

Minutes of the Board meeting held at 09.00 on Wednesday 16th May 2018 at CITB
Carthusian Court, 12 Carthusian Street, London, EC1M 6EZ.

PRESENT

Peter	Lauener (Chair)	:	Board Trustee
Maureen	Douglas	:	Board Trustee
Diana	Garnham	:	Board Trustee
David	Harris	:	Board Trustee
Karen	Jones	:	Board Trustee
Maria	Pilfold	:	Board Trustee

OBSERVERS

Sharon	Davies	:	Wales Government (present from 9.50am)
Scott	Ruby	:	DfE

STAFF IN ATTENDANCE

Sarah	Beale	:	Chief Executive Officer
Emma	Black	:	General Counsel and Board Secretary
Mark	Noonan	:	Industry Engagement Director (Item 5 only)
Craig	Pemberton	:	CFO & Corporate Performance Operations Director
Steve	Radley	:	Policy Director (Item 4 and 5 only)
Patrick	Makoni	:	Assistant Board Secretary (minutes)

ITEM 1: WELCOME, DECLARATION OF INTERESTS, MINUTES OF THE LAST MEETING AND ACTION PLAN.

1.1. The Chair welcomed Trustees, observers and attendees present. He remarked that he was an inclusive Chair who had expectations of high standards of governance where Board Trustees would hold each other to account. He commended the General Counsel and Board Secretary and the Assistant Board Secretary for the support they had given him during his CITB induction process.

1.2. Apologies were received from Sarah Hart, the Scottish Government representative.

1.3. The Chair put it on record that in addition to his CITB role, he was a Chair of NCG, a college group providing further education, training and employment across the United Kingdom. However, this was not seen as a “practical interest” which needed to be declared. It was noted that within the board pack, there was a paper on Funding Strategy where it was perceived that Trustees might have an interest. In brief discussion, it was **agreed** that there was no actual or apparent conflict of interest that needed declaring by any Trustee.

1.4. The minutes from the meeting that was held on the 28th of February 2018 were **‘agreed as a true and correct record’**.

ITEM 2: CEO REPORT

2.1. The Board received the CEO Report which covered the month of April 2018 to **note** updates and to suggest any additional areas to include as updates for future reports.

2.2. The report was taken as read. However, the CEO spoke to key highlights of her report except financial performance which would be covered off by the Chief Financial Officer and Corporate Performance Operations Director in item 3 of the agenda below. Key highlights included:

- [REDACTED] Confidential. While Grant Scheme figures had gone down, CITB was paying c£2.5m per week since

launching the new Training Directory. The numbers were on an upward trend from April 2018;

- Confirmation had been received from Skills Development Scotland (SDS), that CITB's provision in Scotland would be inspected between January and March 2019. CITB's most current Self-Assessment Report (SAR) and Quality Assessment Process had been submitted (CITB submitted these annually). Internal review was currently underway in Scotland to assess the quality of our provision in advance of inspection. An action plan would be developed based on the outcomes of the review;
- The headcount was coming down with CITB losing key instructors in the Training Team to other Training Providers who were offering better terms. It was however anticipated that there would be a cohort that would stay in the long term;
- The new outsource provider supporting CSCS administration was operating at the required capacity. Service levels had significantly improved in the number of processing days to below what was contractually obliged to provide;
- Debt recovery processes had been tightened. CITB was proactively registering companies in scope for levy payment including small companies which would only be registered for Grant eligibility without necessarily paying levy. This would be positive and create a level playing field within the sector. Two large companies had voluntarily approached CITB for discussion of them being in scope for levy payment. Equally, CITB levy verifiers were carrying out some desktop work to review those companies that ought to be on the levy payers register to inform the Scope Order in the future. HMRC would provide CITB with a global figure of companies in scope but due to statutory complications in obtaining a data sharing agreement with HMRC, no other data would be available. However, it would be worthwhile to check with ESFA data on companies paying the Apprenticeship Levy and review if they were in scope for CITB levy as well;
- CITB had been working with various government and crime agencies and following weeks of surveillance, dawn raids resulting in a number of arrests had been made for conspiracy to commit fraud. Articles that included large sums of cash, cards and certificates were seized. Since divesting from Cskills Awards, CITB was now seen as an "independent" strategic partner for the awarding bodies thus ensuring industry confidence in qualifications and card schemes underpinning competency for construction operatives;
- The Construction Working Group would be meeting later in the month to discuss progression of the Trailblazer Apprenticeship Standards. A target of fifty standards had been set to be in place by the end of the year but the target had been moved forward to end of July 2018. CITB was awaiting formal approval from the Institute for Apprenticeships (IfA) on an application to undertake the External Quality Assurance role for the construction sector;
- The Engagement Team's efforts had been focussed on creating targeted relationships with the Nations which included formal creation of working groups outlined in the engagement model. It would be prudent to have clarity around structure, expected outcomes and how information would be fed back into CITB. The Board noted that the relationships were delicate and there was work to do with the Federations in Scotland and Wales. There was a need to involve the Federations in setting up the engagement principles to gain their confidence that they would still be involved in the Consensus process;
- The Contractors Federation had expressed a willingness to partner CITB on the Contractors Scheme. They had a belief that they would benefit from c£8m in funding but that had not materialised. However, Federations expressed satisfaction that the scheme was not branded and therefore would support it as under the terms of the scheme, contractors could signpost potential participants and get free advertising space for their services. It was noted by the Board that there were such other

