined Jan 2022)	1/1
Richard Steedman (tenure ended Aug 2021)	0/2
Kevin Urquhart (joined Sept 2021)	1/2
Jim Young (tenure ended Aug 2021)	2/2
TOTAL	26/35

England Nation Council Attendance	2021-22
Seamus Keogh (Chair - tenure ended June 2021)	1/1
Sharon Llewellyn (Chair from June 2021)	4/4
Kevin McLoughlin (Deputy Chair)	3/4
Bola Abisogun (joined Sept 2021)	2/2
Diane Bourne (tenure ended Aug 2021)	0/2
Karen Brookes	2/4
Chris Carr	4/4
Ian Dickerson (joined Sept 2021)	2/2
James Flannery	1/4
Andrew Harvey (tenure ended Aug 2021)	2/2
Alison Lamplough	3/4
Jeremy Musselwhite (joined Sept 2021)	1/2
Dave Sargent (joined Sept 2021)	1/2
Maria Seabright (joined Sept 2021)	1/2
Ged Simmonds (tenure ended Aug 2021)	1/2
Julie White (tenure ended Aug 2021)	0/2
TOTAL	28/43

* Due to personal reasons Sophie Seddon, in agreement with CITB and DfE, took an extended leave from her Trustee duties from April 2021 to January 2022, and was not required to attend meetings for the period of this sabbatical.

Appendix C: Register of Board members' interests

RELATED PARTY TRANSACTIONS

Employer Board Trustees must be concerned in the management of the activities of an employer engaging in the construction industry in order for their appointment by the Secretary of State to be valid. Therefore, with the exception of the two independent members, all Trustees would have had business interests, as Levy payers or potential grant recipients, at the date of their appointment, which may be perceived to conflict with their responsibilities as Board members. The following Board members who served for the period ended 31 March 2022 have, in addition, declared other personal or business interests.

PETER LAUENER

CITB CHAIRMAN

Peter Lauener was appointed as CITB Chairman in May 2018. Peter came to CITB with a wealth of experience in the education and skills sector, having previously held the roles of Chief Executive of the Education and Skills Funding Agency (ESFA), interim Chief Executive of the Institute for Apprenticeships and Technical Education (IfATE), and interim Chief Executive of the Student Loans Company (SLC).

Along with his work on the CITB Board, Peter currently holds a number of non-executive roles in the education, skills and health sectors. Since March 2020, Peter has been Chair of the SLC, a Government-owned non-profit-making company, which is also an executive non-departmental public body (NDPB). This organisation administers loans and grants to students in universities and colleges in the UK.

Peter continues in his role as a Non-Executive Director of Newcastle College Group, a corporation in the further education sector comprising a group of seven colleges across England, a position he has held since March 2018. He is also the Chair of Orchard Hill College, which is an independent special needs college based in Sutton, with sites across London and the South East. This college is a sponsor of a special needs academy trust with a number of academies in the same area.

In addition to his interests in the education and skills sector, Peter also has an interest in the health sector as a Non-Executive Director of Sheffield Children's NHS Foundation Trust, one of a small number of specialist children's trusts in the NHS, providing clinical and community services.

TONY ELLIOTT

GROUP HR DIRECTOR, ROBERTSON GROUP

Tony Elliott has over 25 years of experience in the fields of talent, people and learning, and is part of the senior team at Robertson, one of the UK's largest privately owned construction and infrastructure services companies. Tony feels strongly about the development of people and the growing of internal talent, the attraction of new talent, and ensuring skillsets are enhanced and future-proofed within construction.

STEVE FOX

Steve was appointed as a Non-Executive Director of Barhale Ltd on 29 July 2020, and he also provides advisory services to other parties. Steve was Chief Executive of BAM Nuttall from 2010 until June 2020. He had worked for the company since 1989. Steve is a Chartered Engineer and a Fellow of the Institution of Civil Engineers. He was awarded a CBE in 2015 for services to the construction industry. Steve is a strong supporter of both trade and technician apprenticeships as routes into the industry and is a member of the WISE Board. This follows Steve's commitment to championing women to work in science, technology, engineering and mathematics (STEM).

DIANA GARNHAM

Diana is Chair of Skills East Sussex, a member of SELEP Skills Advisory Panel, a Council Member of Christ's Hospital School, President of King's College London Alumni Association, Chair of King's College London Alumni Advisory Group, and Director of Tavern Quay RTM Company. Previously, she was Chief Executive of the Science Council and a Governor of the East Sussex College Group. She has a continuing interest in the social consequences of science, in good governance and strategy, and in enabling young people to achieve their potential, particularly within the STEM environment.

YVONNE KELLY

PRINCIPAL AND CEO, BARKING & DAGENHAM COLLEGE

Yvonne Kelly is the Principal and CEO of Barking & Dagenham College, an award-winning college that provides vocational, technical and professional training to over 7,000 students annually. Barking & Dagenham College provides intermediate, advanced and higher-level qualifications in Construction including apprenticeships and T Levels. The College trains a number of CITB apprentices. The College is the lead partner of the East London Institute of Technology, one of the first 12 in the country, and joined the WorldSkills UK Centre of Excellence Programme in 2020. Yvonne takes an active role on various Boards, and is a member on the Royal Society Education Committee, the Four Nations College Alliance and as an adviser on the Pearson FE Reference Group.