schemes underway in Wales. The Policy Team was investigating Local Enterprise Partnerships (LEPs) for opportunity areas where companies could work collaboratively;

- The Board noted that had been a delay in announcing the appointment of the three new Board Trustees (all industry representatives) due to the Minister of State for Skills and Apprenticeships' temporary absence from office. It was expected that all three individuals would accept the appointment. They were being kept engaged on the process. Those that had not been appointed had been put on notice by Partnership Directors to also apply for nomination to Nation Councils.

FOM Headlines

2.3. Consultation on the future Head Office location had commenced on 27th March with Unions and Management Representatives. A counter-proposal for Norwich had been tabled. There had been some challenges emanating from the Human Resources team regarding communication with colleagues, as a result of which consultation has been extended by two weeks to the 25th of April 2018. Further extensions requested by both the Unions and Management Representatives beyond this date had been declined. CITB had since engaged two Recruitment Agencies to shortlist for a new Human Resources Director. The Chair of the Appointments and Remunerations Committee would have a discussion with the Chief Financial Officer and Corporate Performance Operations Director to input into the process.

2.4. The Training Model remained in the warranty phase. The deployment team were working through a number of teething issues and improvements which included the grant rules automation. However, no significant issues had been escalated.

2.5. Initial offers had been received for the sale of CPCS. [REDACTED]

[REDACTED] Commercially sensitive. The Executive expected to present a recommended offer to the Board in mid-June as planned. The Assistant Board Secretary would arrange a conference call for the Board to make its recommendations.

[REDACTED]
Confidential

2.7. All training businesses and sites would be going to market in autumn with a range of interests already expressed. Services of a sales agent and land agent were being procured to ensure that there was value for money from the investment. This would be brought to the Board for decision. Discussions with local authorities had commenced and a round table for stakeholders would be convened in June 2018.

2.8. The Board **noted** the CEO report and commended its comprehensiveness.

ITEM 3: OVERVIEW OF CORPORATE PERFORMANCE AS AT 31 MARCH 2018

3.1. The Board received a paper from the Chief Financial Officer and Corporate Performance Operations Director setting out an overview of the operational and financial performance of the CITB and achievement against the agreed Board Outcomes for the 15-month period ending 31 March 2018. The Board was requested to **note** the performance and to **consider** feedback for the Executive on areas of focus for 2018/19.

3.2. Due to a change in CITB's reporting period from January/December to April/March, the period being reported was a one-off 15 month "year" on Income versus Expenditure and

Plan against Targets. Consensus had been achieved and the Levy Order signed on the 27^h of March 2018 having passed through both Houses of Parliament. The Levy bulk assessment had been run on time in April 2018. Following the collapse of Carillion, CITB had managed the impacts well and provided assistance to circa.1400 apprentices that had been impacted. CITB had also designed and hosted a web based service to aid those that had been made redundant on behalf of the Department for Work and Pensions (DWP). Consequently, CITB's reputation had been enhanced.

3.3. A series of face to face meetings had been held in November 2017 between the Executive and staff to outline and discuss the Vision 2020 plans following a successful conclusion from the ITB Review carried out by the government. The sessions were valued with consistent messaging throughout the organisation that culminated in a consultation process on the Future CITB. Preparation for the outsourcing of corporate functions and other back office services had been triggered with tender preparatory work to support going to the market at the beginning of April 2018. The outsourcing programme was on track to go live in January 2019.

3.4. Efforts by the CITB to improve operational practises around business planning, financial control, performance management and risk management had culminated in the introduction of a new performance and risk management framework. New Board KPIs and seven Strategic Risks had been agreed where the Executive would be carrying out "deep dives". A new process where the Strategic Risks would be reviewed by Executive Sponsors before coming to the Audit and Risk Committee was under implementation. This had assisted in producing a three year Business Plan (2018/21) that had been agreed and signed off by the Board at its February 2018 meeting. The Business Plan had since been published internally and externally. Negotiations had taken place with the Unions regarding the 2018 Pay Offer and this had been implemented. A new Training Model that consisted of a revised Grants Scheme, the Training Directory and a Construction Training Register had launched successfully; a sign of the Vision 2020 reform agenda being delivered.

3.5. Of the Board Outcomes agreed to end March 2018, five items had been achieved with a green RAG status. The original target date of July 2017 for first teaching on Apprenticeship Standards had been missed resulting in a red RAG rating. GoConstruct had amber status as there was still work to do with industry to achieve recognition as the go"-to-portal" for an integrated careers campaign for the construction Industry.

3.6. Key financial highlights were as follows:

- Deficit £67.2m versus a forecast deficit of £68.2m (higher due to 15 month issue);
- Reserves £34.8m;
- FTE 1385 versus forecast of 1375 mainly due to higher than planned contingency workers;
- Income £357m; £0.9m over forecast due to higher Levy Income;
- Funding £248m; £4m underspend due to an underspend in Grants Scheme;
- Operating costs £177m;
- Debt collection improving.

3.7. In discussion the Board noted:

- CITB carried out its own debt collection. Costs and collections figures would be outlined in a matrix within the Performance Management Accounts;
- A review of expense payment processes had revealed a legacy miscalculation of National Insurance (NI) contributions which, over the years, had accumulated to a maximum liability of £0.9m. This was now fully accounted for. Tax Advisers were finalising an assessment for declaration to HMRC. This would be declared in the Annual Report & Accounts. The Board was advised that there was a degree of

confidence from the Executive that this issue had been fully uncovered following a rigorous review and that full provision would be made for this;

- A £120m deficit in the Reserves had been brought down to £34m (a positive for the industry). The whole of Transition Payments had been taken from the previous year's figures with more real time accounting in place.

3.8. The Board **noted** the report.

ITEM 4: FUTURE STRATEGY PAPER

4.1. The Board received a paper on Strategy and Planning from the Policy Director for discussion.

4.2. The overall message was that construction had been weaker than other parts of the economy, driven in part by poor weather. However despite the slowdown, there was no evidence of skills pressure easing. The Policy Director outlined the outlook of the key UK Construction indicators from the Office for National Statistics (ONS) from 2016 to 2018 forecasts. He also presented data on construction skills demand and supply for 2018 which included a gap analysis, industry survey indicators, migration research, key trends in the external environment and stage reports on local skills programmes across the nations and regions. In discussion, some points to note were:

- CITB would start giving short papers on strategy with evidence base to have an industry a picture of where interventions were needed, for example offsite construction. A discussion had taken place with the Housing Minister on offsite construction. The Board noted that a lot of interest had been generated in this area with positives such as better margins, staff retentions and good working conditions being scored. However, there were barriers being encountered particularly confidence of demand which did not resonate well with homebuilders on the models of homebuilding and issues of perception by both lenders and the public at large. CITB needed to be part of engagement with the Construction Leadership Council (CLC) to see how they could be involved together in training, recognising the changes in skill needs in the industry. Industry was coming to a common standard and needed the right number of assessors and skills;
- A group of academics and researchers from industry would be assembled with funding under commissioning being underpinned. CITB needed to be seen as progressing work it was carrying out;
- Introducing careers campaign that emphasised and focussed on career progression with clear career pathways, the right standards and qualifications while ensuring that T-Levels reflected future needs and had behavioural skills for success. There was a feeling that the paper was Westminster centric and lacked elements of Trailblazers and T-Levels in Scotland and Wales. It would be prudent to have a session that investigated the differences between the Nations, the pros and cons, taking into account the nature of the different enabling legislations;
- Encouraging better relationships between employers and training providers through utilisation of tools such as the Training Directory;
- CITB would focus on having funding commissions in the future as its role was an enabling one. CITB was helping to shape the funding of the government's Sector Deal;
- There was a need for some research on what was going to happen post Brexit with a view to invest funds in areas industry wanted the CITB to. Skills shortage was not seen as a major issue at present but more about how roles would change in terms of behaviours and CITB needed to be prepared. CITB had begun conversations with manufacturers regarding onsite skills which needed considering in relation to

logistics. There seemed to be a blur between manufacturing and construction, however statistics were expected to be consistent but it was important for CITB to consider marketing to parents and show an impact as had been portrayed following Carillion's collapse;

- While Apprenticeship Standards were being agreed, there were some concerns on whether there would be sufficient funding to give comfort to the market;
- The unique learner starts by main programme between 2012-13 and 2015-16 showed a decline of FE starts in comparison to Apprenticeship starts but it was not clear whether there were level 4 or 5 qualifications;
- The statistics on UK domiciled construction and built environment related degree enrolments which had increased from 2013/14 to 2015/16 but not matching 2008/09 pre-recession peak was worrying. It would be worth investigating whether a level 5 or 5 qualification could cater for a different market.

4.3. The Board **noted** the paper.

ITEM 5: STRATEGY AND PLANNING WORKSHOP FUNDING, LEVY STRATEGY AND CONSENSUS

5.1. The Board had a workshop with a presentation led by the Policy Director and the Industry Engagement Director to **discuss** and give a **steer** to the Executive on its proposals for CITB's three year work plan on future Funding, Levy Strategy and the Consensus process. The Policy Director spoke to his presentation setting out what was intended to be achieved within the plan which included:

- 5.1.1 Getting clarity across all stakeholders on how CITB use combined funding levers to achieve greatest impact, and agreement on how it is financed;
- 5.1.2 A delivered shift towards evidence-based funding, based on agreed positions;
- 5.1.3 An agreed fairer and more efficient way of collecting the levy;
- 5.1.4 An increased credibility of Consensus - stronger case to support longer-term investment decisions;
- 5.1.5 A prepared ground for future review of who should be in Scope;

Funding

5.2. Funding supported Board outcomes through Commissioning, Grants Scheme, Skills and Training Fund, support role to Apprenticeships Service and working with local influencing. There were various ways to embed CITB's funding approach and these included accelerating the shift to greater use of commissioning to achieve outcomes, establishing funding as one overall pot with task and finish interventions targeted at priorities, reducing support for deadweight and increase support in priority areas and increased targeted support for smaller firms. The Grant Scheme had been seen as a reward for employers that trained. However, with the new Grant Scheme in place, there was an opportunity for CITB to influence behaviour and show Industry that CITB was making a difference in the areas it funded as evidence built up. The Skills and Training Fund had developed "its own legs" targeting smaller firms that wanted to invest in technology and a change in culture. CITB was investigating the possibility of having collaborations with senior people within Industry on Immersive Learning. A figure of c£180m was available but would target top priorities on task and finish jobs.

5.3. Key questions for the Board to consider were:

- 5.3.1 Would the proposed programme of work on funding be effective in achieving the objectives set out?
- 5.3.2 Did the Board support the proposed pace of reducing support for deadweight training and targeting it at priority areas?