KEVIN MCLOUGHLIN

MANAGING DIRECTOR, MCLOUGHLIN GROUP HOLDINGS LTD

Kevin McLoughlin MBE is the founder and Managing Director of London-based SME McLoughlin Group Holdings Ltd. The company is an avid supporter of apprenticeships. The company employs several tutors who help train apprentices in painting and decorating, and since 2012 has offered a four-week pre-employment programme for all ages. Kevin was awarded an MBE in 2014 for his services to skills and apprenticeships, and is a Fellow of the Chartered Institute of Building. Kevin also is a Member of GMB, Liveryman of Painters and Stainers, Freeman of the City of London, Member of the Federation of Master Builders Training Group, Member of the London Regional Construction Training Group, FIR Steering Group, Islington Skills & Strategy Delivery Group, Islington Living Wage Place Action Group and a member of the Alumnus Community for the Institute for Apprenticeships and Technical Education. Kevin is also a Director of McLoughlin Decorating Schools Community Interest Company, and a Partner of Maxine and Kevin Property Business Partnership.

HOLLY PRICE

GROUP SUSTAINABILITY DIRECTOR, KELTBRAY GROUP

Holly Price was the Training and Development Director at Keltbray Group from 2007 until 2022, playing a crucial role in engineering sustainable and considerable growth through getting the right people in the right place at the right time. Holly started her career in the demolition industry at aged just 17, training to be an engineer, and went on to become Europe's only female explosives engineer in the sector. Throughout her time at Keltbray, Holly also took the lead on Social Value delivery and played an active role in industry partnerships with trade associations and other educational establishments promoting skills in the construction sector.

In early 2022 Holly was appointed as Group Sustainability Director and her collaborative leadership approach has best placed her to take responsibility for the implementation of Keltbray's published targets for environmental, social and economic sustainability.

Holly actively promotes the need to widen the talent pool by embracing diversity and attracting newcomers from all backgrounds to the industry, and she tirelessly campaigns for continuous improvement of industry standards.

Holly is also an Honorary Life Vice President of the National Federation of Demolition Contractors, which has financial management of the National Demolition Training Group, and benefits from CITB funding. She is also a Trustee of Construction Youth Trust, which receives CITB funds to support disadvantaged youth into construction jobs through training and mentoring.

SOPHIE SEDDON

PEOPLE AND CULTURE DIRECTOR, NOVUS PROPERTY SOLUTIONS

Sophie Seddon has worked in construction for over 10 years, having joined her family business after graduating in Business Management. Starting her career at Seddon Property Services, Sophie was instrumental in the company's rebrand to Novus. Since then she was appointed as the Head of Client Engagement and Communication in 2018, before moving into her most recent role in 2020. Sophie understands the importance of nurturing young talent, as Novus offers numerous routes into construction for young people. She is also passionate about the use of new technology, improving sustainability issues, and encouraging inclusivity within the industry.

Sophie is also a shareholder of JSSH Ltd, the group holdings of Novus Property Solutions Ltd and a Director and a shareholder of Hall Estates Ltd, a property development company.

ROBERT WILLIAMS

Robert resigned from the Board in July 2021.

Appendix D: Prescribed Organisations

RELATED PARTY TRANSACTIONS

During 2021-22, CITB maintained close contact with the following Prescribed Organisations:

- British Woodworking Federation
- Build UK
- Civil Engineering Contractors Association
- Construction Plant-hire Association
- Federation of Master Builders
- Finishes and Interiors Sector
- Hire Association Europe
- Home Builders Federation
- National Association of Shopfitters
- National Federation of Builders
- National Federation of Demolition Contractors
- Scottish Building Federation
- Scottish Decorators' Federation
- Scottish Plant Owners Association

Appendix E: Location of principal CITB offices

HEAD OFFICE AND REGISTERED OFFICE

Sand Martin House
Bittern Way
Peterborough
PE2 8TY

Tel: 0300 456 7577

SCOTLAND

Scottish Office
4 Fountain Avenue
Inchinnan Business Park
Inchinnan
Renfrewshire
PA4 9RQ

Tel: 0344 994 8800

WALES

Welsh Office
Companies House
Crown Way
Maindy
Cardiff
CF14 3UZ

Tel: 0303 123 4500

Appendix F: Glossary

CCS	Crown Commercial Service
CIS	Construction Industry Scheme
CJRS	Coronavirus Job Retention Scheme
CPCS	Construction Plant Competence Scheme
CPI	Consumer Prices Index
CSCS	Construction Skills Certification Scheme
CSF	Construction Skills Fund
DfE	Department for Education
ESFA	Education and Skills Funding Agency
ICO	Information Commissioner's Office
IfATE	Institute for Apprenticeships and Technical Education
ISAs	International Standards on Auditing
ITB	Industrial Training Board
KPI	Key performance indicator
LSC	Levy Strategy Committee
NAO	National Audit Office
NCC	National Construction College
NDPB	Non-departmental public body
OCPA	Office for the Commissioner of Public Appointments
ONS	Office for National Statistics
RPI	Retail Prices Index
SDS	Skills Development Scotland
SEISS	Self-Employment Income Support Scheme
SME	Small and medium-sized enterprise
SORP	Statement of Recommended Practice
STEM	Science, technology, engineering and mathematics
WAG	Welsh Assembly Government

E02765392

ISBN 978-1-5286-3546-2