- 5.3.3 Did the Board believe that CITB's proposed more targeted future direction is the more effective way to influence how industry trains?
- 5.3.4 Did the Board agree that CITB should start engaging now with construction to take the proposals forward?

5.4. Prior to discussion, the Board requested the Executive to ponder the following questions, taking into account that there had been a vast intake of apprentices who had been trained and getting minimal output, with some starting and not finishing their training courses;

- 5.4.1 Did CITB have clarity on the right set of outcomes for skills creation within industry over one/two/ three years?
- 5.4.2 What set of activities and use of funds would achieve those outcomes?
- 5.4.3 If CITB was projecting that more skills could be obtained at qualification levels 3/4/5 or degree level including gender diversity, what steps were being taken to address this?

5.5. It was noted that key risks were for CITB to have strong relationships and team ability to support core delivery of commissioning funding for skills and training. In terms of the speed of change, there was a weight of not delaying based on evidence or an alternative to go slowly. In a robust discussion on the funding proposals, the following key points were made:

5.5.1. At the last Consensus round, there had been no evidence that CITB was tackling issues via funding. The timing was right but there was need to be careful on smaller businesses that while CITB was funding them, it would not cut off those that may contribute slightly more;

5.5.2. The failure rate for funding applications for Small and Medium Enterprises (SMEs) was high. There was a need to get them to agree assistance on their business plans;

5.5.3. It was important to involve more of industry to claim funding with Federations involvement and avoid having in house solutions only. Levy payers needed to see benefits for funding across the entire industry. It would be prudent to spend more time designing solutions rather than assessing applications;

5.5.4. There was concern over what would be delivered by 2020. There was a possibility that SMEs might focus on other priorities and CITB had to respond by channelling additional support to train apprentices using tried and tested methods;

5.5.5. SME's had been reporting that training increased productivity but this had not been captured in the proposal as an outcome. CITB needed to ensure increased productivity was not lost as an ambition;

5.5.6. There was a need to avail the Board more research data on grant applications;

5.5.7. There was a huge cultural perspective from grants and commission funding which needed a range of partners to work. The Executive had commenced conversations with one partner;

5.5.8. The direction of travel was aspirational and exciting but there was need to work out the deliverability of the plans in terms of capacity as CITB underwent change. The organisation needed to think at least eighteen months in advance on the pace of change;

5.6. In response to a question on whether there was clarity on what CITB wanted to "dial up or down"; the Executive advised that the Construction Skills Network (CSN) forecasts had shown management and supervisory focus as an area to upskill management and

leadership through training to increase productivity in the new ways of working. Further work was being commissioned on productivity. Changes had been made in Flexible and Structured Funding for more discipline in achieving outcomes via different employer organisations with a need to move away from CITB staff assisting employers in writing up their funding bids. On Immersive Learning, an expectation of employer organisations taking the lead was not seen as ideal due to a skills shortage hence they would be linked with third party organisations with a clear communication strategy on the reasoning behind it. Evidence on the success of immersive learning would be reviewed to ensure that micro organisations would not miss out. However, it was expected that automation would result in more micro organisations getting funding. Engagement and communications would be key to achieving this ambition.

5.7. Following discussion, the Board **recommended** that CITB goes at the pace that it had started and deliver results while safeguarding unintended consequences. It was important for the CITB to deliver its deliverables to avoid losing credibility. The Board **requested** that the **plan** that would take CITB there **be brought back to board** before a **decision** on a **steer** could be made.

5.8. ACTION: The Policy Director and the Industry Engagement Director to present to the Board a detailed plan on funding that addressed key questions raised in minute 5.4

Levy

5.9. The Executive were **recommending** an extensive programme of engagement with industry on levy and **proposing** to work on the following areas:

5.9.1 Rates, thresholds and exemptions – work to commence in 2019 post engagement on key funding issues;

5.9.2 Simplifying levy collection – involving a combination of sophisticated levy estimates based on known information, prior returns, grant claimed and the practicalities of drawing on HMRC data, cognisant of the legislative obstacles;

5.9.3 Introducing flexibility in the next Levy Order – allowing the rate to be varied based on evidence and industry agreement. Would also investigate the practicalities of allowing employers payment holidays under certain specific circumstances such as suppliers being affected by the collapse of a major firm;

5.9.4 Moving to some form of Real-Time levy payment.

5.10. The proposals put forward would result in a better way of levy collection that created a level playing field which would ultimately ensure that CITB got better at debt collection. A longer Levy Order with flexibility would avoid situations of collecting more levy than was actually required and then finding crude means to return the funds to industry. CITB could also temporarily reduce the levy rate when the industry was performing below optimum, award payment holidays and provide clarity on the year the levy was being paid on. There was also a need to take into account Government's Apprenticeship Levy which was based on payroll and different to the CITB Levy. Collecting CITB Levy on a real time basis could be an opportunity to align with the Apprenticeship Levy. The Executive was conscious that there was a significant amount of technical work that needed to be done to achieve the proposals.

5.11. Differing views were expressed in discussion with the Board stating that the proposal felt like "a complexity too far that could cut either way". While there was some support to real time levy payment, there was no clarity of direction from the sponsor department on its ambitions on real time flexibility. There was discomfort on payment holidays with a recommendation that this be left as a legislative matter. The Board was not convinced on the

benefits of real time levy payment as auditability would be made complex on projected figures as opposed to “last years” figures which were more factual. It was worth taking into account that CITB was a small organisation that needed to keep in check the objectives of what the organisation wanted to achieve for industry. There was also a possibility of accounting manipulation by employers on the proposals put before the Board.

5.12. The Board **recommended** that further discussion be held with industry on the proposals before returning to the Board with more evidence of appetite.

5.13. ACTION: The Policy Director and the Industry Engagement Director to engage in further discussion with industry to gauge appetite on the proposals before returning to the Board with more evidence.

Consensus

5.14. The Executive proposed that CITB undertakes a review of the Consensus process to determine whether the current approach was fit for purpose, needed reviewing or to explore ways to carry out the periodic process. A number of issues that needed reviewing and to be considered were laid out before the Board and included:

- 5.14.1. The role of Prescribed Organisations versus an extended survey;
- 5.14.2. A longer levy order;
- 5.14.3. What better ways could CITB do it?
- 5.14.4. Could CITB envision removal of Consensus? If so, replaced by what?

5.15. Industry and the Federations had been negative about the current process with scepticism raised on those that had voted against CITB and then funded by CITB. The Executive was not looking at the mechanics of the process but a change in the relationship. The current process felt increasingly out of date where response rates were low. It was felt that this was not reflective and representative of industry as a whole. Therefore, there was a risk that continuing the current process could potentially open up CITB to litigious action on legitimacy from disgruntled employers that may vote against Consensus where representation might be questionable. The Board noted that the Consensus process could be changed by CITB as it was not set in legislation. The important consideration was an understanding of how the new process would work for industry and how expectations would be managed with clear communications put in place. Having legitimacy set for a period was seen to be helpful to CITB’s cause. It was important for CITB to avoid having a binary view of employers but that they were levy payers and not customers.

5.16. Following discussion, there was **consensus** by the Board to **support** the review both in the short and long term. It would be useful to have a process that gauged how levy payers felt and capture the information in an extended agreed KPI. Work was also being carried out to review the criteria for Federations to become a Prescribed Organisation.

Scope

5.17. It was proposed that a programme of work be instigated with a review of the Scope Order commencing in 2021 if consultation with industry showed support. Key areas of work would include:

- Setting up the process for working with industry and government by Q1 2019;
- Undertaking research to better understand current and potential future structural industry changes;
- Industry consultation on whether to set up a Scope Review conducted at the end of the 2020 period.

5.18. Following recommendations from the ITB Review, the Board noted that there needed to be a change in the primary legislation for a change to be effected in the Scope Order. There was unlikely to be a gap for a bill due to Brexit however, CITB needed to be ready as soon as there was a gap in the Legislative Calendar.

5.19. The Board **supported** the proposals.

ITEM 6: GOVERNANCE DOCUMENTS - NATION COUNCIL RECRUITMENT

6.1. The Board received an **oral update** on CITB Internal Governance documents and the progress made on the recruitment of Chairs and members of the new Nation Councils from the General Counsel and Board Secretary.

6.2. At its workshop in January 2018, the Board had been presented with redrafted CITB Internal Governance documents for **approval**. Following discussion, these had been approved with a **recommendation** to have consistency in wording and terminology. The recommendation had now been fully implemented. The Secretariat was requested to upload the documents on "Convene".

6.3. Industry response to the recruitment campaign for Chairs and members of the new Nation Councils had been positive across the three Great Britain nations. The General Counsel and Board Secretary would be assisted in sifting the applications by the CITB Industry Engagement Director and three Trustees with Human Resources and Industry experience to shortlist candidates for interview immediately after the Board meeting. The Board Chair would then participate in the interview process. The General Counsel and Board Secretary expressed her thanks to Trustees who were assisting in the recruitment process for their time and commitment.

6.4. The board **noted** the oral update.

6.5. ACTION: Secretariat to upload internal governance documents on the Convene portal.

ITEM 7: USE OF THE BOARD SEAL

7.1. The Board received a report from the General Counsel and Board Secretary on the use of the Board Seal during the quarter for **note**.

7.2. The Board **noted** the report.

ITEM 8:

8.1. The Board received verbal updates from the Chairs of the Investment Funding Committee and the Audit and Risk Committee on issues that had come up for discussion at their meetings on the 8th of March and 4th of May respectively.

AUDIT & RISK COMMITTEE MEETING HELD ON 4 MAY 2018

8.2. The meeting's main focus had been the review of the 2017/18 Annual Report and Accounts (AR&A). There had been a notable shift in getting the numbers accurate at draft stage which was positive. The Chief Financial Officer & Corporate Performance Operations Director and his Finance Team had been congratulated by the Committee for the work done. Clarity from the Sponsor Department had been sought via the National Audit Office (NAO) on disclosure requirements regarding Charities SORP. The Committee had noted and commended the huge strides that had been made in managing strategic risks. Overall, the AR&A needed some tweaking but the Board would receive assurance with the knowledge that the AR&A had been fully reviewed by the Committee.

INVESTMENT FUNDING COMMITTEE MEETING HELD ON 8 MARCH 2018

8.3. The majority of the issues that had come under discussion had been covered off by the Policy Director in his presentations in items 4 and 5 of this Board meeting. However, the Committee had received updates on the progress of the new Grants Scheme and Funding, noting that there was more work that needed to be done on hard to reach areas. There had been lack of communications on the new Grants Scheme and the Training Model. However the communications issue was now being addressed with more communications having been effected. From April 2018, CITB had commenced to promote commissioning of projects to support the National Retraining Scheme. Innovation; this had been based on the priorities of offsite, digitalization and energy efficiency. Innovation Scotland had been invited to give ideas on digital products.

8.4. The Board **noted** the updates.

ITEM 9: BOARD FORWARD PLAN

9.1. The Board received its Forward Plan with proposed new meeting dates to May 2019 for **consideration**.

9.2. Following the change in CITB's financial year from January/December to April/March, it had become necessary to move Board dates to align with the new Corporate Performance reporting period, hence new dates being proposed.

9.3. The Board **agreed** the new proposed dates and requested that the proposed March 2019 Away Day be moved forward to around November 2018. The Board meeting scheduled for the 22nd of August would be moved back to the 29th August 2018.

9.4 ACTION: A full calendar incorporating Board Committee meeting dates would be circulated by the Secretariat in due course.

ITEM 10: ANY OTHER BUSINESS

10.1. The Board had not held an Effectiveness Review for over a year. It was **agreed** to undertake one before the end of the calendar year. The Secretariat would make the necessary arrangements.

10.2. ACTION: Secretariat to arrange for a Board Effectiveness Review at its November 2018 meeting.

ITEM 11: CLOSED SESSION